



April 30, 2021

Senator Terry Rice, Co-Chair
Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
500 Woodlane Street
Little Rock, AR 72201

Dear Senator Rice and Representative Wardlaw,

As required by Section 29 of Act 139 of 2020, I have enclosed one (1) Rural Broadband I.D. grant awards for approval by the Arkansas Legislative Council or Joint Budget Committee. The UAMS Institute for Digital Health & Innovation (IDHI) Technical Review Committee completed a thorough evaluation of the applications submitted by the cities and counties. I have enclosed copies of the successful applications with supporting information for your review.

Rural Broadband I.D. Grant Awards

City of Little Rock/Little Rock Port Authority– Primary Contact, Marsha Guffey – Award Amount \$18,630.00

The grants are available to help cities, incorporated towns, counties and unincorporated communities conduct broadband due-diligence business studies. The studies are required in federal grant and loan applications for broadband infrastructure. Communities can use their broadband due-diligence business studies to apply for funding from:

The Federal Communications Commission's Rural Digital Opportunity Fund Program
The U.S. Department of Agriculture's Rural eConnectivity Pilot Program (ReConnect)
The U.S. Department of Agriculture's Farm Bill; and
Other federal grants or loans for broadband development programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph A. Sanford Jr.", written over a horizontal line.

Joseph A. Sanford Jr., M.D.
Director
Institute of Digital Health & Innovation
University of Arkansas for Medical Sciences



May 7, 2021

Senator Terry Rice, Co-Chair
Representative Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
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Little Rock, AR 72201

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Rural Broadband I.D. Grant Awards

Phillips County– Primary Contact, Judge Clark Hall – Award Amount \$74,426.46

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Joseph A. Sanford Jr., M.D.
Director
Institute of Digital Health & Innovation
University of Arkansas for Medical Sciences

**Rural Broadband I.D. Trust Fund Program
Cover Sheet**

Applicant Name: , Phillips County, Arkansas

Applicant: Address: **620 Cherry Street, Helena-West Helena, Ar 72342**

Applicant Phone Number: **870-338-5500**

Applicant Tax ID or EIN Number: **71-6005078**

Key Contact Person: Judge Clark Hall

Total Amount Requested: **\$74,426.46**

Project Description:

Phillips County, Arkansas has 17,782 residents, of which an estimated 40% lack reliable, affordable broadband access. With a growing reliance on broadband, Phillips County must implement a plan to bring broadband to our businesses and families. Through this proposal, Phillips County leaders respectfully request support in conducting a broadband due diligence study consisting of the following activities to be completed in six-months:

- Contract with a broadband consultant to educate our leaders of broadband options and act as an intermediary in communicating with potential Internet Service Providers in our area.
- Form the Phillips County Broadband Taskforce to prioritize broadband deployment throughout our businesses and communities.
- Engage the 4 Internet Service Providers serving Phillips County to conduct a feasibility study to extend their broadband services to our area.

Project Narrative

Proposed Service Area

This proposal will serve: Phillips County, Arkansas.

Highlighted Sample Cities

DIGITAL DIVIDE INDEX FOR PHILLIPS COUNTY, ARKANSAS

Lake View, Arkansas, is a town located on Highway 85 in Phillips County. The town is 25 minutes south of Helena-West Helena, AR. K-12 students attend the Barton-Lexa Public Schools located in Barton a 16- minute drive or about 12 miles. We were unable to access census data for Lake View, possibly because there are two towns in Arkansas by the name of “Lake View,” one located in Baxter County.

Data for this town was taken from Wikipedia, which inexplicably was able to access records we were not. According to US Census Bureau Data from 2010, the population is 443.

The median income was \$15,536 in 2000. The poverty rate was 45% in 2000. In 2000, 92% of residents identified as Black or African American and 7% white. According to some sites, the population of Black or African Americans may have increased to 98%, making it one of a handful of towns in the U.S. with an African American population over 90%. It is one of three communities that was set aside specifically for Black farm families by the Resettlement Administration as part of the New Deal in 1935.

DIGITAL DIVIDE INDEX FOR PHILLIPS COUNTY, ARKANSAS

Broadband in Phillips County has a median download of 18.0 Mbps (MBs per second), a median upload of 0.8 Mbps, and a population with no access to the minimum speed of 100/20 at 99.7%. Phillips County’s Digital Divide Score is 53.1 out of 100. The socioeconomic score is 72.5, and the infrastructure score is 38.3/100. We chose to highlight Lake View because of its high poverty rate, unique demographic status and history, and because it has both a library and a city hall. We also feel that Lake View deserves to be counted.

