

# INTRODUCTION



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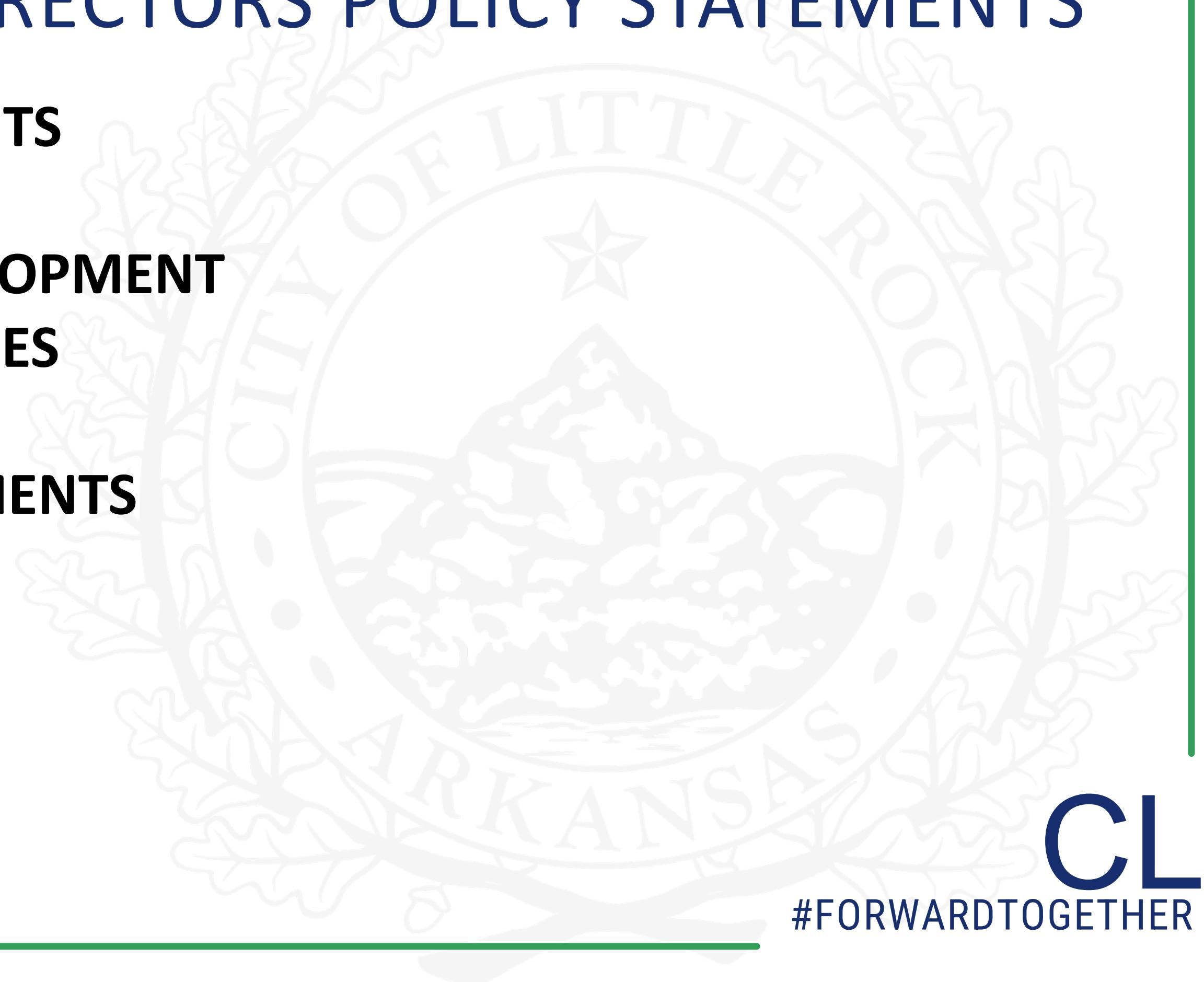
# BOARD OF DIRECTORS POLICY STATEMENTS

## ➤ MUST DO STATEMENTS

- **SAFE CITY**
- **ECONOMIC DEVELOPMENT**
- **BASIC CITY SERVICES**
- **INFRASTRUCTURE**

## ➤ SHOULD DO STATEMENTS

- **QUALITY OF LIFE**

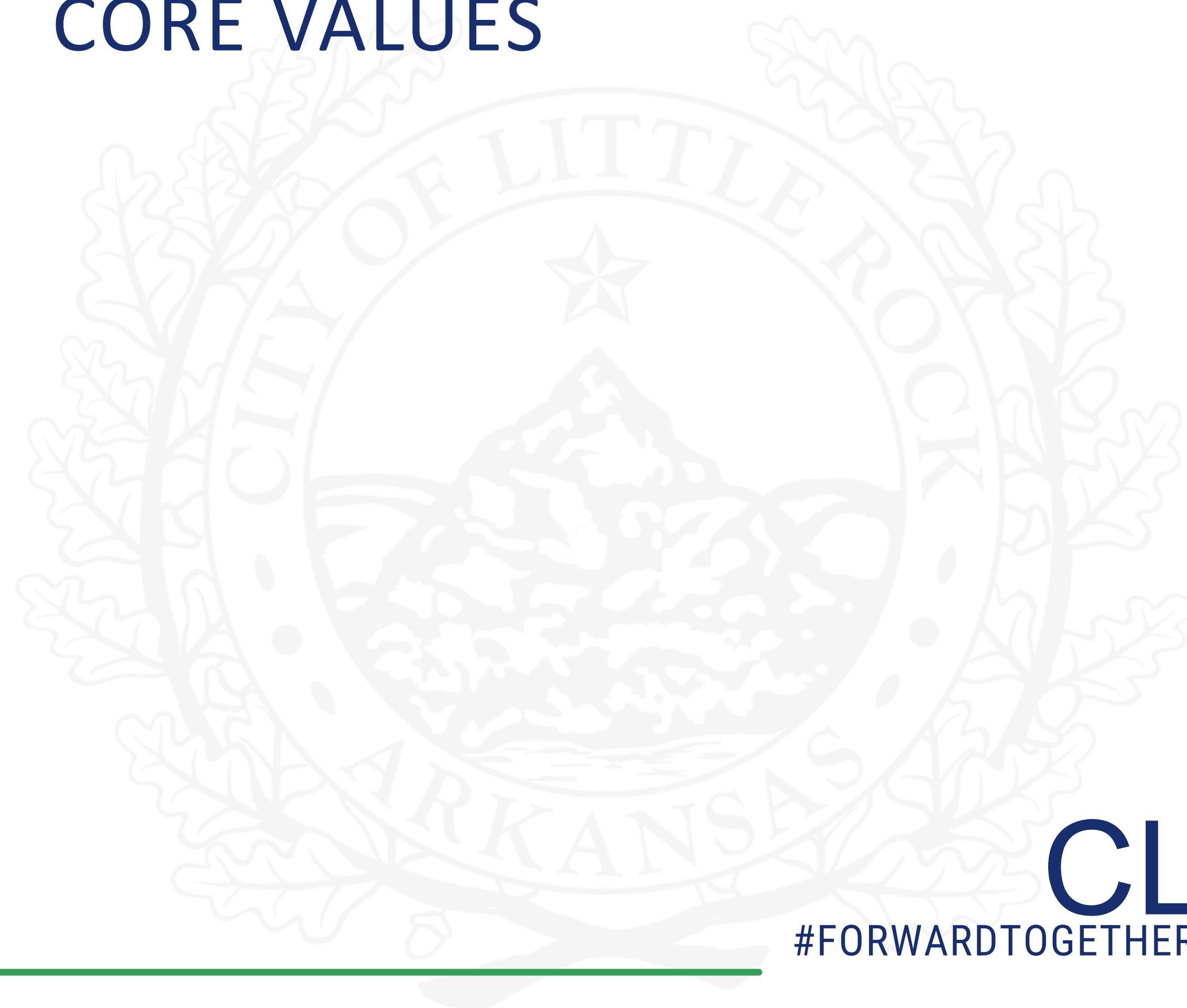


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# CORE VALUES

- **Equity**
- **People-Centered**
- **Accountability**
- **Innovation**
- **Exceptional Service**
- **Professionalism**

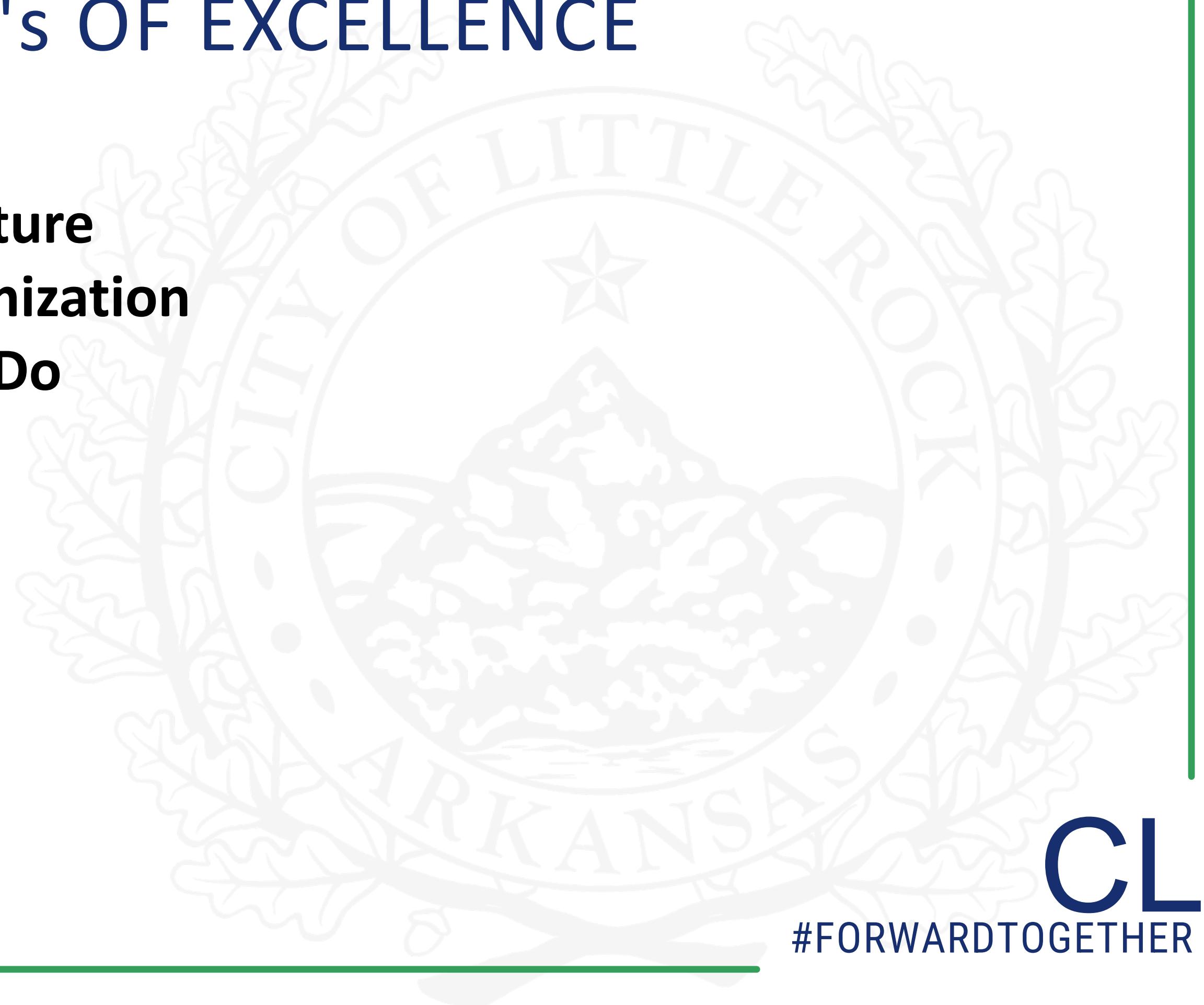


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# E's OF EXCELLENCE

- Exceptional Service
- Enthusiasm with Culture
- Energy Toward Optimization
- Excellence in All We Do



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# FACTORS IMPACTING BUDGET PREPARATION

|   | <b>FY25<br/><u>Adopted</u></b> | <b>FY26<br/><u>Projected</u></b> | <b>FY27<br/><u>Projected</u></b> | <b>FY28<br/><u>Projected</u></b> | <b>FY29<br/><u>Projected</u></b> |
|---|--------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>General Fund</b>                       |                                |                                  |                                  |                                  |                                  |
| Beginning Fund Balance                    | \$ 43,967,342                  | \$ 43,967,342                    | \$ 43,967,342                    | \$ 43,967,342                    | \$ 43,967,34                     |
| Plus: Est. Revenue (a)                    | 263,108,099                    | 268,370,261                      | 275,079,518                      | 281,956,506                      | 289,005,41                       |
| Less: Est. Expenses                       |                                |                                  |                                  |                                  |                                  |
| Executive Administration                  | 31,379,060                     | 29,022,062                       | 29,778,521                       | 30,117,316                       | 31,001,97                        |
| Board of Directors                        | 412,772                        | 413,747                          | 424,338                          | 429,447                          | 441,75                           |
| Community Programs                        | 236,896                        | 219,341                          | 225,057                          | 227,619                          | 234,30                           |
| City Attorney                             | 3,079,218                      | 2,851,023                        | 2,925,315                        | 2,958,624                        | 3,045,49                         |
| District Court - First Division           | 1,590,355                      | 1,472,497                        | 1,510,868                        | 1,528,071                        | 1,572,94                         |
| District Court - Second Division          | 1,418,639                      | 1,313,507                        | 1,347,735                        | 1,363,081                        | 1,403,10                         |
| District Court - Third Division           | 650,688                        | 602,467                          | 618,166                          | 625,205                          | 643,56                           |
| Finance                                   | 5,634,627                      | 5,217,057                        | 5,353,005                        | 5,413,957                        | 5,572,92                         |
| Human Resources                           | 3,107,566                      | 2,877,271                        | 2,952,247                        | 2,985,863                        | 3,073,53                         |
| Information Technology                    | 8,083,237                      | 7,484,207                        | 7,679,233                        | 7,766,673                        | 7,994,72                         |
| Planning and Development                  | 3,748,704                      | 3,470,896                        | 3,561,342                        | 3,601,894                        | 3,707,65                         |
| Housing & Neighborhood Programs           | 8,997,055                      | 8,330,303                        | 8,547,377                        | 8,644,703                        | 8,898,54                         |
| Public Works                              | 1,231,876                      | 1,140,585                        | 1,170,307                        | 1,183,633                        | 1,218,38                         |
| Parks & Recreation                        | 11,875,529                     | 10,995,460                       | 11,281,984                       | 11,410,447                       | 11,745,49                        |
| River Market                              | 1,055,200                      | 977,002                          | 1,002,461                        | 1,013,875                        | 1,043,64                         |
| Golf                                      | 1,856,684                      | 1,719,089                        | 1,763,886                        | 1,783,971                        | 1,836,35                         |
| Jim Dailey Fitness & Aquatics             | 938,304                        | 868,769                          | 891,408                          | 901,558                          | 928,03                           |
| Zoo                                       | 7,867,289                      | 7,284,262                        | 7,474,078                        | 7,559,182                        | 7,781,14                         |
| Fire (b)                                  | 64,568,686                     | 67,974,111                       | 70,199,175                       | 72,500,282                       | 74,880,17                        |
| Police (c)                                | 95,656,413                     | 100,701,440                      | 103,997,800                      | 107,406,816                      | 110,932,55                       |
| 911 Emergency Communications              | 5,233,507                      | 5,351,981                        | 5,473,516                        | 5,598,205                        | 5,726,14                         |
| Vacancy Reductions (d)                    | (11,000,000)                   | (11,000,000)                     | (11,000,000)                     | (11,000,000)                     | (11,000,000)                     |
| Debt Service - short-term notes (e)       | 2,863,415                      | 6,420,477                        | 5,205,446                        | 5,205,446                        | 3,557,06                         |
| Transfers Out (including contingency) (f) | 12,622,379                     | 12,662,707                       | 12,696,253                       | 12,730,638                       | 12,765,88                        |
|   | <b>\$ 263,108,099</b>          | <b>\$ 268,370,261</b>            | <b>\$ 275,079,518</b>            | <b>\$ 281,956,506</b>            | <b>\$ 289,005,41</b>             |
| Net Increase (decrease) to Fund Balance   |                                | -                                | -                                | -                                | -                                |
| Ending Fund Balance (g)                   |                                | <b>\$ 43,967,342</b>             | <b>\$ 43,967,342</b>             | <b>\$ 43,967,342</b>             | <b>\$ 43,967,34</b>              |
| Reserve Requirement (10% of Revenues)     |                                | <b>\$ 26,310,810</b>             | <b>\$ 26,837,026</b>             | <b>\$ 27,507,952</b>             | <b>\$ 28,195,651</b>             |
|   |                                |                                  |                                  |                                  | <b>\$ 28,900,54</b>              |

2026 Projection included in the 2025 budget book showed that departmental reductions would be required to support commitments for 2026 made in 2024 and prior years to balance the budget.

Assumed 2% overall growth in revenues and expenditures from 2025 to 2026. Included 5% salary increases for Police and Fire, and a 5% increase in health insurance. From 2025 Budget Book.

