



**City of Conway, Arkansas
Resolution No. R-11-18**

A RESOLUTION DECLARING THE INTENT OF THE CITY COUNCIL TO UTILIZE THE PROCEEDS OF THE UPCOMING 2006 SALES TAX REDEDICATION FOR GRANTING EMPLOYEES STEP RAISES IN 2011 AND 2012, TO RESTORE POLICE PATROL DIVISION OFFICERS' FULL SCHEDULES, TO REPLENISH THE DEPLETED GENERAL FUND – FUND BALANCE, AND TO CREATE A RESERVE FUND

Whereas, the City Council has scheduled a special election for May 10th, 2011 on the question of rededicating City of Conway municipal bonds issued in 2006; which purpose will be to reallocate a quarter cent sales tax currently dedicated to debt service on the 2006B bond issue such that one-eighth of a cent would be allocated for debt service on the bonded indebtedness remaining in the 2006B issue and that one-eighth of a cent would be allocated to the General Fund for operations; and

Whereas, the City Council desires to state its intent on how the additional General Fund revenue would be utilized in the general operations of the city if the above questions are approved by the citizens of Conway; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS THAT:

Upon passage of the May 10, 2011 Sales Tax Rededication the City of Conway will undertake the following actions:

Section 1. A single step raise in the City of Conway's pay grid system will be granted to all employees of the city who by the duration of their employment with the city are eligible for such a step raise as soon as additional revenue so generated by the said rededication is remitted to the city. Further, an additional step raise on the city's pay grid system will be granted to all employees of the city so eligible on January 1, 2012.

Section 2. All police patrol officers and positions whose full work schedules were originally set at eighty-four hours each two week pay period shall be returned to the full eighty-four hour schedule as soon as additional revenue so generated by the said rededication is remitted to the city.

Section 3. All other revenues so generated by the said rededication for the remainder of the FY2011 budget year and the entirety of the FY2012 budget year shall remain unallocated by the City Council and preserved for the purposes of replenishing the General Fund - Fund Balance to increase the health of the City's cash flow and for the creation of a Reserve Account.

Section 4. Regardless of if the rededication passes; A City of Conway Reserve Account will be created within the General Fund. This account will be assigned a new general ledger

account number and have a separate bank account number to be assigned at a later date once set up. From time to time the City Council will set the target level to which the Reserve Account is to be funded and, once achieved, maintained. The City Council will also set from time to time the level of funding in each year's annual budget to achieve the targeted level of funding in the Reserve Account. Use of this Reserve Account for any purposes will require the prior approval of the City Council.

PASSED this 10th day of May, 2011

Approved:



Mayor Tab Townsell

Attest:



Michael Garrett
City Clerk/Treasurer