With four times the population of the town of Fargo, the smallest city included in this application, and a mayor and city council, it is stunning that the town’s demographics do not exist in the Census Bureau database. With the census moving toward self-reporting online, it seems bringing broadband to Lake View is more important now than ever.

Description of need

Staffing needs:

Our staffing selection will enable to adequately perform the task at hand, which is to provide the most thorough audit of Phillips County's state of broadband.

Population needs:

Phillips County Population

Sources: United States Census Bureau. 2019 American Community Survey 5-Year Estimates. U.S. Census Bureau, American Community Survey Office. Web. 10 December 2020. | United States Census Bureau. Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2019. U.S. Census Bureau, Population Division. Web. May 2020. <http://www.census.gov/>.

Phillips County Demographics Summary



Population

With 18,606 people, Phillips County is the 37th most populated county in the state of Arkansas out of 75 counties.



Race & Ethnicity

The largest Phillips County racial/ethnic groups are Black (63.2%) followed by White (34.5%) and Hispanic (1.9%).



Median Income

In 2019, the median household income of Phillips County households was \$29,320. However, 27.4% of Phillips County families live in poverty.



Median Age

The median age for Phillips County residents is 38.9 years young.

Broadband needs:

Although the FCC indicates a portion of Phillips County has adequate broadband coverage, our experiences are quite different. For example, students from the various colleges who are home in Helena-West Helena struggles with their online class communications due to the slow and, at times, non-existent broadband connection in their facilities. During COVID-19, some of the schools office workers tried to work from home but slow or non-existent Internet made productivity difficult. Helena-West Helena is also home to small businesses which have struggled engaging in online sales and marketing because of poor bandwidth or lack of broadband. Our township also is home to K-12 school system, and students and families were largely forced to use the neighboring communities' broadband "hot spots" to access online curriculum during the COVID-19 pandemic school closures. With an aging population an only one primary care provider in our township, our residents need better access to healthcare in the home, as made possible by broadband connections to remote physicians, However, without adequate, affordable access to broadband in the home ,our residents cannot easily access tele-health care. Our businesses and residents stand to benefit from improved broadband. We feel these improvements will most specifically spur economic development our town and the ability for our resident to participate in online learning and healthcare. We have never received a broadband grant or loan in the past.

Internet Service Provider relationship needs:

Helena-West Helena has talked to some of the Internet Service Providers in our region to expand their broadband services to our area and/or increase bandwidth for existing services. The only Internet Service Provider who exhibited interest in this task was Global Technology Service Provider, which will provision to conduct a feasibility study through this grant request in order to determine the needs and business case for expanding their broadband services to our residents. The electric cooperative nearest are our area has not been engaged to discuss broadband possibilities, but we intend to do that through the proposed Helena-West Helena Broadband Taskforce.

Financial needs:

Helena-West Helena operates on \$3,000,000 per year, which pays for our volunteer fire department, roads fund, and annual Christmas parade, along with a salary for 160 full-time and 10 part-time employees. We do not know where to begin in bringing broadband to our area, and a grant like this could better define needs identify options, and determine whether a nearby Internet Service Provider would have the business case to expand their services to our businesses and homes. If we ever will have improved broadband in Helena-West Helena, this is our best opportunity, as the grants available for broadband construction and expansion, and we feel this grant may strategically position us to compete for these funds.

Community relationship needs:

We hold a public hearing meeting once every month to invite business leaders and community leaders to present ideas, plans, and updates Helena-West Helena residents. We have a Facebook page that posts information about our Township, including updates from our leaders. Our local school holds a Parent Teacher Association meeting once every quarter to share updates from our education leaders and to collect insight from parents. This proposal embodies the needs and requests of these leaders, as all support the idea of improving broadband for the purpose of improving educational attainment, e-commerce, entertainment, and healthcare purposes.

Description of plan

Through this study, we plan to achieve the following:

- Contract with a broadband consultant to educate our leaders of broadband options and act as an intermediary in communicating with potential Internet Service Providers in our area.
- Form the Phillips County Broadband Taskforce to prioritize broadband deployment throughout our businesses and communities by creating a custom broadband needs assessment for Helena-West Helena.
- Engage the 4 Internet Service Provider serving in Phillips County to conduct a feasibility study to extend their broad band services to our area.