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# FACTORS IMPACTING BUDGET PREPARATION

|  | FY25<br><u>Adopted</u> | FY26<br><u>Projected</u> | FY27<br><u>Projected</u> | FY28<br><u>Projected</u> |
|--|------------------------|--------------------------|--------------------------|--------------------------|
| <b><u>Street Fund</u></b>                |                        |                          |                          |                          |
| Beginning Fund Balance                   | \$ 17,462,280          | \$ 17,462,280            | \$ 16,668,984            | \$ 15,582,168            |
| Plus: Est. Revenue                       | 26,443,200             | 26,972,064               | 27,511,505               | 28,061,735               |
| Less: Est. Expenses                      | 26,443,200             | 27,765,360               | 28,598,321               | 29,456,270               |
| Ending Fund Balance                      | <b>\$ 17,462,280</b>   | <b>\$ 16,668,984</b>     | <b>\$ 15,582,168</b>     | <b>\$ 14,187,633</b>     |
| Reserve Requirement<br>(10% of revenue)  | <b>\$ 2,644,320</b>    | <b>\$ 2,697,206</b>      | <b>\$ 2,751,151</b>      | <b>\$ 2,806,174</b>      |
| <b><u>Fleet Fund</u></b>                 |                        |                          |                          |                          |
| Beginning Net Position                   | \$ 3,895,024           | \$ 3,895,024             | \$ 3,895,024             | \$ 3,895,024             |
| Plus: Est. Revenue                       | 18,418,930             | 18,787,309               | 19,163,055               | 19,546,316               |
| Less: Est. Expenses                      | 18,418,930             | 18,787,309               | 19,163,055               | 19,546,316               |
| Ending Net Position                      | <b>\$ 3,895,024</b>    | <b>\$ 3,895,024</b>      | <b>\$ 3,895,024</b>      | <b>\$ 3,895,024</b>      |
| Reserve Requirement<br>(10% of revenues) | <b>\$ 1,841,893</b>    | <b>\$ 1,878,731</b>      | <b>\$ 1,916,305</b>      | <b>\$ 1,954,632</b>      |
| <b><u>Vehicle Storage Facility</u></b>   |                        |                          |                          |                          |
| Beginning Net Position                   | \$ 2,379,621           | \$ 2,540,626             | \$ 2,681,124             | \$ 2,800,235             |
| Plus: Est. Revenue                       | 2,453,200              | 2,489,998                | 2,527,348                | 2,565,258                |
| Less: Est. Expenses                      | 2,292,195              | 2,349,500                | 2,408,237                | 2,468,443                |
| Ending Net Position                      | <b>\$ 2,540,626</b>    | <b>\$ 2,681,124</b>      | <b>\$ 2,800,235</b>      | <b>\$ 2,897,050</b>      |
| Reserve Requirement<br>(10% of revenues) | <b>\$ 245,320</b>      | <b>\$ 249,000</b>        | <b>\$ 252,735</b>        | <b>\$ 256,526</b>        |
| <b><u>Waste Disposal Fund</u></b>        |                        |                          |                          |                          |
| Beginning Net Position                   | \$ 29,094,097          | \$ 29,094,097            | \$ 28,961,380            | \$ 28,689,974            |
| Plus: Est. Revenue (h)                   | 26,543,400             | 27,074,268               | 27,615,753               | 28,168,068               |
| Less: Est. Expenses                      | 26,543,400             | 27,206,985               | 27,887,160               | 28,584,339               |
| Ending Net Position                      | <b>\$ 29,094,097</b>   | <b>\$ 28,961,380</b>     | <b>\$ 28,689,974</b>     | <b>\$ 28,273,704</b>     |
| Reserve Requirement<br>(15% of revenues) | <b>\$ 3,981,510</b>    | <b>\$ 4,061,140</b>      | <b>\$ 4,142,363</b>      | <b>\$ 4,225,210</b>      |

## 2025 to 2026 Assumptions from 2025 Budget Book

Street Fund: Assumed 2% growth in revenues and 5% growth in expenditures from 2025 to 2026

Fleet Fund: Assumed 2% growth in revenues and expenses

Vehicle Storage: Assumed 1.5% growth in revenues and 2.5% growth in expenses

Waste Disposal Fund: Assumed 2% growth in revenues and 2.5% growth in expenses

# FACTORS IMPACTING BUDGET PREPARATION

- Sales Tax (the largest revenue source) is outpacing budget and is forecast to grow by 1.55% over 2025 projections in 2026
- Implementing requirements in agreed upon union contracts
  - 5% Salary increases for Police and Fire Uniformed positions
  - \$300,000 for Cancer Screening of Fire Uniformed positions
- Declining short-term interest rates
- Impacts of inflation and tariffs
- Increased geopolitical activity

# FACTORS IMPACTING BUDGET PREPARATION

- Expected revenue growth in 2026 from Franchise Fees due to rate increases and growth in property taxes
- Increased health insurance & risk management (insurance) costs
- Increased jail costs
- Increased costs for public safety software
- Increased debt service of approximately \$1.5 million for Clinton Park Pedestrian Bridge Protection Cell Replacement

# AREAS OF EMPHASIS IN BUDGET AND BOARD OF DIRECTORS POLICY STATEMENT ALIGNMENT

- Public Safety Funding – Ensuring a Safe City
- Housing and Beautification - Ensuring a Safe City
- New Senior Center Operations Funding – Quality of Life

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# GENERAL FUND REVENUES



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# GENERAL FUND DETAIL REVENUE FORECAST

## 2024 - 2026

| Revenues                            | 2024                  | 2025                  | 2025 Current          | 2026 Proposed         | Change              | Percent      |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|--------------|
|                                     | Actual                | Adopted               | Forecast              | Budget                | 2025 to 2026        | Change       |
| 1 Property Taxes                    | \$ 26,120,115         | \$ 27,149,400         | \$ 27,242,738         | \$ 28,114,506         | \$ 871,768          | 3.20%        |
| 2 Pension Property Tax              | 10,512,439            | 11,332,700            | 11,163,062            | 11,520,280            | 357,218             | 3.20%        |
| 3 State Homestead Tax               | 2,294,563             | 1,115,000             | 1,843,463             | 1,902,453             | 58,990              | 3.20%        |
| 4 Act 9 Revenue                     | 164,541               | 150,900               | 164,542               | 164,600               | 58                  | 0.04%        |
| 5 Sales Taxes - County              | 60,148,210            | 60,675,400            | 60,985,319            | 61,930,591            | 945,272             | 1.55%        |
| 6 Sales Taxes - City                | 78,955,803            | 79,597,000            | 80,744,092            | 81,995,625            | 1,251,533           | 1.55%        |
| 7 State Turnback                    | 3,180,432             | 2,900,000             | 3,009,224             | 3,009,300             | 76                  | 0.00%        |
| 8 Utility Franchise Fees            | 32,831,453            | 35,313,950            | 34,354,414            | 36,457,651            | 2,103,237           | 6.12%        |
| 9 Business Licenses                 | 7,327,540             | 7,392,200             | 7,466,004             | 7,605,700             | 139,696             | 1.87%        |
| 10 Mixed Drinks Licenses            | 3,986,430             | 4,005,900             | 3,934,658             | 3,934,700             | 42                  | 0.00%        |
| 11 Building & Related Permits       | 2,787,097             | 2,797,800             | 2,704,714             | 2,718,220             | 13,506              | 0.50%        |
| 12 Fines and Fees                   | 2,177,126             | 1,902,500             | 2,252,835             | 2,256,020             | 3,185               | 0.14%        |
| 13 Parks & Recreation Revenue       | 357,735               | 286,700               | 329,574               | 330,360               | 786                 | 0.24%        |
| 14 River Market                     | 311,337               | 350,500               | 304,218               | 304,300               | 82                  | 0.03%        |
| 15 Golf                             | 1,461,252             | 1,526,700             | 1,485,731             | 1,486,290             | 559                 | 0.04%        |
| 16 Fitness and Aquatics             | 442,247               | 619,500               | 642,777               | 643,140               | 363                 | 0.06%        |
| 17 Zoo Revenues                     | 2,933,321             | 2,546,700             | 2,728,426             | 2,839,000             | 110,574             | 4.05%        |
| 18 Airport Reimbursement            | 4,053,258             | 3,963,800             | 3,917,842             | 4,113,733             | 195,891             | 5.00%        |
| 19 Salary Reimbursement 9-1-1       | 1,753,283             | 1,753,300             | 1,753,300             | 1,753,300             | -                   | 0.00%        |
| 20 Insurance Pension Turnback       | 12,271,898            | 12,272,100            | 12,699,818            | 12,699,831            | 13                  | 0.00%        |
| 21 All Other Revenue                | 2,353,813             | 2,243,700             | 2,437,467             | 2,433,400             | (4,067)             | -0.17%       |
| 22 Investment Income                | 2,313,612             | 174,000               | 1,686,209             | 625,100               | (1,061,109)         | -62.93%      |
| <b>23 Revenues before Transfers</b> | <b>258,737,505</b>    | <b>260,069,750</b>    | <b>263,850,427</b>    | <b>268,838,100</b>    | <b>4,987,673</b>    | <b>1.89%</b> |
| 24 Transfers In                     | 3,000,640             | 3,038,349             | 3,038,349             | 3,161,004             | 122,655             | 4.04%        |
| <b>25 Total</b>                     | <b>\$ 261,738,145</b> | <b>\$ 263,108,099</b> | <b>\$ 266,888,776</b> | <b>\$ 271,999,104</b> | <b>\$ 5,110,328</b> | <b>1.91%</b> |

# PROPERTY TAX

|                               | 2024                 | 2025                 | 2025 Current         | 2026 Proposed        | Change              | Percent   |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---|
|                               |                      |                      |                      |                      |                     | Actual<br>Adopted<br>Forecast<br>Budget<br>2025 to 2026<br>Change |
| 1 Property Taxes              | \$ 26,120,115        | \$ 27,149,400        | \$ 27,242,738        | \$ 28,114,506        | \$ 871,768          | 3.20%   |
| 2 Pension Property Tax        | 10,512,439           | 11,332,700           | 11,163,062           | 11,520,280           | 357,218             | 3.20%   |
| 3 State Homestead Tax         | 2,294,563            | 1,115,000            | 1,843,463            | 1,902,453            | 58,990              | 3.20%   |
| 4 Act 9 Revenue               | 164,541              | 150,900              | 164,542              | 164,600              | 58                  | 0.04%   |
| <b>5 Total Property Taxes</b> | <b>\$ 39,091,658</b> | <b>\$ 39,748,000</b> | <b>\$ 40,413,805</b> | <b>\$ 41,701,839</b> | <b>\$ 1,288,034</b> | <b>3.19%</b>  |

➤ Pulaski County provided estimates for the increase in property tax assessments for collection in 2026. There are caps to increases in tax assessments of 5% for residential real estate and 10% for commercial real estate, and Amendment 59 to the Constitution of the State of Arkansas limits the amount of revenue that can increase to any taxing unit to 10% in aggregate. Pulaski County projected growth in Little Rock at approximately 3.2%. The Original Charge will not be received until February 2026. Therefore, we have estimated revenue growth in the aggregate of 3.2%.

# SALES AND USE TAXES

|          |                                  | 2024                  | 2025                  | 2025 Current          | 2026 Proposed         | Change              | Percent      |
|----------|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|--------------|
|          |                                  | Actual                | Adopted               | Forecast              | Budget                | 2025 to 2026        | Change       |
| 1        | Sales Taxes - County             | \$ 60,148,210         | \$ 60,675,400         | \$ 60,985,319         | \$ 61,930,591         | \$ 945,272          | 1.55%        |
| 2        | Sales Taxes - City               | 78,955,803            | 79,597,000            | 80,744,092            | 81,995,625            | 1,251,533           | 1.55%        |
| 3        | State Turnback                   | 3,180,432             | 2,900,000             | 3,009,224             | 3,009,300             | 76                  | 0.00%        |
| <b>4</b> | <b>Total Sales and Use Taxes</b> | <b>\$ 142,284,445</b> | <b>\$ 143,172,400</b> | <b>\$ 144,738,635</b> | <b>\$ 146,935,516</b> | <b>\$ 2,196,881</b> | <b>1.52%</b> |

- Sales and use tax revenue forecast includes year-to-date actual 2025 results through October's receipt of August revenues and comparable 4<sup>th</sup> quarter revenues. The 2026 proposed budget includes a conservative growth estimate of approximately 1.55%.
- State turnback is \$15.50 per capita. With a population of 202,591, the City could reasonably expect to receive \$3,140,161 in 2026; however, Act 846 of 2023 allowed for funding of the Arkansas Self-Funded Cyber Response Program Trust Fund which reduced the State Turnback in 2025 and as a result, the forecast for 2026 is kept flat. Additionally, the Turnback is subject to appropriation from excess State funds.

# FRANCHISE FEES

|           |                             | 2024                 | 2025                 | 2025 Current         | 2026 Proposed        | Change              | Percent      |
|-----------|-----------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|--------------|
|           |                             | Actual               | Adopted              | Forecast             | Budget               | 2025 to 2026        | Change       |
| 1         | Electric Utility            | \$ 16,053,005        | \$ 17,478,000        | \$ 16,546,920        | \$ 17,413,165        | \$ 866,245          | 5.24%        |
| 2         | Water Utility               | 5,566,687            | 5,701,700            | 5,873,480            | 6,090,800            | 217,320             | 3.70%        |
| 3         | Wastewater                  | 6,605,661            | 6,715,200            | 6,614,143            | 7,159,900            | 545,757             | 8.25%        |
| 4         | Gas Utility                 | 3,363,170            | 4,184,000            | 4,437,315            | 5,024,386            | 587,071             | 13.23%       |
| 5         | Cable TV                    | 1,069,390            | 1,134,900            | 996,017              | 936,300              | (59,717)            | -6.00%       |
| 6         | Fiber Optics                | 436,476              | 496,500              | 342,134              | 316,500              | (25,634)            | -7.49%       |
| 7         | Telephone Utilities         | 311,084              | 289,200              | 253,829              | 223,400              | (30,429)            | -11.99%      |
| 8         | Local Landline              | 365,530              | 354,000              | 298,576              | 343,400              | 44,824              | 15.01%       |
| 9         | Long Distance               | 526,599              | 462,300              | 493,850              | 454,400              | (39,450)            | -7.99%       |
| 10        | Franchise Contra            | (1,466,149)          | (1,501,850)          | (1,501,850)          | (1,504,600)          | (2,750)             | 0.18%        |
| <b>11</b> | <b>Total Franchise Fees</b> | <b>\$ 32,831,453</b> | <b>\$ 35,313,950</b> | <b>\$ 34,354,414</b> | <b>\$ 36,457,651</b> | <b>\$ 2,103,237</b> | <b>6.12%</b> |

- Franchise estimates were received directly from the Electric, Gas, Water, and Wastewater utilities and include adjustments to fuel costs and other rate changes or special cost recovery riders approved by the Public Service Commission. Central Arkansas Water has scheduled annual rate increases every January 1<sup>st</sup> through 2032 based on water usage. There is the 7.25% rate increase plus a 1% growth rate for Little Rock Water Reclamation Authority franchise fee estimates. The “contra” represents the portion of franchise fees pledged to debt service on the 2017 Capital Improvement Bonds.

# INTERGOVERNMENTAL

|          |                                | 2024                 | 2025                 | 2025 Current         | 2026 Proposed        | Change       | Percent      |
|----------|--------------------------------|----------------------|----------------------|----------------------|----------------------|--------------|--------------|
|          |                                | Actual               | Adopted              | Forecast             | Budget               | 2025 to 2026 | Change       |
| 1        | Insurance Pension Turnback     | \$ 11,021,400        | \$ 11,021,500        | \$ 11,435,355        | \$ 11,435,368        | \$ 13        | 0.00%        |
| 2        | Police Supplement              | 135,600              | 135,600              | 135,600              | 135,600              | -            | 0.00%        |
| 3        | Future Supplement (Act 1373)   | 1,114,898            | 1,115,000            | 1,128,863            | 1,128,863            | -            | 0.00%        |
| 4        | Intergovernmental Funds        | 10,571               | -                    | -                    | -                    | -            | N/A          |
| <b>5</b> | <b>Total Intergovernmental</b> | <b>\$ 12,282,469</b> | <b>\$ 12,272,100</b> | <b>\$ 12,699,818</b> | <b>\$ 12,699,831</b> | <b>\$ 13</b> | <b>0.00%</b> |

➤ Pension turnback funds are received from the State for the current LOPFI Police and Fire Plans and the closed Police and Fire Pension Plans administered by LOPFI. The estimated 2026 premium tax allocations for the closed plans were communicated by LOPFI in October 2025.

