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SPRINGDALE : Mayor seeking 7 percent cuts; layoffs likely

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SPRINGDALE - Mayor Doug Sprouse said Friday that he's asked all city departments to trim budgets by as much as 7 percent. Furthermore, personnel cuts through attrition - and layoffs - are likely.

Final budget recommendations will be presented to the City Council later this month or in early May, and implementation should begin by June.

When aldermen approved the budget in January, Sprouse promised to trim as much as \$2 million in spending from the \$28.2 million general fund.

And after two rounds of discussions with department heads, and number crunching with Finance Director Wyman Morgan, he's prepared to make good on his word.

"There's not a whole lot of fat out there, but we've got to reduce the budget through the economic downturn," the mayor said.

Sales tax revenue has plunged for more than two years, forcing the city to forego employee pay raises, maintain a hiring freeze and pull \$4.1 million from the Capital Improvement Program to meet 2009 expenses.

In addition to line-item cuts from expenses for public safety and departments such as planning and code enforcement, Sprouse also is considering a change to the way the capital program is funded.

For years, 75 percent of a 1 percent sales tax was used for road construction or large items such as a fire truck or roof repairs at the Shiloh Museum of Ozark History. The remaining 25 percent was funneled into the general fund for daily operations.

The configuration was not set in stone, however, and if Sprouse and aldermen want to divert a larger portion of the tax to the general fund, it can be done. Sprouse doesn't want to tilt the configuration too far in favor of the general fund.

"We need to protect as much of [the capital program] as possible," he said.

Sprouse plans to shave more than \$1 million from the budgets of police and fire, the city's two largest departments.

The mayor has asked Police Chief Kathy O'Kelley to identify \$633,000 in cuts and Fire Chief Duane Atha to find \$584,000 in savings.

O'Kelley is looking to pull six officers out of Springdale schools and put them back on the street, or have the district pay the entire 10-month cost for what are called school resource officers. If the officers are pulled from the cost-sharing agreement, the city of Springdale could save as much as \$330,000 per year beginning in 2010, and use those officers to fill patrol vacancies.

"We've reached a point that services outside the normal law enforcement arena need to be paid for if we are to continue to provide them," O'Kelley said. "I need officers on the streets."

The school district is fully aware of Springdale's intentions and is looking at options as it pieces together its 2009-10 budget, which begins July 1.

"We're in the planning stages on this," said district spokesman Rick Schaeffer. "When you look at what Springdale's having to do with its budget, we suspected that this was possible."

The city of Fayetteville pays the full cost for two school officers, whereas the city of Rogers pays for six.

O'Kelley, who presides over an \$11 million budget, also is pondering reductions in fuel, training, overtime and maintenance. The Police Department is not expected to face the possibility of layoffs. But through attrition, it could have as many as seven vacancies in the coming year, O'Kelley said.

Meanwhile, Atha is having a tough time chopping his \$8.6 million budget.

The fire chief said he could handle minor attrition but that trimming the entire \$584,000 would require a reduction in services.

But layoffs are a last resort, Atha said. Instead, he is hoping that attrition, along with cuts in fuel consumption, maintenance and training - and an upswing in sales tax collections - are enough to defuse the crisis.

"Hopefully our revenue will stabilize," Atha said.

Because of budget restraints, Springdale Animal Services on Monday will begin operating on reduced hours.

Sprouse, in just his fourth month as mayor, weathered the January ice storm and now is on the verge of taking drastic action to prepare the city for next year and beyond.

"We're trying to get into better position," Sprouse said. "Our main goal is to plan for 2010."

Sprouse, who wants the City Council to consider budget issues for a couple of weeks before casting votes, is almost sure that a few employees will lose their jobs.

"There will be some layoffs," he said. "I just don't know how many and from what departments."

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