

# OFFICE OF THE MAYOR



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November 1, 2017

Council Members,

Enclosed is the working draft of the City's 2018 Budget. I would like to commend our staff for their hard work in preparing this document, especially Karen Scott, our Finance Director, and Danny Bradley, our Chief of Staff. North Little Rock's department heads' experience and knowledge are clearly evident in this budget; our 2018 budgeted operating costs for the City are actually slightly less than last year. As always, we strive for that perfect balance of providing excellent protection and services to our residents while being efficient stewards of taxpayer dollars.

Some highlights in this year's budget:

- Unlike in 2017 and 2016, **we are not using reserve funds to balance the 2018 budget.** The general fund budget for 2018 actually comes in slightly less than our 2017 budget. This will allow us to better plan for a secure financial future for our city.
- Because of an **expected mid-year increase in the cost of our health insurance**, which we intend to absorb and not pass along to the employees, we are not including in the budget any across-the-board pay raises for all employees for 2018.
- **The City's contribution to the Non-Uniformed Pension Fund is increasing by 1%.** This is on top of last year's 3% increase and brings the total city contribution to 10% match of the employee's salary. It is critical for us to secure the future pensions for our employees and make sure we keep our promises. This is a recommendation from our actuaries.
- We are purchasing and equipping **22 new police patrol vehicles** (1/6<sup>th</sup> of the PD fleet), **two new fire trucks** (1/5<sup>th</sup> of the FD trucks), and **replacing all six remaining, old tornado sirens** (100% of the entire city's tornado siren equipment will be state-of-the-art).

I look forward to working with you and getting guidance over the next month as we discuss the budget, and work towards adopting a final document in early December.

Sincerely,

Joe A. Smith  
Mayor

JAS:jf