# GENERAL FUND REVENUE FORECAST SUMMARY

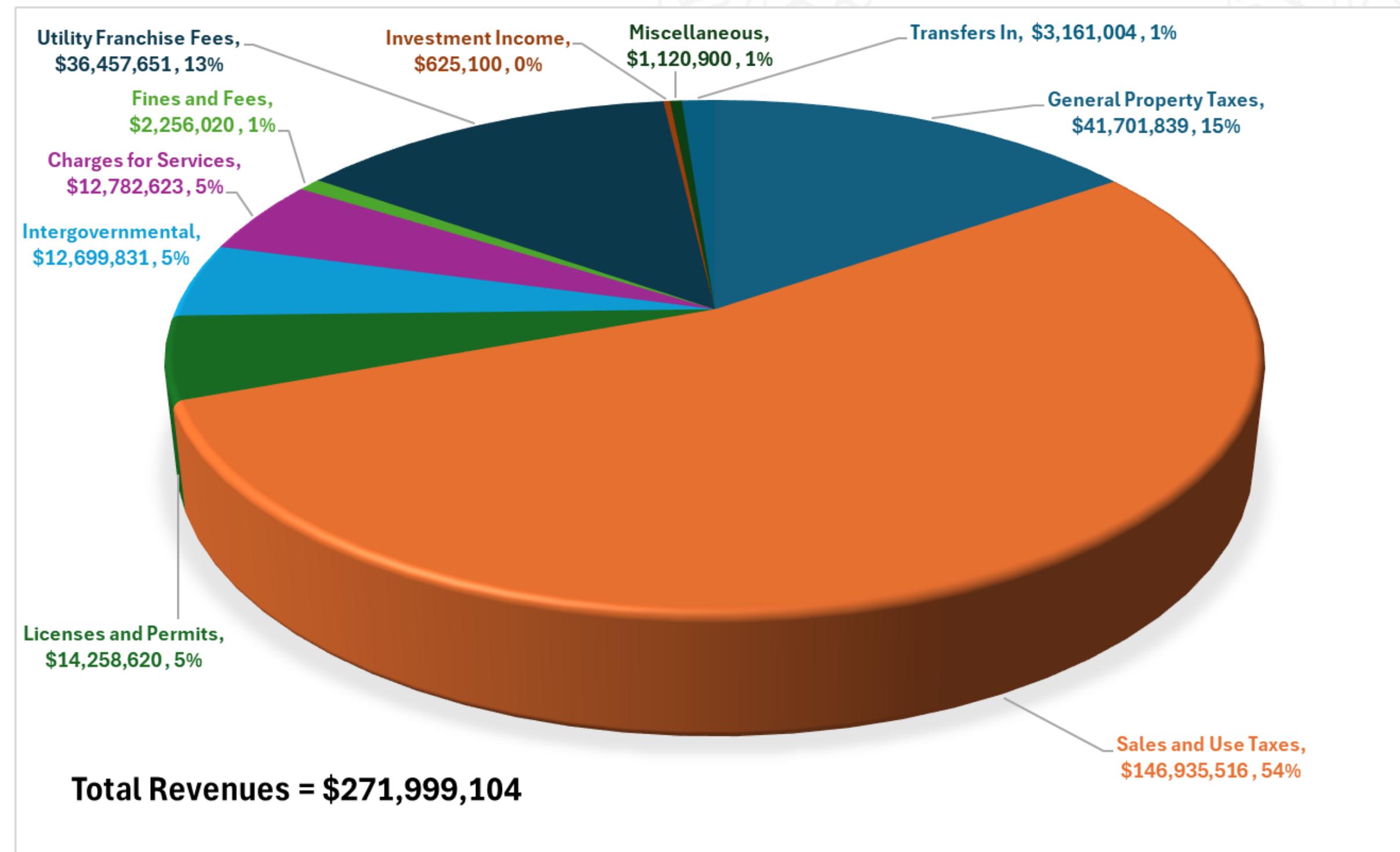
|                                       | 2024                  | 2025                  | 2025 Current          | 2026 Proposed         | Change              | Percent      |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|--------------|
|                                       |                       |                       |                       |                       |                     |              |
|                                       | Actual                | Adopted               | Forecast              | Budget                | 2025 to 2026        | Change       |
| 1 General Property Taxes              | \$ 39,091,658         | \$ 39,748,000         | \$ 40,413,805         | \$ 41,701,839         | \$ 1,288,034        | 3.19%        |
| 2 Sales and Use Taxes                 | 142,284,445           | 143,172,400           | 144,738,635           | \$ 146,935,516        | 2,196,881           | 1.52%        |
| 3 Licenses and Permits                | 14,101,067            | 14,195,900            | 14,105,376            | \$ 14,258,620         | 153,244             | 1.09%        |
| 4 Intergovernmental                   | 12,282,469            | 12,272,100            | 12,699,818            | \$ 12,699,831         | 13                  | 0.00%        |
| 5 Charges for Services                | 12,483,807            | 12,169,700            | 12,479,593            | \$ 12,782,623         | 303,030             | 2.43%        |
| 6 Fines and Fees                      | 2,177,126             | 1,902,500             | 2,252,835             | \$ 2,256,020          | 3,185               | 0.14%        |
| 7 Utility Franchise Fees              | 32,831,453            | 35,313,950            | 34,354,414            | \$ 36,457,651         | 2,103,237           | 6.12%        |
| 8 Investment Income                   | 2,313,612             | 174,000               | 1,686,209             | \$ 625,100            | (1,061,109)         | -62.93%      |
| 9 Miscellaneous                       | 1,171,868             | 1,121,200             | 1,119,742             | \$ 1,120,900          | 1,158               | 0.10%        |
| 10 Transfers In                       | 3,000,640             | 3,038,349             | 3,038,349             | \$ 3,161,004          | 122,655             | 4.04%        |
| <b>11 Total General Fund Revenues</b> | <b>\$ 261,738,145</b> | <b>\$ 263,108,099</b> | <b>\$ 266,888,776</b> | <b>\$ 271,999,104</b> | <b>\$ 5,110,328</b> | <b>1.91%</b> |

➤ Including Transfers In, the 2025 General Fund revenue forecast is **\$271,999,104** which is **\$5,110,328** or **1.91%** above the 2025 Current Forecast and **\$10,260,959** or **3.92%** above 2024 actual results.

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# GENERAL FUND REVENUES



Approximately 83% of General Fund revenues are generated by Sales and Use Tax, Property Tax, and Franchise Fees.

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# PERSONNEL COST ASSUMPTIONS AND OTHER EXPENDITURES APPLICABLE TO ALL FUNDS



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# 2026 PERSONNEL SALARY PROGRESSION

## ➤ Continuation of Step and Grade Progression

- Fraternal Order of Police (FOP)
- International Association of Fire Fighters (IAFF)
- Local 100 and Union Eligible
- 911 Communications Positions

# 2026 PERSONNEL SALARY PROGRESSION

## ➤ Police Uniformed Personnel –

- 5% increase
- Closed pension plan increase described on slide 25.  
(\$16,729)

## ➤ Fire Uniformed Personnel –

- 5% increase
- Closed pension plan increase described on slide 25.  
(\$162,912)

# 2026 PERSONNEL OTHER SALARY INCREASES

- **Non-Uniformed Personnel – \$1,003,140**
  - 1.75% increase for non-uniform full-time personnel

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# 2026 PERSONNEL EMPLOYEE BENEFITS

## ➤ Health Insurance

- Fully Insured Coverage with Cigna
- Net Increase of **\$1,401,165** reflected in personnel cost
- Employee only base cost paid entirely by City
- Tiered options include Employee Only, Employee + Spouse, Employee + Children, and Family
- Buy-Up options for lower deductibles and co-pays are available to employees. In addition, a high deductible is offered.

## ➤ Continuation of Dental, Vision, and Basic Life at no cost to employees for single base coverage.

# 2026 PERSONNEL EMPLOYEE BENEFITS

## ➤ Paid Parental Leave

- New 12-week paid parental leave program
- Allows parents to bond and care for newborns without rushing to get back to work or worrying about work

# 2026 PERSONNEL PENSION RATES – CURRENT PLANS

## ➤ Pension Rates Effective January 1, 2026

- Fire LOPFI Pension – **24.5%** (0.5% increase)
- Police LOPFI Pension – **24.5%** (0.5% increase)
  - LOPFI contributions for Fire and Police are partially offset by State Pension Turn-Back Funds that are included in the budget as Intergovernmental Revenues
- Non-Uniform Pension – **9%** (unchanged)

# 2026 PENSION RATES – OTHER PLANS

## ➤ APERS Pension Rates Effective July 1, 2025

- District Judges/Court Clerks Pension – **15.32%** (unchanged)
- Judges and Clerks Liability - **\$200,000** (unchanged)

## ➤ Closed Non-Uniform Plan

- Non-Uniform Defined Benefit Plan - **\$151,000** a decrease from \$300,000 in 2025

# 2026 PERSONNEL PENSION CONTRIBUTIONS – CLOSED PLANS

## ➤ Closed Police and Fire Pension Plan Contributions

Closed Police and Fire Pension LOPFI contributions are offset by the annual sales tax contributions of \$500,000, and other dedicated fines and fees for each plan.

- Closed Police Pension Plan administered by LOPFI
  - Required monthly contribution to LOPFI of \$337,627 in 2026 (\$4,051,524)
  - Additional contribution anticipated from dedicated revenues to pay down unfunded liability for a total contribution of **\$8,904,834**. This is an increase of \$16,729 from 2025 Adopted Budget.
- Closed Fire Pension Plan administered by LOPFI
  - Required monthly contribution to LOPFI of \$283,048 in 2026 (\$3,396,576)
  - Additional contribution anticipated from dedicated revenues to pay down unfunded liability for a total contribution of **\$8,395,917**. This is an increase of \$162,912 from 2025 Adopted Budget.

# 2026 PERSONNEL OTHER ASSUMPTIONS

## ➤ Other Personnel Assumptions – All Funds

- OPEB Contribution (Cobra and Retiree) – increase of \$10,540 from the 2025 budget. Actuarial estimates include health and dental coverage for retirees.
- Workers Compensation – a decrease of \$16,158 from the original 2025 budget.

# FULL-TIME STAFFING

| Department                         | 2024           | 2025           | 2026            | Changes        | Changes from 2025 Adopted Budget  |
|------------------------------------|----------------|----------------|-----------------|----------------|---|
|                                    | Adopted Budget | Adopted Budget | Proposed Budget | From 2025-2026 |   |
| 1 Executive Administration         | 37             | 38             | 37              | (1)            | Reduced 1 FTE related to the elimination of the Assistant City Manager Position   |
| 2 Board of Directors               | 1              | 1              | 1               | -              |   |
| 3 Community Programs               | 20             | 21             | 25              | 4              | Converted 4 Part-time employees to Full-Time.   |
| 4 City Attorney                    | 23             | 23             | 22              | (1)            | Eliminated a Senior Deputy City Attorney.   |
| 5 District Court First Division    | 21             | 21             | 21              | -              |   |
| 6 District Court Second Division   | 19             | 19             | 19              | -              |   |
| 7 District Court Third Division    | 8              | 8              | 8               | -              |   |
| 8 Finance                          | 55             | 54             | 51              | (3)            | Eliminated a vacant internal auditor position and 2 Grants Analyst Positions  |
| 9 Human Resources                  | 25             | 27             | 28              | 1              | Added a Risk Management Assistant Position.   |
| 10 Information Technology          | 43             | 44             | 39              | (5)            | Removed 2 IT Support Specialist Positions, 1 Helpdesk Support Specialist, and eliminated 2 Network Analysts. Eliminated a Planning Document Technician and an Administrative Assistant.   |
| 11 Planning & Development          | 46             | 46             | 44              | (2)            |   |
| 12 Housing & Neighborhood Programs | 107            | 112            | 112             | -              |   |
| 13 Public Works - General          | 12             | 12             | 12              | -              |   |
| 14 Parks & Recreation              | 107            | 107            | 109             | 2              | Added 2 positions for the new Senior Center.  |
| 15 Golf                            | 15             | 15             | 14              | (1)            | Eliminated a vacant Parks Maintenance Worker  |
| 16 Jim Dailey Fitness Center       | 8              | 8              | 8               | -              |   |
| 17 Zoo                             | 63             | 65             | 67              | 2              | Restored Engineering Specialist and a General Curator Position  |
| 18 Fire                            | 445            | 445            | 445             | -              |   |
| 19 Police                          | 703            | 707            | 699             | (8)            | Eliminated 2 Positions due to a state law change requiring functions to be performed by uniformed staff as opposed to civilian staff. Then swapped grant funded VOCA positions with vacant civilian positions due to the termination of the VOCA grant in order to maintain personnel's jobs and functions. |
| 20 Emergency Communications        | 65             | 65             | 65              | -              |   |
| 21 Waste Disposal                  | 145            | 145            | 145             | -              |   |
| 22 Public Works - Street           | 219            | 219            | 219             | -              |   |
| 23 Fleet Services                  | 64             | 64             | 59              | (5)            | Eliminated 5 Positions - 3 Automotive Technician I and 2 Procurement Specialist.  |
| 24 Vehicle Storage Facility        | 14             | 14             | 16              | 2              | Added an Administrative Assistant and an Attendant Floater Position.  |
| <b>25 Total Personnel</b>          | <b>2265</b>    | <b>2280</b>    | <b>2265</b>     | <b>(15)</b>    |   |

➤ Total Personnel includes **2,265** full-time positions, a decrease of 15 from the 2025 Adopted Budget.

# GENERAL FUND FULL-TIME STAFFING

| GENERAL FUND                       | 2024           | 2025           | 2026            | Changes        | Changes from 2025 Adopted Budget  |
|------------------------------------|----------------|----------------|-----------------|----------------|---|
|                                    | Adopted Budget | Adopted Budget | Proposed Budget | From 2025-2026 |   |
| 1 Executive Administration         | 35             | 34             | 35              | 1              | Converted the Love your Block position and the Emergency Management Administrator position from grant funded to General Fund funding due to a change in the grant. This was offset in eliminating the Assistant City Manager position. <b>Overall Executive Administration positions were reduced by 1 FTE.</b> |
| 2 Board of Directors               | 1              | 1              | 1               | -              |   |
| 3 Community Programs               | 2              | 2              | 2               | -              |   |
| 4 City Attorney                    | 23             | 23             | 22              | (1)            | Eliminated a Senior Deputy City Attorney.   |
| 5 District Court First Division    | 21             | 21             | 21              | -              |   |
| 6 District Court Second Division   | 19             | 19             | 19              | -              |   |
| 7 District Court Third Division    | 8              | 8              | 8               | -              |   |
| 8 Finance                          | 50             | 50             | 48              | (2)            | Transferred the P-card Administrator to be Special Project Funded and Eliminated the vacant Internal Auditor Position.  |
| 9 Human Resources                  | 25             | 27             | 28              | 1              | Added a Risk Management Assistant Position.   |
| 10 Information Technology          | 43             | 44             | 39              | (5)            | Removed 2 IT Support Specialist Positions, 1 Helpdesk Support Specialist, and eliminated 2 Network Analysts.  |
| 11 Planning & Development          | 46             | 46             | 44              | (2)            | Eliminated a Planning Document Technician and an Administrative Assistant.  |
| 12 Housing & Neighborhood Programs | 93             | 98             | 97              | (1)            | Eliminated an Office Assistant Position   |
| 13 Public Works - General          | 10             | 10             | 10              | -              |   |
| 14 Parks & Recreation              | 103            | 103            | 105             | 2              | Added 2 positions for the new Senior Center.  |
| 15 Golf                            | 15             | 15             | 14              | (1)            | Eliminated a vacant Parks Maintenance Worker  |
| 16 Jim Dailey Fitness Center       | 8              | 8              | 8               | -              |   |
| 17 Zoo                             | 62             | 64             | 66              | 2              | Restored Engineering Specialist and a General Curator Position  |
| 18 Fire                            | 445            | 445            | 445             | -              |   |
| 19 Police                          | 694            | 697            | 693             | (4)            | Removed 2 net positions to move VOCA funded Positions to the General Fund at grant end, as well as eliminated 2 civilian positions due to a change in state law.  |
| 20 Emergency Communications        | 65             | 65             | 65              | -              |   |
| <b>21 Subtotal General Fund</b>    | <b>1768</b>    | <b>1780</b>    | <b>1770</b>     | <b>(10)</b>    |   |

➤ General Fund Personnel includes **1,770** full-time positions, a decrease of 10 from the 2025 Adopted Budget.

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# SPECIAL PROJECT & GRANT FUNDED STAFFING

|  | 2024           | 2025           | 2026            | Changes        | Changes from 2025 Adopted Budget   |
|--|----------------|----------------|-----------------|----------------|--|
|  | Adopted Budget | Adopted Budget | Proposed Budget | From 2025-2026 |  |
| <b>Special Project &amp; Grant Positions</b> |                |                |                 |                |  |
| 1 Executive Administration                   | 2              | 4              | 2               | (2)            | Converted the Love your Block and the Emergency Management Administrator positions from grant funded to General Fund; due to change in the grants.   |
| 2 Community Programs                         | 18             | 19             | 23              | 4              | Converted 4 Part-time employees to Full-Time. Eliminated 3 Grants Analyst positions - two via reclassification to a Grants Coordinator for a net reduction of 2 positions and moved the P-Card Administrator to be Special Project Funded from the P-Card Rebates. |
| 3 Finance                                    | 5              | 4              | 3               | (1)            |  |
| 4 Human Resources                            | 0              | -              | -               | -              |  |
| 5 Housing                                    | 14             | 14             | 15              | 1              | Added 2 DRGR positions and eliminated a Americorps grant position.   |
| 6 Public Works - Building Services           | 2              | 2              | 2               | -              |  |
| 7 Parks                                      | 4              | 4              | 4               | -              |  |
| 8 Police                                     | 9              | 10             | 6               | (4)            | After VOCA grant expired, eliminated 4 Positions.  |
| 9 Zoo  | 1              | 1              | 1               | -              |  |
| 10 Public Works - Street                     | 7              | 7              | 7               | -              |  |
| <b>11 Subtotal Special Project Po</b>        | <b>62</b>      | <b>65</b>      | <b>63</b>       | <b>(2)</b>     |  |

- Special Project and Grant positions are limited-service positions funded by Special Project allocations or dedicated Grant Funds. Fifty-six (56) Special Project and Grant Positions are associated with General Fund Activities, and seven (7) positions are associated with Street Fund Activities.

