

City of Fayetteville Staff Review Form

City Council Agenda Items
and
Contracts, Leases or Agreements

November 1, 2011
City Council Meeting Date
Agenda Items Only

Paul A Becker Finance and Internal Services Finance
Submitted By **Division** **Department**

Action Required:

This agenda item is a request formally establish the Parking ~~REVENUE~~ Fund by ordinance.

<u>N/A</u>	\$ <u>-</u>	
Cost of this request	Category / Project Budget	Program Category / Project Name
<u></u>	\$ <u>-</u>	
Account Number	Funds Used to Date	Program / Project Category Name
<u></u>	\$ <u>-</u>	
Project Number	Remaining Balance	Fund Name

Budgeted Item Budget Adjustment Attached

Paul a. Becker 10-14-2011 Previous Ordinance or Resolution # _____
Department Director Date

[Signature] 10/14/11 Original Contract Date: _____
City Attorney Date Original Contract Number: _____

Paul a. Becker 10-17-2011
Finance and Internal Services Director Date

Received in City Clerk's Office UAB
10-14-11 P01:53 RCVD

[Signature] 10-18-11
Chief of Staff Date

Received in Mayor's Office **ENTERED**
10/17/11
[Signature]

[Signature] 10/18/11
Mayor Date

Comments:

CITY COUNCIL AGENDA MEMO

To: Mayor Jordan and Members of the Fayetteville City Council

Thru: Don Marr, Chief of Staff

From: Paul A Becker, Finance Director

Date: October 13, 2011

Subject: Request for an Ordinance Formally Establishing The Parking Fund

Background:

The Governmental Accounting Standards Board (GASB) is the standard setting body for generally accepted principals for governmental accounting (GAP). Once established these rules must be followed to receive an unqualified opinion on governmental financial statements from a CPA firm. In other words, they set the rules in the world of governmental accounting.

The City of Fayetteville is required to have an annual audit performed under generally accepted accounting principals by a CPA firm and an opinion rendered on the Cities' Financial Statements.

Periodically, the GASB establishes or changes accounting principles and or reporting requirements. This is done through the issuance of GASB Statements. Recently GASB has issued Statement 54 which primarily addresses a new classification method of funds balance but also touches on what is required to establish and account for separate funds.

Issues:

The City has traditionally accounted for and reported the Parking Fund as a separate special revenue fund in the audited financial statements but I can not find any formal document that established the fund by the Council. Because of the requirements of GASB 54 it is necessary for the Council to formally establish said Parking Fund to continue that practice. Therefore, I request the City Council establish by ordinance the Parking Fund to account for parking fees, rents, fines, charges and other revenues collected by the City with respect to meters, lots and other parking facilities. It is also requested that the Council by ordinance restrict the expenditure of revenues accumulated in the Parking Fund to the operation, maintenance and improvement of existing facilities: expansion or construction of new parking facilities, or to provide funding to the Walton Arts Center (for services provided) as the principal parking revenue generator in the Entertainment District.

BUDGET IMPACT:

There is no additional cost to this request. It merely codifies the City's' past accounting and budgeting practices which clearly identify the receipt and expenditure of parking revenue to all stakeholders.

ORDINANCE NO. _____

**AN ORDINANCE ESTABLISHING A PARKING REVENUE FUND AND
RESTRICTING EXPENDITURES THEREFROM**

WHEREAS, Fayetteville City Code §34.04 provides that upon recommendation of the Mayor and Department of Finance, and in accordance with good municipal accounting practices, the City Council shall establish specific funds into which all receipts shall be deposited, and

WHEREAS, a Parking Revenue Fund should be established pursuant to the principles set by the Government Accounting Standards Board and because revenue from this fund may be pledged to pay bonds for the construction of an Entertainment District parking deck, and

WHEREAS, the Mayor and Department of Finance recommend the creation of a Parking Revenue Fund into which all parking revenue receipts which are to be retained by the City shall be deposited,

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF FAYETTEVILLE, ARKANSAS:**

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby enacts a new §34.08 Parking Revenue Fund to the Code of Fayetteville, which shall read as follows:

“§34.08 Parking Revenue Fund

- (A) There is hereby created a Parking Revenue Fund into which all parking receipts collected by the City shall be deposited. Parking receipts shall include both voluntary amounts paid in compliance with parking regulations, parking lease revenue, and fines levied for violation of such parking regulations.
- (B) Expenditures of revenues from the Parking Revenue Fund shall be restricted to:
 - (1) operation, maintenance and improvement of existing parking facilities;
 - (2) land acquisition, expansion and construction of new parking facilities;

- (3) acquisition, expansion, replacement, and improvement of parking facility equipment including vehicles;
- (4) payment of debt obligations, and their associated costs, issued to fund parking facility equipment, land acquisition, expansion and construction of new parking facilities; and
- (5) funding for any contract with the Walton Arts Center if specifically approved by the City Council.”

PASSED and **APPROVED** this day of 1st day of November, 2011.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

FAYETTEVILLE CODE OF ORDINANCES
TITLE III ADMINISTRATION

CHAPTER 34: FINANCE AND REVENUE

**ARTICLE I
GENERAL FISCAL POLICIES**

34.01 Purpose

It is the will and purpose of the City Council that all funds collected by the city shall be duly levied and deposited in the Department of Finance, that all disbursements by the city shall be in accordance with the rules and regulations adopted by the City Council, and that proper plans for the development of municipal services by all departments of municipal government shall be formulated and articulated in the adoption of an annual report.

(Code 1965, §2-47; Ord. No. 1382, 1-13-64; Code 1991, §34.01)

State law reference(s)--Fiscal year provided, A.C.A. §14-71-102.

34.02 Collection Of Funds

All funds accruing to the city from any and all sources shall be paid into the Department of Finance. It shall be the responsibility of the Department of Finance, to perform such collections in a manner consistent with good accounting practices and in accordance with the rules and regulations governing the collection of funds that are developed by the department of finance and approved by the City Council.

(Code 1965, §2-48; Ord. No. 1382, 1-13-64; Code 1991, §34.02)

34.03 Disbursements

All funds disbursed by the city shall be made by check, signed by the mayor, indicating his approval of the expenditures, and countersigned by the accounting supervisor or other appropriate city official, indicating that the amount expended is in complete compliance with all rules and regulations governing the purchase of materials and/or services as adopted by the City Council.

(Code 1965, §2-49; Ord. No. 1382, 1-13-64; Code 1991, §34.03)

34.04 Establishment And Activation Of Funds

The City Council, upon recommendation of the mayor and the department of finance and in accordance with good municipal accounting practices, shall establish specific funds into which all receipts shall be deposited. All funds shall be established and activated by rules and regulations adopted by the City

Council governing collections for the city.
(Code 1965, §2-50; Ord. No. 1382, 1-13-64; Code 1991, §34.04)

34.05 Budgets

- (A) The mayor shall prepare the municipal budget annually and submit it to the City Council for its approval or disapproval and be responsible for its administration after adoption.
- (B) The approval by the City Council of the budget shall amount to an appropriation for the purpose of the budget of funds which are lawfully applicable to the items therein contained. The City Council may alter or revise the budget from time to time and unpledged funds appropriated by the City Council for any purposes may be subsequently, by action of the City Council, appropriated to another purpose, subject to the following exceptions:

- (1) Funds resulting from taxes levied under statutes or ordinances for specific purposes may not be diverted to another purpose.
- (2) Appropriated funds may not be diverted to another purpose where any creditor of the city would be prejudiced thereby.

(Code 1965, §2-51; Ord. No. 1215, 9-14-59; Ord. No. 1382, 1-13-64; Code 1991, §34.05)

State law reference(s)--Budgets in Mayor-Council municipalities, A.C.A. §14-58-201 et seq.

34.06 Auditing

The City Council shall have the financial affairs of the city audited annually by an independent certified public accountant who is not otherwise in the service of the city, or by the municipal audit division of the state.

(Code 1965, §2-52; Ord. No. 1215, 9-14-59; Ord. No. 1382, 1-13-64; Code 1991, §34.06)

State law reference(s)--A.C.A. §14-58-101, Audit by independent accountant.

34.07 Adoption Of Rules And Regulations

- (A) The City Council shall adopt from time to time, by resolution, rules and regulations submitted by the Department of Finance covering the collection,

