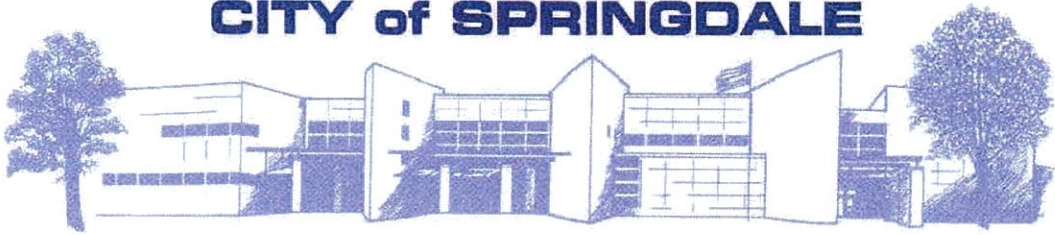


City of Springdale



2010 Proposed Budget

CITY of SPRINGDALE



OFFICE OF THE MAYOR
DOUG SPROUSE

MEMORANDUM

TO: Bobby Stout
Eric Ford
Jeff Watson
Jesse Core

Jim Reed
Kathy Jaycox
Mike Overton
Rick Evans

FROM: Doug Sprouse, Mayor *D.S.*

DATE: October 23, 2009

I am pleased to present you with the Mayor's Proposed Budget for calendar year 2010. The proposed budget is presented for your review, modification, and ultimate adoption. A proposed schedule for the 2010 budget work sessions will be sent to you within the next few days.

The 2009 budget was adopted on January 29th and, at that time, I agreed to review the operation of the City to determine adjustments that would reduce expenditures or increase revenue and still provide adequate, reliable service to our citizens. On May 29, 2009, I presented you with the results and recommendations from my review of operations of the City. The recommendations that I presented reduced expenditures and provided additional revenue that improved our annual financial needs by approximately \$1,938,761. This budget reflects the continuation of these adjustments, including the increase in business licenses currently being considered by you.

Our country and our city are still experiencing very difficult economic challenges. The City of Springdale's one per cent sales tax is down 7.26% (\$775,023) over the most recent twelve month period. This coming year will be a lean one for the City of Springdale. Even if the recession is ending, it will take our industries and the economy time to regain the level that we were at just a few years ago. I still believe that with all of the significant road improvements that Springdale has made in the recent years, we will be in a great position to grow and prosper when the economy recovers from the current problems. I fully expect 2011 to put us in a much better financial position. The allocation of revenues on the county and state level will be adjusted for the 2010 census and those adjustments should favor Springdale very well.

The most valuable asset that the City of Springdale has is our employees. These employees continually surprise me with their expertise and concern for providing the best possible service to our citizens. The 2009 budget did not include step increases or cost of living increases for these employees. The most recent information from the Bureau of Labor Statistics indicates that the cost of living has increased by 3.58% over the past two years. The proposed budget does not include a cost of living increase but does include step increases provided for on our pay scale. These step increases are based on the compensation study that the city had performed a few years ago and range from 2.13% to 5.88%. There are a few employees that are currently at the top or above the top of their appropriate salary range. The proposed budget does not include increases for these employees. I feel that it is critical that we adjust the compensation of our employees to retain the experienced staff that we have. Therefore, I strongly encourage the council to approve the budget with these step increases.

For several years the City of Springdale administration has attempted to appropriate the one percent city sales tax with 75% for capital improvement projects and 25% for operations funded from the General Fund. During the most recent years it has not been possible to maintain this practice. We have gradually moved all equipment purchases to the Capital Improvement Project Fund (CIP Fund) and this year with the down turn in the economy even this practice was not sufficient to fund the normal operations of the General Fund. In the 2009 budget, \$4,180,870 of sales tax was added to the General Fund, increasing the General Fund share to 68%. For planning purposes, I recommend that we increase the target for the General Fund share of the sales tax to 50% for the future. The budget that I am proposing for 2010 provides for approximately 52% for the General Fund. However, I am optimistic that, with the other events happening in 2011, we should be able to adequately fund the General Fund operation with 50% of the sales tax.

I am positive that the department heads have been frugal with the funds our citizens have provided and that they will provide the best service possible in their respective areas. The department heads and I will be at your disposal to answer questions and discuss the operations of various departments during the budget work sessions.