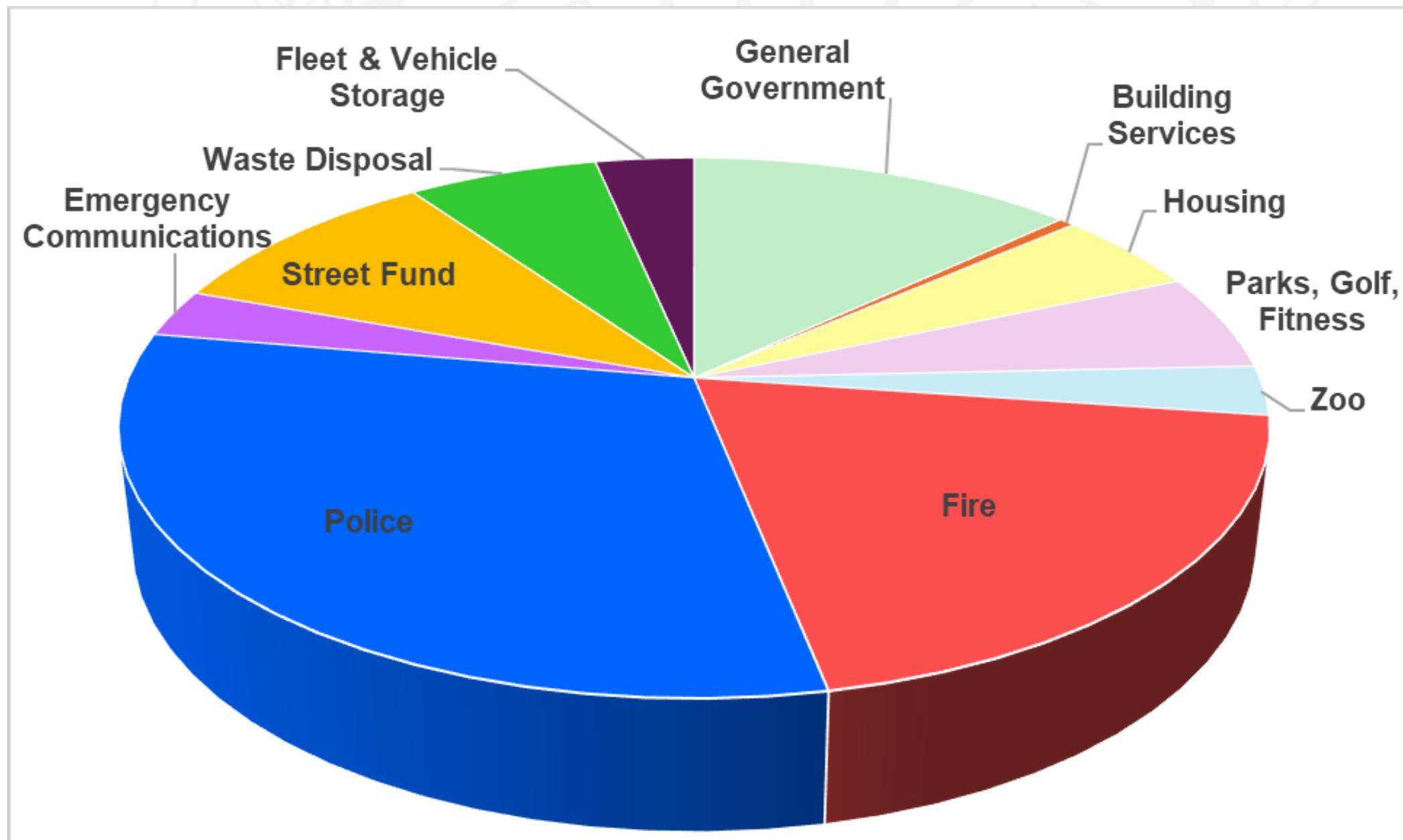
# FULL-TIME STAFFING – OTHER FUNDS

|                               | 2024           | 2025           | 2026            | Changes        | Changes from 2025 Adopted Budget   |
|-------------------------------|----------------|----------------|-----------------|----------------|--|
|                               | Adopted Budget | Adopted Budget | Proposed Budget | From 2025-2026 |  |
| <b>Other Funds</b>            |                |                |                 |                |  |
| 1 Waste Disposal              | 145            | 145            | 145             | -              |  |
| 2 Public Works - Street       | 212            | 212            | 212             | -              |  |
| 3 Fleet Services              | 64             | 64             | 59              | (5)            | Eliminated 5 Positions - 3 Automotive Technician I and 2 Procurement Specialist. |
| 4 Vehicle Storage Facility    | 14             | 14             | 16              | 2              | Added an Administrative Assistant and an Attendant Floater Position.             |
| <b>5 Subtotal Other Funds</b> | <b>435</b>     | <b>435</b>     | <b>432</b>      | <b>(3)</b>     |  |
| <b>6 Total Personnel</b>      | <b>2265</b>    | <b>2280</b>    | <b>2265</b>     | <b>(15)</b>    |  |

- Staffing for other funds includes 432 full-time positions, a reduction of three (3) from 2025.
- In total, there are **2,265** full-time positions included in the 2025 Proposed Budget, a decrease of fifteen (15).

# ALL FUNDS – STAFFING SUMMARY FULL-TIME PERSONNEL

| <u>Department</u>        | <u>Personnel</u> | <u>Percent</u> |
|--------------------------|------------------|----------------|
| General Government       | 295              | 13%            |
| Building Services        | 12               | 1%             |
| Housing                  | 112              | 5%             |
| Parks, Golf, Fitness     | 131              | 6%             |
| Zoo                      | 67               | 3%             |
| Fire                     | 445              | 20%            |
| Police                   | 699              | 31%            |
| Emergency Communications | 65               | 3%             |
| Street Fund              | 219              | 10%            |
| Waste Disposal           | 145              | 6%             |
| Fleet & Vehicle Storage  | 75               | 3%             |
| <b>2,265</b>             |                  | <b>100%</b>    |



# 2026 GENERAL FUND PERSONNEL BUDGET

- Net increase of \$4,634,361 to the General Fund Personnel budget from the 2025 Original Budget. The increase includes 5% Salary increases for Police, Fire, and 1.75% for Non-Uniform personnel and 9% increase for Health Insurance.
- As noted previously in the General Fund Full-Time Staffing schedule, the number of positions have decreased by 10 compared to the 2025 Adopted Budget.

# 2026 EXPENDITURES – FLEET ALLOCATIONS FOR FUEL AND VEHICLE MAINTENANCE

- Fleet labor, fuel, vehicle insurance, vehicle maintenance and parts expenses are allocated to departments based on the number of vehicles assigned, maintenance requirements and actual fuel usage.
  - Parts and sublet expense are expected to increase approximately \$274,000.
  - The fuel rate per gallon, including the \$0.26 mark up for labor and supplies is budgeted at \$2.65 for unleaded and \$3.05 for diesel, decreasing City-wide fuel budget by approximately \$615,000.

# 2026 OUTSIDE AGENCY FUNDING HIGHLIGHTS

|   | 2022<br>Actual      | 2023<br>Actual      | 2024<br>Actual      | 2025<br>Budget      | 2026<br>Budget      |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>OUTSIDE AGENCY SUPPORT:</b>                |                     |                     |                     |                     |                     |
| 1 ROCK REGION METRO (C.A.T.A)*                | \$7,606,939         | \$7,880,500         | \$7,854,242         | \$7,854,118         | \$7,854,118         |
| 2 ARKANSAS MUSEUM OF FINE ARTS                | 1,200,000           | 2,200,000           | 4,000,000           | 4,000,000           | 4,000,000           |
| 3 PULASKI COUNTY REGIONAL<br>DETENTION CENTER | 2,615,778           | 3,209,079           | 3,397,809           | 2,555,000           | 3,600,000           |
| 4 MUSEUM OF DISCOVERY SUPPORT                 | 192,000             | 192,000             | 400,000             | 400,000             | 400,000             |
| 5 METROPLAN                                   | 186,384             | 186,384             | 186,384             | 186,384             | 186,384             |
| 6 DOWNTOWN PARTNERSHIP                        | 245,000             | 225,000             | 300,000             | 300,000             | 300,000             |
| 7 PAGIS SUPPORT                               | 134,850             | 153,850             | 141,823             | 153,850             | 153,850             |
| 8 COUNTY HEALTH UNIT SUPPORT                  | 56,100              | 56,100              | 56,100              | 54,493              | 54,493              |
| 9 OAKLAND FRATERNAL CEMETERY                  | 50,000              | 50,000              | 100,000             | 100,000             | 100,000             |
| 10 AR EMERGENCY PHYSICIAN<br>FOUNDATION       | -                   | -                   | -                   | 36,000              | 36,000              |
| 11 ST VINCENT'S                               | 25,381              | 25,381              | -                   | 25,381              | 25,381              |
| 12 CITY BEAUTIFUL                             | 697                 | 2,500               | 2,500               | 2,500               | 2,500               |
| <b>13 OUTSIDE AGENCY TOTAL</b>                | <b>\$12,313,129</b> | <b>\$14,180,794</b> | <b>\$16,438,858</b> | <b>\$15,667,726</b> | <b>\$16,712,726</b> |

\* Total funding is \$9,854,118 with \$7,854,118 coming from the General Fund and \$2,000,000 coming from the Street Fund.

# 2026 EXPENDITURES DEBT SERVICE – SHORT TERM NOTES

- Debt service and bond agent fees on short-term financing notes will total **\$4,302,644** in 2026
  - Debt service will increase \$1,439,230 from 2025 due to the 2025 note being added. The \$4,302,644 total includes \$3,895,451 in principal and \$407,193 in interest for the 2021, 2023, and 2025 short-term notes.
  - 2024 short-term note principal and interest payments are not included as intend to refinance the note in Spring 2026

# GENERAL FUND EXPENDITURES



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# GENERAL FUND – EXPENDITURES BY CATEGORY

## FISCAL YEARS 2024 - 2026

| Expenditures              | 2024               | 2025               | 2025 Current       | 2026 Proposed      | Change           | Percent      |
|---------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------|
|                           | Actuals            | Adopted            | Forecast           | Budget             | 2025 to 2026     | Change       |
| 1 Personnel               | 190,404,695        | 205,719,682        | 207,863,618        | 212,370,216        | 6,650,534        | 3.20%        |
| 2 Supplies                | 2,850,635          | 2,710,541          | 2,752,649          | 2,805,297          | 94,756           | 3.44%        |
| 3 Fleet (Fuel & Services) | 8,387,028          | 9,276,534          | 9,276,534          | 9,495,140          | 218,606          | 2.36%        |
| 4 Repairs and Maintenance | 4,413,919          | 6,915,979          | 6,999,175          | 7,234,652          | 318,673          | 4.55%        |
| 5 Utilities               | 4,762,166          | 4,376,909          | 4,552,291          | 3,850,843          | (526,066)        | -11.56%      |
| 6 Contracts               | 3,866,001          | 5,870,988          | 5,745,186          | 5,956,646          | 85,658           | 1.49%        |
| 7 Outside Agency funding  | 16,438,858         | 15,667,726         | 15,667,726         | 16,712,726         | 1,045,000        | 6.67%        |
| 8 Capital Outlay          | 1,673,507          | 63,325             | 75,990             | 63,325             | -                | 0.00%        |
| 9 Debt Service            | 6,709,667          | 2,863,415          | 2,863,415          | 5,550,644          | 2,687,229        | 93.85%       |
| 10 Other                  | 10,805,238         | 8,020,621          | 8,104,745          | 8,155,769          | 135,148          | 1.67%        |
| 11 Vacancy Allocation     | (7,000,000)        | (11,000,000)       | (11,000,000)       | (13,104,374)       | (2,104,374)      | 19.13%       |
| 12 Transfers              | 22,682,914         | 12,622,379         | 12,622,379         | 12,908,220         | 285,841          | 2.26%        |
| <b>13 Total Expenses</b>  | <b>265,994,628</b> | <b>263,108,099</b> | <b>265,523,708</b> | <b>271,999,104</b> | <b>8,891,005</b> | <b>3.35%</b> |

# 2026 GENERAL FUND PERSONNEL BUDGET

- Net increase of \$4,634,361 to the General Fund Personnel budget from the 2025 Original Budget. The increase includes Salary increases for Police, Fire, and 1.75% for Non-Uniform personnel and Health Insurance.
- The vacancy savings will increase to \$13,104,374 in 2026 from \$11,000,000 in 2025.
- As noted previously, in the General Fund Full-Time Staffing schedule, the number of positions will decrease by 10 to 1,770, from the 2025 Adopted Budget.

# 2025 GENERAL FUND PERSONNEL – KEY CHANGES

- Salary Increases and Health Insurance - \$4,634,361
- 2 Parks Positions - \$136,095
- 2 Zoo Positions - \$184,826
- 10 Positions removed - \$807,035
- Change in Closed Police, Fire, and Non-uniform Pension Plans - \$30,641
- COBRA/Retiree (OPEB) - \$10,540
- Change in Workers' Compensation – decrease of \$16,158

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# OTHER EXPENDITURE HIGHLIGHTS – FLEET FUEL AND VEHICLE AND EQUIPMENT MAINTENANCE

- Fleet Services– Ensuring a Safe City
  - \$615,000 decrease in Fuel Costs.
  - \$140,000 increase in Labor Costs.
  - \$255,000 increase in Vehicle Storage Costs.
  - \$274,000 reduction in Equipment Maintenance charges.

## OTHER EXPENDITURE HIGHLIGHTS

- Housing and Beautification Efforts – Ensuring a Safe City
- \$91K increase in Weed Lot Maintenance Funding
- \$125K in additional funds for the Residential Demolition
- \$30K in increased funding for Board and Secure
- \$26K in additional Neighborhood Challenge Grant Funds

# OTHER EXPENDITURE HIGHLIGHTS

- Public Safety Investment – Ensuring a Safe City
  - \$1M in additional funding for public safety software and technology
  - \$1M in additional funding for Jail Services
  - \$300K for Firefighter Cancer Screening
- Ensuring a Safe City Workforce – Basic City Services
  - 1 new Risk Management Assistant FTE

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# OTHER EXPENDITURE HIGHLIGHTS

- Quality of Life Investment
  - 2 additional positions for Parks for the new Senior Center
  - 2 additional positions at the Zoo – General Curator and Engineering Specialist

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# OTHER EXPENDITURE HIGHLIGHTS

## ➤ General Fund Debt Service

|                                    | 2024               | 2025                | 2025               | 2026 Proposed       | Change 2025 Adopted | Percent       |
|------------------------------------|--------------------|---------------------|--------------------|---------------------|---------------------|---------------|
| <u>Debt Service</u>                | Actual             | Adopted Budget      | YTD Actual         | Budget              | to 2026 Proposed    | Change        |
| 1 Short Term Financing - Principal | \$3,740,323        | \$ 2,619,726        | \$2,619,725        | \$ 3,895,451        | \$ 1,275,725        | 48.70%        |
| 2 Short Term Financing - Interest  | 331,208            | 243,689             | 792,360            | 407,193             | 163,504             | 67.10%        |
| 3 Lease and SBITA - Principal      | 2,442,867          | -                   | -                  | 1,170,000           | 1,170,000           | N/A           |
| 4 Lease and SBITA - Interest       | 195,269            | -                   | -                  | 78,000              | 78,000              | N/A           |
| <b>5 Debt Service Total</b>        | <b>\$6,709,667</b> | <b>\$ 2,863,415</b> | <b>\$3,412,085</b> | <b>\$ 5,550,644</b> | <b>\$ 2,687,229</b> | <b>93.85%</b> |

Debt service will increase \$2,687,229 from 2025. The increase is due to the 2025 Short-term note for the Clinton Park Pedestrian Bridge Protection Cell, anticipated refinancing of the 2024 short-term note for the Solar Facility, and beginning to budget for Lease and Subscription-Based Information Technology Arrangements in debt service.

Outside Agency Support and Transfers Out are presented in detail on the following slides.

# GENERAL FUND OUTSIDE AGENCY SUPPORT

|   | 2022<br>Actual      | 2023<br>Actual      | 2024<br>Actual      | 2025<br>Budget      | 2026<br>Budget      |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>OUTSIDE AGENCY SUPPORT:</b>                |                     |                     |                     |                     |                     |
| 1 ROCK REGION METRO (C.A.T.A)*                | \$7,606,939         | \$7,880,500         | \$7,854,242         | \$7,854,118         | \$7,854,118         |
| 2 ARKANSAS MUSEUM OF FINE ARTS                | 1,200,000           | 2,200,000           | 4,000,000           | 4,000,000           | 4,000,000           |
| 3 PULASKI COUNTY REGIONAL<br>DETENTION CENTER | 2,615,778           | 3,209,079           | 3,397,809           | 2,555,000           | 3,600,000           |
| 4 MUSEUM OF DISCOVERY SUPPORT                 | 192,000             | 192,000             | 400,000             | 400,000             | 400,000             |
| 5 METROPLAN                                   | 186,384             | 186,384             | 186,384             | 186,384             | 186,384             |
| 6 DOWNTOWN PARTNERSHIP                        | 245,000             | 225,000             | 300,000             | 300,000             | 300,000             |
| 7 PAGIS SUPPORT                               | 134,850             | 153,850             | 141,823             | 153,850             | 153,850             |
| 8 COUNTY HEALTH UNIT SUPPORT                  | 56,100              | 56,100              | 56,100              | 54,493              | 54,493              |
| 9 OAKLAND FRATERNAL CEMETERY                  | 50,000              | 50,000              | 100,000             | 100,000             | 100,000             |
| 10 AR EMERGENCY PHYSICIAN<br>FOUNDATION       | -                   | -                   | -                   | 36,000              | 36,000              |
| 11 ST VINCENT'S                               | 25,381              | 25,381              | -                   | 25,381              | 25,381              |
| 12 CITY BEAUTIFUL                             | 697                 | 2,500               | 2,500               | 2,500               | 2,500               |
| <b>13 OUTSIDE AGENCY TOTAL</b>                | <b>\$12,313,129</b> | <b>\$14,180,794</b> | <b>\$16,438,858</b> | <b>\$15,667,726</b> | <b>\$16,712,726</b> |

\* Total funding is \$9,854,118 with \$7,854,118 coming from the General Fund and \$2,000,000 coming from the Street Fund.

