

## City of Bentonville

CIP: 2007-2011

### Spreadsheet Notes

The CIP spreadsheet is composed of multiple tabs (each of which may be one or several pages) that build from a “base” for O & M and a “base” for revenue, and add projected additional positions, O & M and revenue “exceptions”, and capital details to produce a summary of revenues, O & M, and capital. Taken together with beginning fund balances, the revenues are added and O & M and capital costs are taken away to project an ending fund balance for each year. The ending fund balance each year becomes the beginning fund balance for the following year and the same procedure is followed. The following notes briefly explain the methodology and what is contained in each section.

#### **Fund Balance**

This section starts at the top with the beginning fund balance for each fund and for the total for the city. Below that, it shows revenue for each fund and for the city. Next shows the O & M, followed by the capital. Finally, the beginning fund balance is increased by the revenue and reduced by O & M and capital for each fund to show the ending fund balance. There are separate totals for the Utility Fund and for the combined total for other funds. The Impact/Capacity funds and CDBG funds are on separate lines, with no fund balance because those are restricted funds and cannot be used to “improve” the bottom line. The city policy is to have a fund balance that is at least 10% of O & M, so that is shown and taken out of the combined total fund balance to show the excess over that 10%.

#### **Revenues**

This section shows total revenues for each department within each fund, and the total revenue for the fund. The fund total lines are the amounts that are taken forward to the revenue portion of the Fund Balance tab explained above.

Page two is a summary with a total by department of revenue “exceptions” for the department. The nature of the exceptions will be explained later in these notes.

#### **O & M Expenses**

This section shows total O & M Expenses for each department within each fund, and the total O & M for the fund. The fund total lines are the amounts that are taken forward to the O & M portion of the Fund Balance tab explained above.

Page two is a summary with a total by department of O & M “exceptions” for the department. The nature of the exceptions will be explained later in these notes.

#### **Capital Summary**

This section summarizes capital totals into one line per department. The figures are total lines that are picked up from the next section – Capital Details.

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### **Capital Details**

This section shows each capital request for each department. The projects are ranked within each department in each year. During the review process, some projects were moved from the original request year due to funding limitations, and some were designated to be dropped, or funded “later” – meaning outside of the five years covered by this CIP. After that process, the remaining items were re-ranked. Items with a ranking of “M” are mandatory and could not be dropped or moved to later years. A good example is the annual street overlay program; another is putting underground electric lines in new subdivisions.

Each item is on a single line that shows the department, the description, the year, the rank, and the amount requested. By formula, using the year indicated, the amounts are moved out into a column for that year, and with some exceptions, are automatically inflated as they move to later years. Because of the moving among years and the inflation, the project write up sheets contained later in the CIP reflect the original amount of the request.

The totals for each department are shown and are the figures that were picked up on the Capital Summary sheet as explained above.

### **Revenue Exception Detail**

This section is used in order to be able to reflect unusual or one-time revenue items that needed to be reflected outside of some simple percentage change from year to year. Some examples would be loans for specific projects, grants, and new turnback revenue that will result from a special census. As appropriate, entries for a department are entered and a total is shown by department. These totals are picked up in the exceptions section of the revenue page discussed earlier.

### **O & M Exception Detail**

This section is used in order to be able to reflect unusual or one-time O & M items that needed to be reflected outside of some simple percentage change from year to year. Some examples would be the cost of additional positions, special studies or one-time professional fees, debt on new loans (related to revenue exceptions), etc. As appropriate, entries for a department are entered and a total is shown by department. These totals are picked up in the exceptions section of the O & M page discussed earlier.

### **Personnel Costs**

This section has two parts.

The first three pages show new positions requested in each department, the FTE (Full Time Equivalents), and the costs for the position. If a position was requested but not approved, the title is shown along with the year it was requested, but the dollars and FTE are removed so it will not be included in the calculation. The

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positions that remain are computed for the year shown and all subsequent years, with inflation, and are reflected on the O & M Exception Detail page explained above.

The next three pages show the FTE counts by position and by department totals.

**Revenue Percents and “Base”**

This section has two parts.

The first part shows for each department, various major categories of revenue at appropriate levels of detail. It then has a percentage increase for that category for each year. The “default” percentage is 4% above the previous year, but in many cases it has been modified based on input from the respective department head to show larger, smaller, or no increases. Also, in some cases the percentage shown is 0% to eliminate it for some reason. It could be a grant or a transfer that will not happen in the future, or it could be something that is complex enough that it was handled on the revenue exception page.

The next part uses the percentages shown to compute amounts for the years 2007 – 2011. Those amounts and the amounts on the respective exception page are added together and shown as the total on the revenue page discussed early in these notes.

**O & M Percents and “Base”**

This section also has two parts.

The first part shows for each department, various major categories of O & M Expense at appropriate levels of detail. It then has a percentage increase for that category for each year. The “default” percentage is 4% above the previous year for personnel and benefits, and 3% for all others. However, in many cases it has been modified based on input from the respective department head to show larger, smaller, or no increases. Also, in some cases the percentage shown is 0% to eliminate it for some reason. It could be a transfer that will not happen in the future, or it could be something that is complex enough that it was handled on the revenue exception page.

The next part uses the percentages shown to compute amounts for the years 2007 – 2011. Those amounts and the amounts on the respective exception page are added together and shown as the total on the O & M Expenses page discussed early in these notes.