**CITY OF SPRINGDALE
2010 BUDGET**

TABLE OF CONTENTS

REVENUES & EXPENDITURES SUMMARIES		
GENERAL FUND -----	1	AIRPORT -----
STREET FUND -----	2	ANIMAL SERVICES -----
LIBRARY FUND -----	3	BUILDINGS DEPARTMENT -----
SHILOH MUSEUM BOARD FUND -----	4	CITY ATTORNEY -----
DISTRICT COURT COST FUND -----	5	DISTRICT COURT -----
AIRPORT FUND -----	6	FIRE -----
AQUATIC CENTER FUND -----	7	LIBRARY -----
SOCCER PROGRAM FUND -----	8	PARKS & RECREATION
PARK ACTIVITY FUND -----	9	General Fund -----
BLUFF CEMETERY FUND -----	10	Aquatic Center -----
SANITATION FUND -----	11	Soccer Program -----
ARVEST BALLPARK FUND -----	12	Activity Fund -----
SCHEDULE OF REVENUES BY SOURCE		PLANNING & COMMUNITY DEVELOPMENT -----
GENERAL FUND -----	13	POLICE -----
STREET FUND -----	16	PUBLIC WORKS
LIBRARY FUND -----	17	Street Department -----
DISTRICT COURT COST FUND -----	18	Bluff Cemetery -----
GENERAL FUND UNRESERVED BALANCE -----	19	SHILOH MUSEUM
CAPITAL EXPENDITURE REPORT -----	20	General Fund -----
TRANSFER TO STREET FUND DETAIL	24	Board Fund -----
ADMINISTRATION -----	25	SANITATION FUND -----
		SALARY GRADE & STEP TABLES -----

CITY OF SPRINGDALE
PROJECTED EXPENDITURES

BUDGET PREPARATION WORKSHEET
FOR YEAR 2010

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	2007 ACTUAL	2008 ACTUAL	2009 ORIGINAL BUDGET	2009 ADJUSTED BUDGET	Y-T-D ACTUAL	2009 PROJECTION	2010 DEBT REQUEST
FUND 101 GENERAL DEPT 01 ADMIN & FINANCIAL SVCS DIV 01 ADMINISTRATION BASIC 41 GENERAL GOVERNMENT SUB 1 ADMINISTRATION OTHER								
101-0101-411.70-20	GRANT EXPENDITURES	15,322	32,640	15,000	15,000	3,168,530	4,240,000	15,000
101-0101-411.70-22	EMERGENCY NOTIFICATION	0	0	0	0	0	0	10,000
101-0101-411.70-50	PROPERTY TAXES	1,691	5,525	4,410	4,410	1,627	1,630	1,650
101-0101-411.70-53	2010 CENSUS	0	0	0	0	0	0	3,000
*	OTHER	183,421	205,746	194,410	168,710	3,268,736	4,364,930	169,650
REGIONAL SUPPORT & DEVEL 101-0101-411.78-01 EOA HEAD STAPT UTILITIES								
		6,607	5,821	7,000	7,000	3,590	6,200	6,500
101-0101-411.78-03 OZARK TRANSIT								
		180,000	160,000	160,000	160,000	160,000	160,000	160,000
101-0101-411.78-04 SPDL ECON DEVELOPMENT								
		100,000	100,000	100,000	100,000	100,000	100,000	100,000
101-0101-411.78-05 NW AR PLANNING COMM								
		17,176	17,176	17,180	17,180	17,176	17,180	17,180
101-0101-411.78-06 NW AR ECON DEVEL								
		1,500	1,500	1,500	1,500	1,500	1,500	1,500
101-0101-411.78-07 COUNTY SOLID WASTE DIST								
		24,753	25,104	25,100	25,100	19,379	25,110	25,100
* REGIONAL SUPPORT & DEVEL								
		330,036	309,601	310,780	310,780	301,645	309,990	310,280
CAPITAL 101-0101-411.80-30 EQUIPMENT								
		42,426	25,986	97,070	97,070	0	21,450	0
* CAPITAL								
		42,426	25,986	97,070	97,070	0	21,450	0
TRANSFERS TO OTHER FUNDS 101-0101-411.91-21 STREET								
		470,900	368,280	363,410	338,910	272,565	342,520	351,730
101-0101-411.91-22 LIBRARY								
		675,200	556,610	534,430	534,430	400,815	328,570	391,640
101-0101-411.91-25 DISTRICT COURT								
		460,485	435,160	453,140	453,140	344,284	428,325	463,520
* TRANSFERS TO OTHER FUNDS								
		1,606,585	1,360,050	1,350,980	1,326,480	1,017,664	1,099,415	1,206,890
** ADMINISTRATION								
		4,042,347	3,655,558	3,843,030	3,783,330	5,972,612	7,582,845	3,575,710