# GENERAL FUND – TRANSFERS OUT

|   |                                     | 2024                | 2025                | 2026                | Change           | Change from      |
|---|-------------------------------------|---------------------|---------------------|---------------------|------------------|------------------|
|   |                                     | Budget              | Budget              | Budget              | 2025 to 2026     | 2024 Orig.       |
| 1 | TRANSFERS TO SPECIAL PROJECTS       | \$10,560,662        | \$10,575,662        | \$10,847,482        | \$271,820        | \$286,820        |
| 2 | TRANSFERS TO STREET FUND            | 194,000             | 194,000             | 194,000             | \$0              | \$0              |
| 3 | TRANSFERS FOR GRANT MATCH           | 550,000             | 550,000             | 520,000             | (\$30,000)       | (\$30,000)       |
| 4 | CONTINGENCY/RESERVE TRANSFER        | 1,275,000           | 1,302,717           | 1,346,738           | \$44,021         | \$71,738         |
| 5 | <b>TOTAL GENERAL FUND TRANSFERS</b> | <b>\$12,579,662</b> | <b>\$12,622,379</b> | <b>\$12,908,220</b> | <b>\$285,841</b> | <b>\$328,558</b> |

- Transfers Out will increase **\$285,841** from the 2025 Adopted Budget to **\$12,908,220**.
- The Transfer of **\$194,000** to Other Funds represents a transfer to the Street Fund to offset the cost of parking enforcement.
- The 2026 contingency allocation of **\$1,346,738** is an increase of \$44,021 to bring the allocation to approximately 0.5% of revenues.

# GENERAL FUND SPECIAL PROJECTS

|    | <b>SPECIAL PROJECTS:</b>         | <b>2024</b>   | <b>2025</b>   | <b>2026</b>   | <b>Change</b>       | <b>Change from</b> |
|----|----------------------------------|---------------|---------------|---------------|---------------------|--------------------|
|    |                                  | <b>Budget</b> | <b>Budget</b> | <b>Budget</b> | <b>2025 to 2026</b> | <b>2024</b>        |
| 1  | CHILDREN, YOUTH & FAMILIES (CYF) | \$5,000,000   | \$5,000,000   | \$5,000,000   | \$0                 | \$0                |
| 2  | ANNUAL FLEET REPLACEMENT         | 2,242,650     | 2,242,650     | 2,242,650     | \$0                 | \$0                |
| 3  | FACILITY IMPROVEMENTS            | 1,000,000     | 1,000,000     | 1,000,000     | \$0                 | \$0                |
| 4  | HOMELESSNESS OUTREACH*           | 600,000       | 470,000       | 470,000       | \$0                 | (\$130,000)        |
| 5  | WEED LOT MAINTENANCE             | 384,400       | 384,400       | 475,000       | \$90,600            | \$90,600           |
| 6  | BRANDING                         | 235,000       | 235,000       | 235,000       | \$0                 | \$0                |
| 7  | DEMOLITION (RESIDENTIAL)         | 200,000       | 200,000       | 325,000       | \$125,000           | \$125,000          |
| 8  | POLICE - RIFLES                  | 140,000       | 140,000       | 140,000       | \$0                 | \$0                |
| 9  | DEMOLITION (COMMERCIAL)          | 100,000       | 100,000       | 100,000       | \$0                 | \$0                |
| 10 | LAND BANK*                       | 100,000       | 150,000       | 150,000       | \$0                 | \$50,000           |
| 11 | CONTINUUM OF CARE*               | -             | 80,000        | 80,000        | \$0                 | \$80,000           |
| 12 | WORK BOOTS                       | 70,000        | 70,000        | 70,000        | \$0                 | \$0                |
| 13 | HOMELESS EMERGENCY SERVICES      | 50,000        | 50,000        | 50,000        | \$0                 | \$0                |
| 14 | LR RESIDENCY INCENTIVE PROGRAM   | 50,000        | 50,000        | 50,000        | \$0                 | \$0                |

- Weed Lot Maintenance was increased by \$90,600
- Residential Demolitions were increased by \$125,000

# GENERAL FUND SPECIAL PROJECTS - CONTINUED

| SPECIAL PROJECTS:                     | 2024                | 2025                | 2026                | Change           | Change from      |
|---------------------------------------|---------------------|---------------------|---------------------|------------------|------------------|
|                                       | Budget              | Budget              | Budget              | 2025 to 2026     | 2024             |
| 15 LEGISLATIVE CONSULTING             | 50,000              | 50,000              | 50,000              | \$0              | \$0              |
| 16 FEDERAL CONSULTANT                 | 48,000              | 48,000              | 48,000              | \$0              | \$0              |
| 17 CURRAN HALL                        | 40,000              | 40,000              | 40,000              | \$0              | \$0              |
| 18 ENVIRONMENTAL YOUTH (PARKS)        | 37,500              | 37,500              | 37,500              | \$0              | \$0              |
| 19 JUNCTION BRIDGE                    | 35,000              | 35,000              | 35,000              | \$0              | \$0              |
| 20 TENNIS OPEN                        | 25,000              | 25,000              | 25,000              | \$0              | \$0              |
| 21 BOARD AND SECURE                   | 25,000              | 25,000              | 55,000              | \$30,000         | \$30,000         |
| 22 AMERICAN DISABILITY ACT (ADA)      | 25,000              | 25,000              | 25,000              | \$0              | \$0              |
| 23 SISTERS CITIES                     | 25,000              | 40,000              | 40,000              | \$0              | \$15,000         |
| 24 BILL CLARK WETLANDS MAINTENANCE    | 23,780              | 23,780              | 23,780              | \$0              | \$0              |
| 25 NEIGHBORHOOD CHALLENGE GRANT       | 23,332              | 23,332              | 49,552              | \$26,220         | \$26,220         |
| 26 SUSTAINABILITY SUMMIT              | 20,000              | 20,000              | 20,000              | \$0              | \$0              |
| 27 NATIONAL NIGHT OUT                 | 10,000              | 10,000              | 10,000              | \$0              | \$0              |
| 28 NEIGHBORHOOD CONNECTION            | 1,000               | 1,000               | 1,000               | \$0              | \$0              |
| <b>29 TOTAL GENERAL FUND PROJECTS</b> | <b>\$10,560,662</b> | <b>\$10,575,662</b> | <b>\$10,847,482</b> | <b>\$271,820</b> | <b>\$286,820</b> |

- Board and Secure is increased by \$30,000
- Neighborhood Challenge Grant increased by \$26,220

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# GRANT MATCH TRANSFERS

| <b>GRANT MATCH:</b>                     | <b>2024</b>      | <b>2025</b>      | <b>2026</b>      | <b>Change</b>       | <b>Change from</b> |
|---|------------------|------------------|------------------|---------------------|--------------------|
|   | <b>Budget</b>    | <b>Budget</b>    | <b>Budget</b>    | <b>2025 to 2026</b> | <b>2024 Orig.</b>  |
| 1 21st CENTURY LEARNING                 | 50,000           | 50,000           | 50,000           | -                   | -                  |
| 2 HAZARD MITIGATION - KANIS PARK BRIDGE | -                | -                | -                | -                   | -                  |
| 3 PARKS - OUTDOOR RECREATION GRANT      | 275,000          | 275,000          | 250,000          | (25,000)            | (25,000)           |
| 4 ZOO-FEMA MATCH SECURITY CAMERAS       | -                | -                | -                | -                   | -                  |
| 5 GENERAL                               | 225,000          | 225,000          | 220,000          | (5,000)             | (5,000)            |
| <b>6 TOTAL GRANT MATCH REQUIREMENT</b>  | <b>\$550,000</b> | <b>\$550,000</b> | <b>\$520,000</b> | <b>(\$30,000)</b>   | <b>(\$30,000)</b>  |

- The allocation for Grant Match is \$520,000 a decrease of \$30,000 in alignment with a reduction of an FTE paid from the Grant Match Funds.

# GENERAL FUND – EXPENDITURES BY CATEGORY

| Expenditures              | Actuals            | Adopted            | Forecast           | Budget             | 2025 to 2026     | Change       |
|---------------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------|
| 1 Personnel               | 190,404,695        | 205,719,682        | 207,863,618        | 212,370,216        | 6,650,534        | 3.20%        |
| 2 Supplies                | 2,850,635          | 2,710,541          | 2,752,649          | 2,805,297          | 94,756           | 3.44%        |
| 3 Fleet (Fuel & Services) | 8,387,028          | 9,276,534          | 9,276,534          | 9,495,140          | 218,606          | 2.36%        |
| 4 Repairs and Maintenance | 4,413,919          | 6,915,979          | 6,999,175          | 7,234,652          | 318,673          | 4.55%        |
| 5 Utilities               | 4,762,166          | 4,376,909          | 4,552,291          | 3,850,843          | (526,066)        | -11.56%      |
| 6 Contracts               | 3,866,001          | 5,870,988          | 5,745,186          | 5,956,646          | 85,658           | 1.49%        |
| 7 Outside Agency funding  | 16,438,858         | 15,667,726         | 15,667,726         | 16,712,726         | 1,045,000        | 6.67%        |
| 8 Capital Outlay          | 1,673,507          | 63,325             | 75,990             | 63,325             | -                | 0.00%        |
| 9 Debt Service            | 6,709,667          | 2,863,415          | 2,863,415          | 5,550,644          | 2,687,229        | 93.85%       |
| 10 Other                  | 10,805,238         | 8,020,621          | 8,104,745          | 8,155,769          | 135,148          | 1.67%        |
| 11 Vacancy Allocation     | (7,000,000)        | (11,000,000)       | (11,000,000)       | (13,104,374)       | (2,104,374)      | 19.13%       |
| 12 Transfers              | 22,682,914         | 12,622,379         | 12,622,379         | 12,908,220         | 285,841          | 2.26%        |
| <b>13 Total Expenses</b>  | <b>265,994,628</b> | <b>263,108,099</b> | <b>265,523,708</b> | <b>271,999,104</b> | <b>8,891,005</b> | <b>3.35%</b> |

(1) The personnel cost increase of \$6,650,534 is due to the salary increases of 5% for Fire and Police, the 1.75% for non-sworn personnel and higher insurance costs.

(7) The increase of \$1,045,000 is primarily the result of the increased costs for the Regional Detention Center.

(9) The increase in debt service is a result of the 2025 short term note for the Clinton Park Pedestrian Bridge Protection Cell Replacement project and principal and lease payments related to software subscriptions in accordance with new accounting standards.

# GENERAL FUND – EXPENDITURES BY DEPARTMENT FISCAL YEARS 2024 - 2026

| Expenditures   | 2024       | 2025       | 2025 Actual | 2026 Proposed | Change 2025 Adopted | Percent |
|--|------------|------------|-------------|---------------|---------------------|---------|
|  | Actual     | Adopted    | YTD         | Budget        | to 2026 Proposed    | Change  |
| 1 EXECUTIVE ADMINISTRATION - GENERAL AND EMPLOYEE BENEFITS               | 52,786,492 | 31,518,106 | 34,817,595  | 32,979,207    | 1,461,101           | 4.64%   |
| 2 EXECUTIVE ADMINISTRATION - MAYOR, CITY MANAGER AND ALL OTHER DIVISIONS | 3,870,106  | 4,346,748  | 3,109,152   | 4,401,577     | 54,829              | 1.26%   |
| 3 BOARD OF DIRECTORS   | 435,294    | 412,772    | 370,060     | 410,199       | (2,573)             | -0.62%  |
| 4 COMMUNITY PROGRAMS   | 84,164     | 236,896    | 10,183      | 301,784       | 64,888              | 27.39%  |
| 5 CITY ATTORNEY  | 2,977,499  | 3,079,218  | 2,421,810   | 3,067,538     | (11,680)            | -0.38%  |
| 6 DISTRICT CRT-1ST DIV CRIMINAL  | 1,471,445  | 1,590,355  | 1,163,668   | 1,539,015     | (51,340)            | -3.23%  |
| 7 DISTRICT CRT-2ND DIV TRAFFIC   | 1,368,463  | 1,418,369  | 1,068,049   | 1,463,550     | 45,181              | 3.19%   |
| 8 DISTRICT CRT-3RD DIV ENVIRON   | 636,277    | 650,688    | 494,977     | 640,330       | (10,358)            | -1.59%  |
| 9 FINANCE  | 4,870,428  | 5,634,627  | 4,274,235   | 5,503,712     | (130,915)           | -2.32%  |
| 10 HUMAN RESOURCES   | 3,310,192  | 3,107,836  | 2,457,812   | 3,242,717     | 134,881             | 4.34%   |
| 11 INFORMATION TECHNOLOGY  | 7,081,957  | 8,083,237  | 5,219,983   | 8,290,011     | 206,774             | 2.56%   |

- (1) The increase is due to increased jail costs and increased debt service offset by an increase in vacancy savings.
- (2) The increase is due to the 1.75% increase for all non-uniform personnel and health care increases offset by the reduction of 1 FTE.
- (9) The \$130,915 reduction is because of staff reduction of two (2) personnel.
- (10) The Increase of \$134,881 is the result of the 1.75% salary increases and the addition of one (1) position.
- (11) The Increase of \$206,774 is the result of the salary and health insurance cost increases and reallocating Comcast costs to the IT department.

# GENERAL FUND – EXPENDITURES BY DEPARTMENT FISCAL YEARS 2024 – 2026 – CONTINUED

| Expenditures                      | 2024               | 2025               | 2025 Actual        | 2026 Proposed      | Change 2025 Adopted | Percent      |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------|
|                                   | Actual             | Adopted            | YTD                | Budget             | to 2026 Proposed    | Change       |
| 12 PLANNING                       | 3,591,135          | 3,748,704          | 2,921,446          | 3,698,692          | (50,012)            | -1.33%       |
| 13 HOUSING AND NEIGHBORHOOD PROGS | 7,836,610          | 8,997,055          | 6,330,907          | 8,990,016          | (7,039)             | -0.08%       |
| 14 PUBLIC WORKS GENERAL FUND      | 1,150,351          | 1,231,876          | 1,031,903          | 1,120,294          | (111,582)           | -9.06%       |
| 15 PARKS AND RECREATION           | 11,075,858         | 11,875,529         | 8,797,898          | 11,927,050         | 51,521              | 0.43%        |
| 16 RIVERMARKET                    | 1,272,354          | 1,055,200          | 1,176,662          | 1,164,852          | 109,652             | 10.39%       |
| 17 GOLF                           | 3,028,404          | 1,856,684          | 1,633,832          | 1,808,479          | (48,205)            | -2.60%       |
| 18 JIM DAILEY FITNESS & AQUATICS  | 1,132,214          | 938,304            | 961,350            | 945,008            | 6,704               | 0.71%        |
| 19 FIRE                           | 57,750,574         | 64,568,686         | 52,946,864         | 68,671,344         | 4,102,658           | 6.35%        |
| 20 POLICE                         | 87,267,710         | 95,656,413         | 72,660,008         | 98,880,495         | 3,224,082           | 3.37%        |
| 21 911 OPERATIONS                 | 5,097,692          | 5,233,507          | 4,620,979          | 5,227,671          | (5,836)             | -0.11%       |
| 22 ZOO                            | 7,899,408          | 7,867,289          | 6,312,992          | 7,725,563          | (141,726)           | -1.80%       |
| <b>23 Total Expenditures</b>      | <b>265,994,628</b> | <b>263,108,099</b> | <b>214,802,365</b> | <b>271,999,104</b> | <b>8,891,005</b>    | <b>3.38%</b> |

- (16) The increase of \$109,652 is the result of increased operational costs.
- (19) The Increase of \$4,102,658 is the result of 5% salary increases and higher Insurance costs.
- (20) The increase of \$3,224,082 is the result of 5% salary increases, and higher Insurance costs.

# EXPENDITURES BY DEPARTMENT – EXECUTIVE ADMINISTRATION – GENERAL & EMPLOYEE BENEFITS

| Expenditures             | 2024              | 2025              | 2025 Current      | 2026 Proposed     | Change           | Percent      |
|--------------------------|-------------------|-------------------|-------------------|-------------------|------------------|--------------|
|                          | Actuals           | Adopted           | Forecast          | Budget            | 2025 to 2026     | Change       |
| 1 Personnel              | 4,993,772         | 7,410,558         | 7,479,117         | 7,439,300         | 28,742           | 0.38%        |
| 2 Supplies               | 4,877             | 500               | (54,172)          | 500               | -                | 0.00%        |
| 3 Utilites               | 2,883             | 2,300             | 2,321             | 2,300             | -                | 0.00%        |
| 4 Contracts              | 11,589,083        | 3,951,228         | 3,987,783         | 4,717,891         | 766,663          | 19.23%       |
| 5 Outside Agency funding | 16,438,858        | 15,667,726        | 15,667,726        | 16,712,726        | 1,045,000        | 6.67%        |
| 6 Debt Service           | 4,073,031         | 2,863,415         | 3,412,085         | 4,302,644         | 1,439,229        | 42.18%       |
| 7 Vacancy Savings        | (7,000,000)       | (11,000,000)      | (11,000,000)      | (13,104,374)      | (2,104,374)      | 19.13%       |
| 8 Transfers              | 22,682,914        | 12,622,379        | 12,622,379        | 12,908,220        | 285,841          | 2.26%        |
| <b>9 Total Expenses</b>  | <b>52,785,418</b> | <b>31,518,106</b> | <b>32,117,239</b> | <b>32,979,207</b> | <b>1,461,101</b> | <b>4.55%</b> |

- (4) The increase in Risk Management (Insurance Costs).
- (5) The increase of \$1,045,000 is from the increase costs of the County Regional Detention Center.
- (6) The issuance of new debt in Fiscal Year 2025.
- (7) The increase of \$2,104,374 covers the increased salary and benefits.

# EXPENDITURES BY DEPARTMENT - EXECUTIVE ADMINISTRATION – ALL OTHER DIVISIONS

|   |                             | 2024             | 2025             | 2025 Actual      | 2026 Proposed    | Change 2025 Adopted | Percent      |
|---|-----------------------------|------------------|------------------|------------------|------------------|---------------------|--------------|
|   | Expenditures                | Actual           | Adopted          | YTD              | Budget           | to 2026 Proposed    | Change       |
| 1 | PERSONNEL SERVICES          | 3,320,270        | 3,617,566        | 2,790,387        | 3,703,918        | 86,352              | 2.39%        |
| 2 | SERVICES AND OTHER EXPENSES | 279,969          | 364,844          | 219,550          | 320,279          | (44,565)            | -12.21%      |
| 3 | REPAIRS AND MAINTENANCE     | 108,478          | 160,745          | 551              | 160,558          | (187)               | -0.12%       |
| 4 | FLEET SERVICES              | 49,343           | 60,125           | 30,215           | 68,149           | 8,024               | 13.35%       |
| 5 | CAPITAL OUTLAY              | -                | 63,325           | -                | 63,325           | -                   | 0.00%        |
| 6 | SUPPLIES AND MATERIALS      | 67,246           | 52,252           | 50,092           | 54,157           | 1,905               | 3.65%        |
| 7 | UTILITIES                   | 44,800           | 27,891           | 18,357           | 31,191           | 3,300               | 11.83%       |
| 8 | <b>Total Expenditures</b>   | <b>3,870,106</b> | <b>4,346,748</b> | <b>3,109,152</b> | <b>4,401,577</b> | <b>54,829</b>       | <b>1.26%</b> |

(1) The increase of \$86,352 is the result of the 1.75% salary and increased Health Insurance costs.  
 (2) The decrease of \$44,565 is the result of contractual changes by the department.

# OTHER FUNDS REVENUE SUMMARIES AND EXPENDITURES



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# STREET FUND – REVENUE FORECAST 2024 - 2026

|   | Revenues                        | 2024                 | 2025                 | 2025 Current         | 2026 Proposed        | Change            | Percent      |
|---|---------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|--------------|
|   |                                 | Actual               | Adopted              | Forecast             | Budget               | 2025 to 2026      | Change       |
| 1 | Property Tax (Road Tax Millage) | \$ 8,081,010         | \$ 8,164,300         | \$ 8,210,610         | \$ 8,534,900         | \$ 324,290        | 3.95%        |
| 2 | State Tax Turnback              | 16,677,301           | 16,964,200           | 16,832,764           | 16,761,100           | (71,664)          | -0.43%       |
| 3 | Loading Zone                    | 17,290               | 17,300               | 17,290               | 17,300               | 10                | 0.06%        |
| 4 | Street Repairs                  | 34,131               | 34,300               | 47,919               | 36,400               | (11,519)          | -24.04%      |
| 5 | Investment Income               | 1,268,550            | 910,500              | 1,403,544            | 1,422,100            | 18,556            | 1.32%        |
| 6 | Miscellaneous                   | 58,734               | 68,600               | 49,209               | 50,900               | 1,691             | 3.44%        |
| 7 | Transfers In                    | 284,000              | 284,000              | 284,000              | 284,000              | -                 | 0.00%        |
| 8 | <b>Total Revenues</b>           | <b>\$ 26,421,016</b> | <b>\$ 26,443,200</b> | <b>\$ 26,845,336</b> | <b>\$ 27,106,700</b> | <b>\$ 261,364</b> | <b>0.97%</b> |

- Property Tax includes the road tax millage and an allocation of Act 9 payments in lieu of taxes. The growth rate in the road tax is 3.2% based on information obtained from the Pulaski County Assessor's Office.
- The current forecast for State Tax Turnback at year-end is approximately \$16.8 million. The 2026 budget assumes a flattening of the revenues from this revenue source.

# STREET FUND – EXPENDITURE FORECAST

## 2024 - 2026

| <u>Expenditures</u>           | 2024                | 2025                | 2025 Actual          | 2026 Proposed        | Change 2025 Adopted | Percent Change |
|-------------------------------|---------------------|---------------------|----------------------|----------------------|---------------------|----------------|
|                               | Actual              | Adopted             | YTD                  | Budget               | to 2026 Proposed    |                |
| 1 Personnel Services          | \$11,630,456        | \$15,089,433        | \$ 10,008,578        | \$ 15,823,771        | \$ 734,338          | 4.87%          |
| 2 Transfers Out               | 12,036,217          | 3,290,956           | 6,090,956            | 3,299,327            | 8,371               | 0.25%          |
| 3 Utilities                   | 3,150,396           | 2,949,248           | 2,686,063            | 3,102,655            | 153,407             | 5.20%          |
| 4 Fleet Services              | 2,563,082           | 2,834,045           | 1,847,827            | 3,004,252            | 170,207             | 6.01%          |
| 5 Outside Agency Funding      | 2,000,000           | 2,000,000           | 1,666,667            | 2,000,000            | -                   | 0.00%          |
| 6 Repairs and Maintenance     | 945,648             | 816,226             | 707,470              | 959,601              | 143,375             | 17.57%         |
| 7 Supplies and Materials      | 573,266             | 631,908             | 516,441              | 717,222              | 85,314              | 13.50%         |
| 8 Services and Other Expenses | 343,152             | 581,384             | 279,566              | 454,392              | (126,992)           | -21.84%        |
| 9 Capital Outlay              | -                   | -                   | 10,927               | -                    | -                   | N/A            |
| 10 Debt Service               | 5,022               | -                   | -                    | -                    | -                   | N/A            |
| 11 Vacancy Allocation         | -                   | (1,750,000)         | -                    | (2,254,520)          | (504,520)           | 28.83%         |
| <b>12 Total Expenditures</b>  | <b>\$33,247,239</b> | <b>\$26,443,200</b> | <b>\$ 23,814,495</b> | <b>\$ 27,106,700</b> | <b>\$ 663,500</b>   | <b>2.51%</b>   |

- As noted in the Personnel highlights earlier, Local Labor Union 100 personnel will continue step and grade progression, and all non-uniform employees will receive a 1.75% increase. In addition, health insurance costs were increased by approximately 9%.
- Fleet cost increases were discussed previously.
- Increases in other categories are based on historical trends as adjusted by the department.
- Increases in vacancy savings move them in alignment with historical activity.
- The detail of Transfers Out is reflected on the following slide.

# STREET FUND – TRANSFERS OUT

## 2024 - 2026

|   | 2024                 | 2025                | 2025 Current        | 2026 Proposed       | Change                |                | Percent Change |                |              |
|---|----------------------|---------------------|---------------------|---------------------|-----------------------|----------------|----------------|----------------|--------------|
|   |                      |                     |                     |                     | Actual                | Adopted        | Forecast       | Budget         | 2025 to 2026 |
| 1 Vehicle and Equipment Replacement                       | \$ 1,340,000         | \$ 1,340,000        | \$ 1,340,000        | \$ 1,340,000        | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 2 Administrative Overhead Allocation                      | 368,000              | 750,739             | 750,739             | 759,110             | \$ 8,371              | \$ 8,371       | \$ 8,371       | \$ 8,371       | 1.12%        |
| 3 Johnson Control Savings                                 | 216,217              | 216,217             | 216,217             | 216,217             | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 4 Mowing Right of Way Contract                            | 400,000              | 400,000             | 400,000             | 400,000             | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 5 Re-entry Sidewalk Program                               | 200,000              | 200,000             | 200,000             | 200,000             | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 6 Re-entry ROW Program                                    | 200,000              | 200,000             | 200,000             | 200,000             | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 7 Bridge to Work Program                                  | 150,000              | 184,000             | 184,000             | 184,000             | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 8 Jonesboro Drive 1 & 2 (Grant Match)                     | 130,000              | -                   | -                   | -                   | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 9 Jonesboro Drive 3 (Grant Match)                         | 652,000              | -                   | -                   | -                   | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 10 Markham Side Path (Grant Match)                        | 130,000              | -                   | -                   | -                   | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 11 I-30 Deck Park (Grant Match)                           | 500,000              | -                   | -                   | -                   | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 12 Markham Sidewalks Phase 2 (Grant Match)                | 1,500,000            | -                   | -                   | -                   | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 13 Safe Streets 4 All (SS4A) Implementation (Grant Match) | 6,250,000            | -                   | -                   | -                   | \$ -                  | \$ -           | \$ -           | \$ -           | 0.00%        |
| 14 I-30 Crossing Project                                  | -                    | -                   | 2,793,511           | -                   | \$ (2,793,511)        | \$ (2,793,511) | \$ (2,793,511) | \$ (2,793,511) | -100.00%     |
| 15 Additional Vehicle and Equipment Replacement           | -                    | -                   | 3,186,000           | -                   | \$ (3,186,000)        | \$ (3,186,000) | \$ (3,186,000) | \$ (3,186,000) | -100.00%     |
| <b>16 Total Transfers Out</b>                             | <b>\$ 12,036,217</b> | <b>\$ 3,290,956</b> | <b>\$ 9,270,467</b> | <b>\$ 3,299,327</b> | <b>\$ (5,971,140)</b> | <b>-64.41%</b> |                |                |              |

➤ Street Fund Transfers Out of **\$3,299,327** includes funding for vehicle and equipment replacement, continuation of the right of way mowing and re-entry projects. The allocation for administrative overhead has been increased by \$8,371.

# WASTE DISPOSAL FUND – REVENUE FORECAST

## 2024 - 2026

| Revenues                  | 2024                | 2025                | 2025 Current         | 2026 Proposed        | Change               | Percent       |
|---------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|---------------|
|                           | Actual              | Adopted             | Forecast             | Budget               | 2025 to 2026         | Change        |
| 1 Sanitation Fees         | \$22,818,272        | \$22,485,400        | \$ 23,016,699        | \$ 23,214,500        | \$ 197,801           | 0.86%         |
| 2 Landfill Fees           | 3,267,052           | 3,370,400           | 3,162,044            | 3,208,800            | \$ 46,756            | 1.48%         |
| 3 Yard Waste              | 115,117             | 167,100             | 128,452              | 135,700              | \$ 7,248             | 5.64%         |
| 4 Compost Sale            | 7,661               | 22,500              | 10,633               | 11,000               | \$ 367               | 3.45%         |
| 5 Recycling Waste Revenue | -                   | -                   | -                    | -                    | \$ -                 | 0.00%         |
| 6 Recycling Reimbursement | 2,321               | 1,500               | 1,575                | 1,300                | \$ (275)             | -17.46%       |
| 7 Investment Income       | 654,941             | 493,100             | 912,516              | 864,000              | \$ (48,516)          | -5.32%        |
| 8 Miscellaneous Revenue   | 1,054,298           | 3,400               | 1,450,287            | -                    | \$ (1,450,287)       | -100.00%      |
| 9 Transfers In            | -                   | -                   | 1,374,479            | -                    | \$ (1,374,479)       | -100.00%      |
| <b>10 Total Revenues</b>  | <b>\$27,919,662</b> | <b>\$26,543,400</b> | <b>\$ 30,056,685</b> | <b>\$ 27,435,300</b> | <b>\$(2,621,385)</b> | <b>-8.72%</b> |

- The increase in Sanitation Fees, Landfill Fees, Yard Waste and Compost is based on incremental growth in the number of customers year over year.
- The decline in investment income is a result of decreased interest rates reducing overall investment income for the City.
- The decline in Miscellaneous Revenue and Transfers In is a result of one-time transactions related to capital assets paid for from General Government Resources being move to the Waste Disposal Fund and from a FEMA reimbursement related to the 2023 Tornado.

# WASTE DISPOSAL FUND – EXPENSE FORECAST

## 2024 - 2026

| <u>Expenses</u>                 | 2024                | 2025                | 2025 Actual          | 2026 Proposed        | Change 2025 Adopted | Percent Change |
|---------------------------------|---------------------|---------------------|----------------------|----------------------|---------------------|----------------|
|                                 | Actual              | Adopted             | YTD                  | Budget               | to 2026 Proposed    |                |
| 1 Personnel Services            | \$ 9,789,416        | \$ 9,853,382        | \$ 7,638,775         | \$ 10,524,506        | \$ 671,124          | 6.81%          |
| 2 Fleet Services                | 4,723,443           | 5,408,394           | 3,949,369            | 5,865,770            | 457,376             | 8.46%          |
| 3 Services and Other Expenses   | 5,823,381           | 4,871,257           | 5,164,126            | 5,226,567            | 355,310             | 7.29%          |
| 4 Depreciation and Amortization | 2,921,418           | 3,036,428           | 2,911,950            | 2,620,428            | (416,000)           | -13.70%        |
| 5 Transfers Out                 | 1,005,590           | 2,198,893           | 2,198,893            | 2,313,177            | 114,284             | 5.20%          |
| 6 Closure and Post Closure      | 309,935             | 824,000             | 503,428              | 952,000              | 128,000             | 15.53%         |
| 7 Repairs and Maintenance       | 143,678             | 421,646             | 262,730              | 571,502              | 149,856             | 35.54%         |
| 8 Supplies and Materials        | 518,811             | 429,400             | 415,539              | 280,050              | (149,350)           | -34.78%        |
| 9 Debt Service                  | 20,087              | -                   | -                    | -                    | -                   | N/A            |
| 10 Vacancy Allocations          | -                   | (500,000)           | -                    | (918,700)            | (418,700)           | 83.74%         |
| <b>11 Total Expenses</b>        | <b>\$25,255,758</b> | <b>\$26,543,400</b> | <b>\$ 23,044,810</b> | <b>\$ 27,435,300</b> | <b>\$ 891,900</b>   | <b>3.36%</b>   |

- The 2026 Waste Disposal Fund budget is balanced at **\$27,435,300**.
- The increase in personnel costs is attributed to increased health insurance costs, step-and-grade progression and a 1.75% increase in non-uniform salaries and wages.
- The change in Fleet expenses was described previously.
- Closure and Post Closure is forecast based on tonnage deposited to the landfill.
- Transfers Out are shown in detail on the next slide.

# WASTE DISPOSAL FUND – TRANSFERS OUT

## 2024 - 2026

|          |  | 2024                | 2025                | 2025 Actual         | 2026 Proposed       | Change            | Percent      |
|----------|--|---------------------|---------------------|---------------------|---------------------|-------------------|--------------|
|          |  | Actual              | Adopted             | YTD                 | Budget              | 2025 to 2026      | Change       |
| 1        | Waste Disposal Special Project Transfers (Environmental Youth - Parks) | \$ 37,500           | \$ 37,500           | \$ 37,500           | \$ 37,500           | \$ -              | 0.00%        |
| 2        | Transfers to Street Fund - Anti Litter                                 | 90,000              | 90,000              | 90,000              | 90,000              | \$ -              | 0.00%        |
| 3        | Transfer to General Fund - Administrative Allocation                   | 805,090             | 1,998,393           | 1,998,393           | 2,112,677           | \$ 114,284        | 5.72%        |
| 4        | Transfer to General Fund - Environmental Services                      | 73,000              | 73,000              | 73,000              | 73,000              | \$ -              | 0.00%        |
| <b>5</b> | <b>Total Waste Disposal Transfers Out</b>                              | <b>\$ 1,005,590</b> | <b>\$ 2,198,893</b> | <b>\$ 2,198,893</b> | <b>\$ 2,313,177</b> | <b>\$ 114,284</b> | <b>5.20%</b> |

- Waste Disposal Fund Transfers Out of **\$2,313,177** includes funding for environmental youth, continuation of the anti-litter programs, and administrative overhead. The allocation for administrative overhead has been increased by \$114,284 to align with increased costs and the actual costs of providing administrative services to the Waste Disposal operations.

# FLEET SERVICES FUND – REVENUE FORECAST

## 2024 - 2026

| Revenues                | 2024                 | 2025                 | 2025 Current         | 2026 Proposed        | Change              | Percent       |
|-------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------|
|                         | Actual               | Adopted              | Forecast             | Budget               | 2025 to 2026        | Change        |
| 1 Fleet Labor Costs     | \$ 3,576,258         | \$ 4,220,384         | \$ 4,220,384         | \$ 4,228,239         | \$ 7,855            | 0.19%         |
| 2 Fleet Management      | 2,482,510            | 3,043,916            | 3,043,916            | 3,061,253            | \$ 17,337           | 0.57%         |
| 3 Fuel                  | 3,177,222            | 3,717,750            | 3,717,750            | 4,023,500            | \$ 305,750          | 8.22%         |
| 4 Parts and User Fees   | 3,523,218            | 3,911,880            | 3,911,880            | 3,593,700            | \$ (318,180)        | -8.13%        |
| 5 Insurance Repairs     | 272,541              | 825,000              | 825,000              | 600,000              | \$ (225,000)        | 0.00%         |
| 6 Fleet Sublets         | 2,536,189            | 2,180,000            | 2,180,000            | 2,236,000            | \$ 56,000           | 2.57%         |
| 7 Investment Income     | 3,481                | 20,000               | -                    | 20,000               | \$ 20,000           | N/A           |
| 8 Miscellaneous Revenue | 398,768              | 500,000              | 500,000              | 457,761              | \$ (42,239)         | -8.45%        |
| <b>9 Total Revenues</b> | <b>\$ 15,970,187</b> | <b>\$ 18,418,930</b> | <b>\$ 18,398,930</b> | <b>\$ 18,220,453</b> | <b>\$ (178,477)</b> | <b>-0.97%</b> |

- Fleet Labor Cost revenues will increase due to increased costs associated with increased health insurance costs, and the 1.75% increase in non-uniform salaries and wages offset by reduction of 5 FTEs.
- Fleet management costs see an increase as it includes the costs for insurance.
- Fuel revenue increase due to increased costs in 2026 compared to expectations for 2025.
- Insurance repairs decrease due to expected decreased insurance repairs both internally and externally.
- Parts and User Fees are expected to decrease as a result of replacement of vehicles in the Fleet.

# FLEET SERVICES FUND – EXPENSE FORECAST

## 2024 - 2026

| <b>Expenses</b>                 | <b>2024</b>         | <b>2025</b>         | <b>2025 Actual</b>   | <b>2026 Proposed</b> | <b>Change 2025 Adopted</b> | <b>Percent Change</b> |
|---------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------------|-----------------------|
|                                 | <b>Actual</b>       | <b>Adopted</b>      | <b>YTD</b>           | <b>Budget</b>        | <b>to 2026 Proposed</b>    |                       |
| 1 Fleet Services                | \$ 6,519,161        | \$ 7,369,386        | \$ 4,985,422         | \$ 6,655,500         | \$ (713,886)               | -9.69%                |
| 2 Personnel Services            | 4,191,443           | 5,135,840           | 3,169,319            | 5,320,654            | 184,814                    | 3.60%                 |
| 3 Contracts                     | 4,869,632           | 4,273,767           | 3,921,135            | 4,486,452            | 212,685                    | 4.98%                 |
| 4 Repairs and Maintenance       | 690,758             | 1,385,740           | 756,234              | 1,523,240            | 137,500                    | 9.92%                 |
| 5 Supplies and Materials        | 171,311             | 305,150             | 112,345              | 374,410              | 69,260                     | 22.70%                |
| 6 Depreciation and Amortization | 868,675             | 137,000             | 1,144,093            | 247,000              | 110,000                    | 80.29%                |
| 7 Utilities                     | 101,694             | 135,269             | 92,178               | 129,449              | (5,820)                    | -4.30%                |
| 8 Debt Service                  | 15,699              | -                   | -                    | -                    | -                          | N/A                   |
| 9 Transfers Out                 | -                   | -                   | -                    | -                    | -                          | N/A                   |
| 10 Vacancy Allocations          | -                   | (323,222)           | -                    | (516,252)            | (193,030)                  | 59.72%                |
| <b>11 Total Expenses</b>        | <b>\$17,428,373</b> | <b>\$18,418,930</b> | <b>\$ 14,180,726</b> | <b>\$ 18,220,453</b> | <b>\$ (198,477)</b>        | <b>-1.08%</b>         |

- The Fleet Services Budget is balanced at **\$18,220,453**.
- The increase in personnel costs is attributed to increased health insurance costs, step-and-grade progression, a 1.75% increase in non-uniform salaries and wages, reclassifications and the reduction of 5 FTEs to support the reclassifications.
- The decline in fleet service costs is a result of decreased overall fuel costs.
- The increase in vacancy savings moves the amount closer to historical amounts.

# VEHICLE STORAGE FUND – REVENUE FORECAST

## 2024 - 2026

| Revenues                          | 2024                | 2025                | 2025 Current        | 2026 Proposed       | Change           | Percent      |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|------------------|--------------|
|                                   | Actual              | Adopted             | Forecast            | Budget              | 2025 to 2026     | Change       |
| 1 Permits                         | \$ 5,545            | \$ 5,100            | \$ 5,840            | \$ 6,000            | \$ 160           | 2.74%        |
| 2 Administration Fees             | 163,632             | 154,700             | 161,171             | 161,200             | 29               | 0.02%        |
| 3 Vehicle Storage Fees            | 605,618             | 604,100             | 653,291             | 653,300             | 9                | 0.00%        |
| 4 Wrecker Fees                    | 646,700             | 657,400             | 683,684             | 683,700             | 16               | 0.00%        |
| 5 Auction Sales and Handling Fees | 981,392             | 948,200             | 1,006,126           | 1,021,200           | 15,074           | 1.50%        |
| 6 Vehicle Storage Miscellaneous   | 3,681               | 15,600              | 11,572              | 11,700              | 128              | 1.11%        |
| 7 Investment Income               | 66,808              | 68,100              | 136,069             | 136,100             | 31               | 0.02%        |
| <b>8 Total Revenues</b>           | <b>\$ 2,473,376</b> | <b>\$ 2,453,200</b> | <b>\$ 2,657,753</b> | <b>\$ 2,673,200</b> | <b>\$ 15,447</b> | <b>0.58%</b> |

- Overall revenues in the Vehicle Storage Fund are expected to increase by \$15,447 compared to the 2025 projected revenues due to an increase in projected auction sales and handling fees. The 2026 proposed budget of \$2,673,200 is \$199,824 or 8.08% more than 2024 actual revenues driven primarily from expected increases in auction sales and investment income.

# VEHICLE STORAGE FUND – EXPENSE FORECAST

## 2024 - 2026

|    | <u>Expenses</u>               | 2024                | 2025                | 2025 Actual         | 2026 Proposed       | Change 2025 Adopted | Percent       |
|----|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------|
|    |                               | Actual              | Adopted             | YTD                 | Budget              | to 2026 Proposed    | Change        |
| 1  | Personnel Services            | \$ 908,725          | \$ 930,592          | \$ 594,556          | \$ 1,157,738        | \$ 227,146          | 24.41%        |
| 2  | Contracts                     | 818,242             | 751,400             | 755,282             | 751,400             | -                   | 0.00%         |
| 3  | Repairs and Maintenance       | 293,995             | 430,000             | 40,218              | 430,000             | -                   | 0.00%         |
| 4  | Supplies and Materials        | 76,930              | 115,600             | 43,945              | 115,600             | -                   | 0.00%         |
| 5  | Fleet Services                | 27,295              | 28,278              | 24,883              | 31,042              | 2,764               | 9.77%         |
| 6  | Depreciation and Amortization | 42,458              | 4,000               | 359,894             | 25,000              | 21,000              | 525.00%       |
| 7  | Utilities                     | 18,735              | 21,700              | 14,182              | 21,700              | -                   | 0.00%         |
| 8  | Services and Other Expenses   | 12,080              | 10,625              | 14,967              | 17,625              | 7,000               | 65.88%        |
| 9  | Interest Expense              | 966                 | -                   | -                   | -                   | -                   | N/A           |
| 10 | <b>Total Expenses</b>         | <b>\$ 2,199,426</b> | <b>\$ 2,292,195</b> | <b>\$ 1,847,927</b> | <b>\$ 2,550,105</b> | <b>\$ 257,910</b>   | <b>11.25%</b> |

- The Vehicle Storage Fund is anticipated to have net income of **\$123,095**.
- Personnel costs are budgeted to increase compared to 2025 by \$227,146 or 24.41% due to increased health insurance costs, a 1.75% increase in non-uniform salaries and wages, reclassification of positions, and the addition of 2 FTEs.

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# PARKING GARAGE FUND – REVENUE FORECAST

## 2024 - 2026

| Revenues                       | 2024               | 2025               | 2025 Current        | 2026 Proposed       | Change             | Percent       |
|--------------------------------|--------------------|--------------------|---------------------|---------------------|--------------------|---------------|
|                                | Actual             | Adopted            | Forecast            | Budget              | 2025 to 2026       | Change        |
| 1 Licenses and Permits         | \$ 326,011         | \$ 231,800         | \$ 343,103          | \$ 346,600          | \$ 3,497           | 1.02%         |
| 2 Street Repair Reimbursements | 158,240            | 106,600            | 165,977             | 166,000             | 23                 | 0.01%         |
| 3 Parking Meters               | 512,783            | 533,500            | 473,821             | 473,800             | (21)               | 0.00%         |
| 4 Monthly Parking              | 660,423            | 1,109,400          | 703,820             | 737,000             | 33,180             | 4.71%         |
| 5 Daily Parking                | 663,367            | 680,300            | 381,836             | 381,900             | 64                 | 0.02%         |
| 6 Surface and Other Parking    | (58,245)           | 109,400            | 98,848              | 98,900              | 52                 | 0.05%         |
| 7 Investment Income            | 863,456            | 544,200            | 869,710             | 750,616             | (119,094)          | -13.69%       |
| <b>8 Total Revenues</b>        | <b>\$3,126,035</b> | <b>\$3,315,200</b> | <b>\$ 3,037,115</b> | <b>\$ 2,954,816</b> | <b>\$ (82,299)</b> | <b>-2.71%</b> |

- The 2025 Budget for the Parking Garage Fund is **\$2,954,816**. The Little Rock Convention & Visitors Bureau provides the forecasts for the monthly and daily parking projections for the Statehouse and River Market Parking Garages.
- Licenses and Permits and Street Repair Reimbursements Revenues are budgeted based on forecasted revenues for 2025.
- Investment Income decreases due to accounting changes for long-term agreements.

# PARKING GARAGE FUND – EXPENSE FORECAST

## 2024 - 2026

| <u>Expenses</u>                 | 2024                | 2025                | 2025 Actual         | 2026 Proposed       | Change 2025 Adopted | Percent Change |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------|
|                                 | Actual              | Adopted             | YTD                 | Budget              | to 2026 Proposed    |                |
| 1 Services and Other Expenses   | \$ 306,914          | \$ 286,000          | \$ 288,886          | \$ 286,000          | \$ -                | 0.00%          |
| 2 Contracts                     | 178,815             | 243,000             | 180,825             | 243,000             | -                   | 0.00%          |
| 3 Depreciation and Amortization | 220,186             | 240,240             | 180,743             | 240,240             | -                   | 0.00%          |
| 4 Personnel Services            | 171,365             | 219,760             | 129,973             | 219,760             | -                   | 0.00%          |
| 5 Debt Service                  | 217,914             | 196,536             | 141,742             | 158,111             | (38,425)            | -19.55%        |
| 6 Management Fee                | 85,000              | 85,000              | 63,750              | 85,000              | -                   | 0.00%          |
| 7 Utilities                     | 59,701              | 70,219              | 63,623              | 70,219              | -                   | 0.00%          |
| 8 Repairs and Maintenance       | 102,884             | 60,000              | 77,619              | 60,000              | -                   | 0.00%          |
| 9 Supplies and Materials        | 5,307               | 25,000              | 10,143              | 25,000              | -                   | 0.00%          |
| <b>10 Total Expenses</b>        | <b>\$ 1,348,086</b> | <b>\$ 1,425,755</b> | <b>\$ 1,137,304</b> | <b>\$ 1,387,330</b> | <b>\$ (38,425)</b>  | <b>-2.70%</b>  |

- The parking garages will continue to be operated by the Little Rock Convention and Visitors Bureau.
- Expenses will decrease by \$38,425 compared to the 2025 Adopted Budget. The decrease is in debt service costs - interest expenses as the City continues to make its annual debt service on the 2003 Parking Garage Bonds that mature in 2028.
- Net income will remain sufficient to fund debt service on the parking garage bonds and meet bond covenants.

# 2026 PROPOSED BUDGET SUMMARY



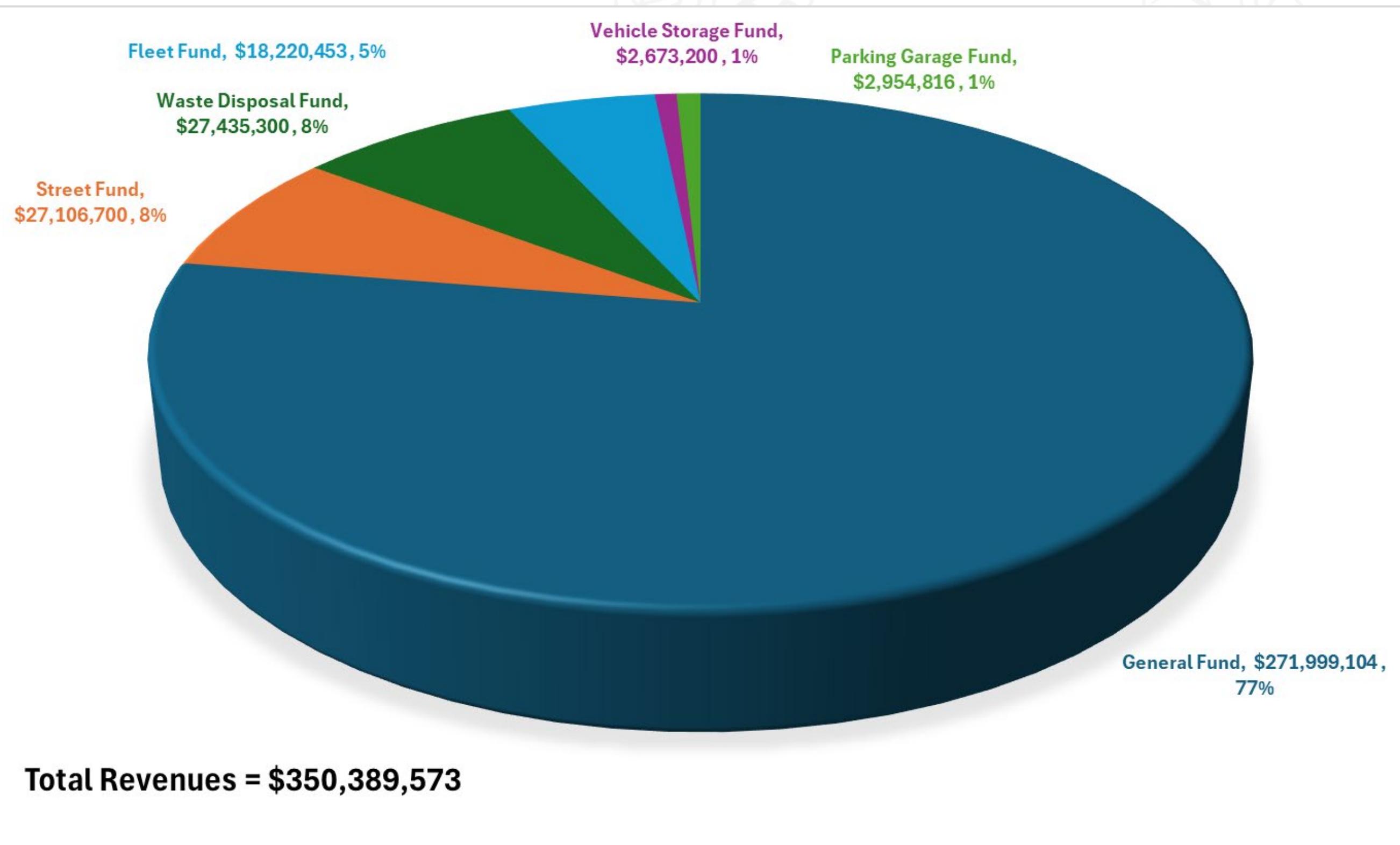
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# SUMMARY – ALL FUNDS

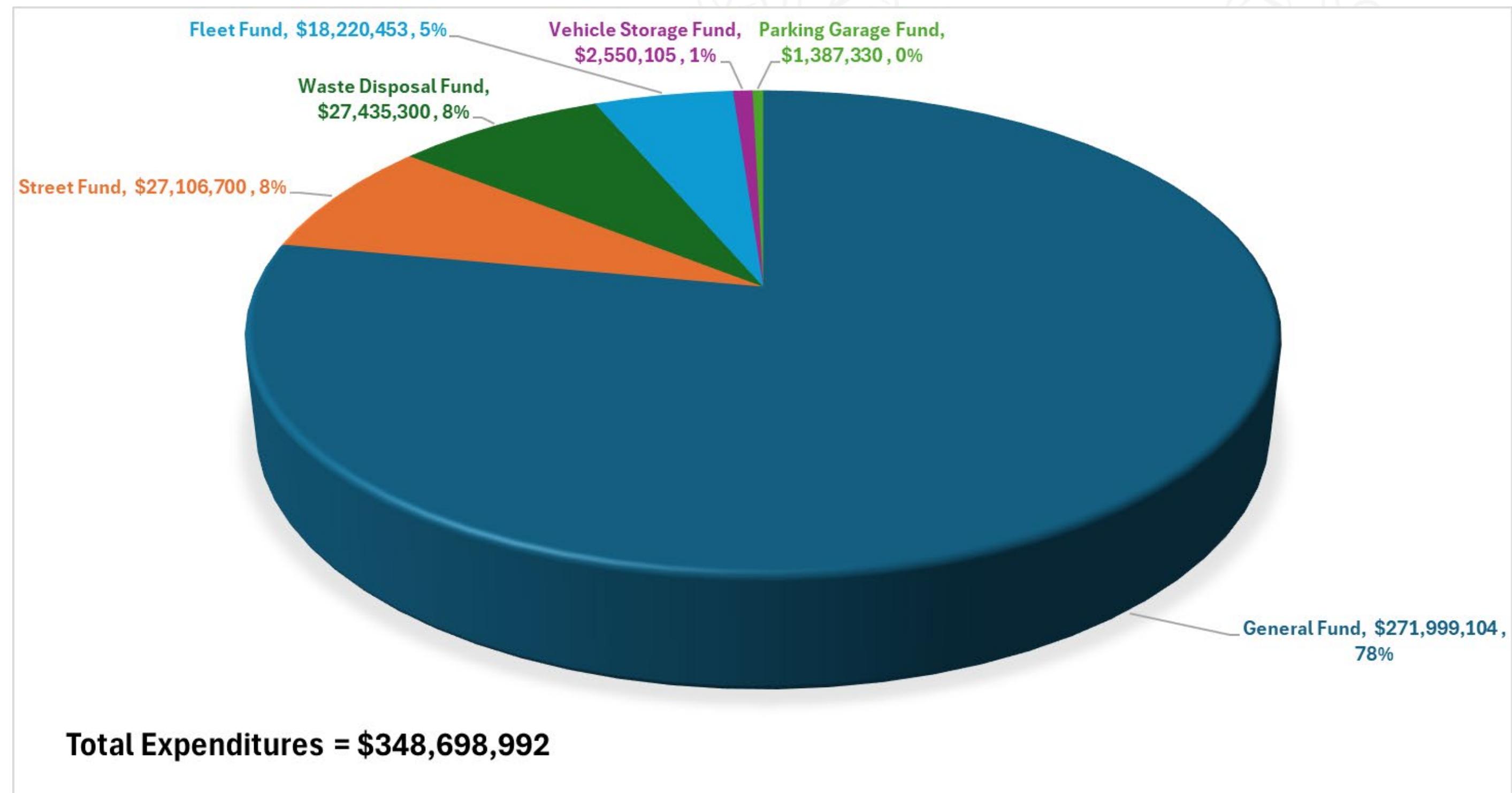
|                                     | Revenues              | Expenditures          | Net Income          |
|-------------------------------------|-----------------------|-----------------------|---------------------|
| 1 General Fund                      | \$ 271,999,104        | \$ 271,999,104        | \$ -                |
| 2 Street Fund                       | 27,106,700            | 27,106,700            | -                   |
| 3 Waste Disposal Fund               | 27,435,300            | 27,435,300            | -                   |
| 4 Fleet Fund                        | 18,220,453            | 18,220,453            | -                   |
| 5 Vehicle Storage Fund              | 2,673,200             | 2,550,105             | 123,095             |
| 6 Parking Garage Fund               | 2,954,816             | 1,387,330             | 1,567,486           |
| <b>7 Total - All Budgeted Funds</b> | <b>\$ 350,389,573</b> | <b>\$ 348,698,992</b> | <b>\$ 1,690,581</b> |

- The General Fund, Street Fund, Waste Disposal Fund, and Fleet Fund are **balanced**.
- The Vehicle Storage Fund and Parking Garage Fund are forecast to have net income, revenues in excess of expenses) of \$123,095 and \$1,567,486, respectively.
- In total, the 2025 proposed budget results in net income of **\$1,690,581 (restricted usage)**.

# 2026 REVENUE FORECAST BY FUND



# 2026 EXPENDITURE FORECAST BY FUND



# 2027 PLANNED BUDGET AND FIVE-YEAR PROJECTION



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# STATUTORY REQUIREMENTS

## **Section 2-212 - Preparation. (City of Little Rock Code of Ordinances)**

- In preparing the budget, the city manager will compile two (2) annual budgets for bi-annual fiscal periods beginning in even numbered years. The board of directors will amend or revise the budgets as they deem advisable and adopt the budget for the even numbered year by ordinance, while the budget for the odd numbered year will be approved as a fiscal plan. During the even numbered year, the city manager will review the fiscal plan for the ensuing year and revise it as deemed necessary for resubmission to the board of directors. After reconsideration and revision as deemed necessary, the board of directors will adopt a budget ordinance for the second year of the bi-annual period.

## **Section 2-260.03 (10) - Operating Management (City of Little Rock Code of Ordinances)**

- Balanced revenue and expenditure forecasts will be prepared to examine the city's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will encompass five (5) years and will be updated annually.

| <b>General Fund</b>                       | <b>FY26</b>           | <b>FY27</b>           | <b>FY28</b>           | <b>FY29</b>           | <b>FY30</b>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <b>Adopted</b>        | <b>Planned</b>        | <b>Projected</b>      | <b>Projected</b>      | <b>Projected</b>      |
| Beginning Fund Balance                    | \$ 43,967,342         | \$ 43,967,342         | \$ 43,967,342         | \$ 43,967,342         | \$ 43,967,342         |
| Plus: Est. Revenue (a)                    | 271,999,104           | 277,439,086           | 282,987,868           | 288,647,625           | 294,420,578           |
| Less: Est. Expenses                       |                       |                       |                       |                       |                       |
| Executive Administration                  | 33,274,294            | 31,632,738            | 31,812,124            | 32,561,404            | 34,158,894            |
| Board of Directors                        | 410,199               | 390,040               | 392,253               | 401,492               | 421,265               |
| Community Programs                        | 301,784               | 286,752               | 288,376               | 295,169               | 309,510               |
| City Attorney                             | 3,067,538             | 2,916,768             | 2,933,316             | 3,002,403             | 3,150,250             |
| District Court - First Division           | 1,539,015             | 1,463,509             | 1,471,814             | 1,506,478             | 1,580,795             |
| District Court - Second Division          | 1,463,550             | 1,391,464             | 1,399,356             | 1,432,315             | 1,502,699             |
| District Court - Third Division           | 640,330               | 608,882               | 612,337               | 626,759               | 657,646               |
| Finance                                   | 5,503,712             | 5,233,534             | 5,263,232             | 5,387,194             | 5,652,797             |
| Human Resources                           | 3,242,717             | 3,082,890             | 3,100,375             | 3,173,399             | 3,329,234             |
| Information Technology                    | 7,042,011             | 6,698,955             | 6,737,006             | 6,895,669             | 7,238,200             |
| Planning and Development                  | 3,698,692             | 3,517,008             | 3,536,964             | 3,620,268             | 3,798,645             |
| Housing & Neighborhood Programs           | 8,990,016             | 8,548,069             | 8,596,566             | 8,799,038             | 9,232,247             |
| Public Works                              | 1,120,294             | 1,065,556             | 1,071,606             | 1,096,844             | 1,151,170             |
| Parks & Recreation                        | 11,927,050            | 11,340,537            | 11,404,875            | 11,673,491            | 12,248,043            |
| River Market                              | 1,164,852             | 1,107,254             | 1,113,531             | 1,139,759             | 1,195,550             |
| Golf                                      | 1,808,479             | 1,719,716             | 1,729,474             | 1,770,207             | 1,857,498             |
| Jim Dailey Fitness & Aquatics             | 945,008               | 898,529               | 903,627               | 924,910               | 970,425               |
| Zoo                                       | 7,725,563             | 7,346,187             | 7,387,872             | 7,561,874             | 7,934,570             |
| Fire (b)                                  | 68,671,344            | 72,300,324            | 74,313,015            | 76,386,283            | 78,295,940            |
| Police (c)                                | 98,880,495            | 104,114,018           | 107,020,841           | 110,015,533           | 112,765,921           |
| 911 Emergency Communications              | 5,227,671             | 5,347,465             | 5,470,417             | 5,596,628             | 5,726,205             |
| Vacancy Reductions (d)                    | (13,104,374)          | (13,104,374)          | (13,104,374)          | (13,104,374)          | (13,104,374)          |
| Debt Service - short-term notes (e)       | 5,550,644             | 6,625,045             | 6,625,045             | 4,976,662             | 1,439,228             |
| Transfers Out (including contingency) (f) | 12,908,220            | 12,908,220            | 12,908,220            | 12,908,220            | 12,908,220            |
|   | <b>\$ 271,999,104</b> | <b>\$ 277,439,086</b> | <b>\$ 282,987,868</b> | <b>\$ 288,647,625</b> | <b>\$ 294,420,578</b> |
| Net Increase (decrease) to Fund Balance   | -                     | -                     | -                     | -                     | -                     |
| Ending Fund Balance (g)                   | <b>\$ 43,967,342</b>  |
| Reserve Requirement<br>(10% of Revenues)  | <b>\$ 27,199,910</b>  | <b>\$ 27,743,909</b>  | <b>\$ 28,298,787</b>  | <b>\$ 28,864,763</b>  | <b>\$ 29,442,058</b>  |

# GENERAL FUND ASSUMPTIONS

- (a) Assumes revenues growth of two percent (2%) each year, excluding Transfers In.
- (b) Reflects contracted salary increase of five percent (5%) in 2026 and 2027. Then a Two and one half Percent (2.5%) salary increase in the following years, plus cancer screening per contract of \$300,000 each year.
- (c) Reflects a Five Percent (5%) contracted salary increase in 2026 and 2027. Then a two and one half percent (2.5%) in the following years.
- (d) The amount reflects approximately 4.9% of the cost of full staffing in 2026, representing savings associated with temporary unfilled positions due to turnover and retirements.
- (e) Reflects annual changes in estimated short-term financing debt service requirements.
- (f) Transfers Out includes a contingency allocation of 0.5% of revenues for unanticipated changes in revenues and expenses.
- (g) Ending Fund Balance includes a restricted reserve of \$13,100,000.

*Note: Reflects adjustments to all non-public safety departments, excluding 911 Emergency Communications to balance.*

*Note: Reflects an annual Health Insurance increase of five percent (5%).*

# STREET FUND – REVENUES & EXPENDITURES

|                           | FY26                | FY27                | FY28                | FY29                | FY30                |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                           | <u>Adopted</u>      | <u>Planned</u>      | <u>Projected</u>    | <u>Projected</u>    | <u>Projected</u>    |
| <b><u>Street Fund</u></b> |                     |                     |                     |                     |                     |
| Beginning Fund Balance    | \$14,830,825        | \$14,830,825        | \$14,830,825        | \$14,830,825        | \$14,830,825        |
| Plus: Est. Revenue        | 27,106,700          | 27,648,834          | 28,201,811          | 28,765,847          | 29,341,164          |
| Less: Est. Expenses       | 27,106,700          | 27,648,834          | 28,201,811          | 28,765,847          | 29,341,164          |
| Ending Fund Balance       | <b>\$14,830,825</b> | <b>\$14,830,825</b> | <b>\$14,830,825</b> | <b>\$14,830,825</b> | <b>\$14,830,825</b> |
|                           |                     |                     |                     |                     |                     |
| Reserve Requirement       |                     |                     |                     |                     |                     |
| (10% of revenue)          | <b>\$2,710,670</b>  | <b>\$2,764,883</b>  | <b>\$2,820,181</b>  | <b>\$2,876,585</b>  | <b>\$2,934,116</b>  |

➤ 5-year projection assumes 2% revenue growth and 2% growth in expenditures.

# FLEET FUND – REVENUES & EXPENSES

|  | FY26<br><u>Adopted</u> | FY27<br><u>Planned</u> | FY28<br><u>Projected</u> | FY29<br><u>Projected</u> | FY30<br><u>Projected</u> |
|--|------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| <b><u>Fleet Fund</u></b>                 |                        |                        |                          |                          |                          |
| Beginning Net Position                   | \$2,436,829            | \$2,436,829            | \$2,436,829              | \$2,436,829              | \$2,436,829              |
| Plus: Est. Revenue                       | 18,220,453             | 18,584,862             | 18,956,559               | 19,335,690               | 19,722,404               |
| Less: Est. Expenses                      | 18,220,453             | 18,584,862             | 18,956,559               | 19,335,690               | 19,722,404               |
| Ending Net Position                      | <b>\$2,436,829</b>     | <b>\$2,436,829</b>     | <b>\$2,436,829</b>       | <b>\$2,436,829</b>       | <b>\$2,436,829</b>       |
| Reserve Requirement<br>(10% of revenues) | <b>\$1,822,045</b>     | <b>\$1,858,486</b>     | <b>\$1,895,656</b>       | <b>\$1,933,569</b>       | <b>\$1,972,240</b>       |

➤ 5-year projection assumes 2% revenue growth and 2% growth in expenses.

# VEHICLE STORAGE FACILITY – REVENUES & EXPENSES

|  | FY26               | FY27               | FY28               | FY29               | FY30               |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | <u>Adopted</u>     | <u>Planned</u>     | <u>Projected</u>   | <u>Projected</u>   | <u>Projected</u>   |
| <b><u>Vehicle Storage Facility</u></b> |                    |                    |                    |                    |                    |
| Beginning Net Position                 | \$2,542,832        | \$2,665,927        | \$2,778,118        | \$2,878,986        | \$2,968,102        |
| Plus: Est. Revenue                     | 2,673,200          | 2,713,298          | 2,753,997          | 2,795,307          | 2,837,237          |
| Less: Est. Expenses                    | 2,550,105          | 2,601,107          | 2,653,129          | 2,706,192          | 2,760,316          |
| Ending Net Position                    | <b>\$2,665,927</b> | <b>\$2,778,118</b> | <b>\$2,878,986</b> | <b>\$2,968,102</b> | <b>\$3,045,023</b> |
| Reserve Requirement                    |                    |                    |                    |                    |                    |
| (10% of revenues)                      | <b>\$ 267,320</b>  | <b>\$ 271,330</b>  | <b>\$ 275,400</b>  | <b>\$ 279,531</b>  | <b>\$ 283,724</b>  |

➤ 5-year projection assumes 1.5% revenue growth and 2% growth in expenses.

# WASTE DISPOSAL FUND – REVENUES & EXPENSES

|  | FY26                | FY27                | FY28                | FY29                | FY30                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <u>Adopted</u>      | <u>Planned</u>      | <u>Projected</u>    | <u>Projected</u>    | <u>Projected</u>    |
| <b><u>Waste Disposal Fund</u></b>        |                     |                     |                     |                     |                     |
| Beginning Net Position                   | \$31,108,898        | \$31,108,898        | \$31,108,898        | \$31,108,898        | \$31,108,898        |
| Plus: Est. Revenue                       | 27,435,300          | 27,984,006          | 28,543,686          | 29,114,560          | 29,696,851          |
| Less: Est. Expenses                      | 27,435,300          | 27,984,006          | 28,543,686          | 29,114,560          | 29,696,851          |
| Ending Net Position                      | <b>\$31,108,898</b> | <b>\$31,108,898</b> | <b>\$31,108,898</b> | <b>\$31,108,898</b> | <b>\$31,108,898</b> |
| Reserve Requirement<br>(15% of revenues) | <b>\$ 4,115,295</b> | <b>\$ 4,197,601</b> | <b>\$ 4,281,553</b> | <b>\$ 4,367,184</b> | <b>\$ 4,454,528</b> |

➤ 5-year projection assumes 2% revenue growth and 2% growth in expenses.

# PARKING GARAGES FUND – REVENUES & EXPENSES

|                               | FY26                | FY27                | FY28                | FY29                | FY30                |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                               | <u>Adopted</u>      | <u>Planned</u>      | <u>Projected</u>    | <u>Projected</u>    | <u>Projected</u>    |
| <b><u>Parking Garages</u></b> |                     |                     |                     |                     |                     |
| Beginning Net Position        | \$10,939,692        | \$12,507,178        | \$14,106,014        | \$15,736,826        | \$17,400,255        |
| Plus: Est. Revenue            | 2,954,816           | 3,013,912           | 3,074,191           | 3,135,674           | 3,198,388           |
| Less: Est. Expenses           | 1,387,330           | 1,415,077           | 1,443,378           | 1,472,246           | 1,501,691           |
| Ending Net Position           | <b>\$12,507,178</b> | <b>\$14,106,014</b> | <b>\$15,736,826</b> | <b>\$17,400,255</b> | <b>\$19,096,952</b> |
| Reserve Requirement           |                     |                     |                     |                     |                     |
| (10% of revenues)             | \$ 295,482          | \$ 301,391          | \$ 307,419          | \$ 313,567          | \$ 319,839          |

➤ 5-year projection assumes 2% revenue growth and 2% growth in expenses.

# FUTURE STEPS



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# FUTURE STEPS

- Consider the Budget Ordinance for review and approval
- Continue to evaluate opportunities with City owned property and buildings to put our assets to work
- Refinancing of Solar Facility Note with Pledged Revenue Bonds and additional funding for construction of:
  - Fire Station 25
  - New Court Building
  - LRPD Property and Evidence Room Building Build Out

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# QUESTIONS?



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