We have considered the following broadband consultants for this Grant:

- Dr. Sharon L. Anthony

We have been in communication with the following Internet Service Provider to conduct a feasibility study. If this vendor is nonresponsive or is met with other issues, we will consider other ISP's and electric cooperatives near our area:

- Global Technology Service Provider

Our objectives and timeline are as follows:

Month 1: Objective – Launch the Phillips County Broadband Due Diligence Study

Month 1 Goals:

1. Form the Broadband Taskforce
2. Hold the first meeting of the Broadband Taskforce
3. Assign a taskforce member or hire a contractor to author the custom broadband needs assessment based on the finding of the Taskforce

4. Meet with broadband consultants

Month 2: Objective – make Decisions Related to the Broadband Due Diligence Study

Month 2 Goals:

1. Hire the broadband consultant, require participation at Taskforce meetings
2. Interview electric cooperatives and ISP's for feasibility study contract
3. Assign a Taskforce member to create the custom broadband needs assessment based on the findings of the Taskforce
4. Continue holding meeting with the Broadband Taskforce

Month 3: Objective – Contract with the Broadband Vendor for the Feasibility Study

Month 3 Goals:

1. Determine which electric cooperative or ISP will conduct feasibility study
2. Add content and findings to the custom broadband needs' assessment
3. Continue holding meetings with the Broadband Taskforce

Month 4: Objective – Continuing Documenting Needs

Month 4 Goals:

1. Add content and findings to the custom broadband needs' assessment
2. Continue holding meetings with the Broadband Taskforce
3. Receive monthly updates about feasibility study

Month 5: Objective – Sharing Documented Needs

Month 5 Goals:

1. Share the first draft of the Phillips County Broadband Needs Assessment with Taskforce members and UAMS Institute for Digital Health & Innovation
2. Make revisions on needs' assessment as needed
3. Continue holding meetings with Broadband Taskforce
4. Receive monthly update about feasibility study

Month 6: Objective – Receive Findings of the Feasibility Study

Month 6 Goals:

1. Share the final draft of the Phillips County Broadband Needs Assessment with Taskforce members and UAMS Institute for Digital Health & Innovation
2. Feasibility Study findings will be shared at the Taskforce Meeting
3. Determine next steps for further broadband grants and loans – or – other steps necessary to act upon the identified needs

Finals Products:

- Phillips County Broadband Needs' Assessment
- Phillips County Broadband Feasibility Study

While we are not familiar with broadband grants and loans we may pursue, we understand the Global Technology Service Provider is skilled at pursuing broadband grants, and we have studied the list of grants and loans provided on the Rural Broadband I.D. Trust Fund grant NODO. It seems the USDA Rural Utilities grants, and loans may be our best option for future funding, due to our rural nature. We will lean heavily on our ISP partner to make certain we take this plan as far as possible through future federal grants and loans. While we were preparing this application, we also learned of the USDA Rural Development Loan Grant Program. If our Taskforce sees fit, we may relocate some of this request to pay the Needs Assessment Author to help write that grant/loan application.

Budget

| Object / Category | Cost | Total Cost |
|------------------------------------------|-------------|-------------------|
| Personnel | 9226.46 | 9226.46 |
| Fringe Benefit | 4500 | 4500 |
| Travel | 0 | 0 |
| Supplies | 1500 | 1500 |
| Contractual includes all consultant fees | 59200 | 59200 |
| | | |
| | | |
| Total Cost | 74426.46 | 74426.46 |

Budget Justification

Personnel:

Project Director – Annual Salary \$65,000. Our County Judge will act as Project Director, serving as key liaison to the funders and media. He will identify taskforce members and coordinate meetings, making final decisions on all contractors. Our Judge will spend an estimated half a day a week on this project for six months, accounting for 5% of his annual salary. Request \$3,250

Financial Director - Annual Salary \$59,764.56. Our Township Administrator will act as the Financial Director to this project, securing the surety bond and making financial arrangements for all contractors. He will ensure timelines, objectives, and goals are met, providing troubleshooting as necessary to solve problems while working alongside our Project Director. The Township Administrator will spend an estimated one day weekly on the project for six months, accounting for 10% of this annual salary. Request: \$ 5,976.46

Fringe Benefits:

Phillips County pays 100% of the salary request for its health, dental, and other insurance.

County Judge: \$2500 fringe

Financial Director: \$2000 fringe

Supplies:

Phillips County will need office supplies (printing paper, printer ink, folders, postage, etc.), month is requested to cover these needs. Request \$1500

Contractual:

Feasibility Study Contractor: We believe that Global Technology Service Provider will be the Internet Service Provider to conduct a feasibility study to expand this services to our area; however, our taskforce will decide on the best contractor no later than Month 3. This contractor will conduct market research, engage partners, model design the network, and conduct a cost analysis and business plan. Global Technology Service Provider has informed us that to conduct this study, they need at least three months and \$ 59,200. We feel this amount will compensate another ISP or electric cooperative should we decide to pursue another feasibility study contractor. Request: \$59,200 (This includes the fees for our Broadband Consultant and Needs Assessment Author)

Broadband Consultant:

The Broadband Consultant will educate that Taskforce members and larger community as merited on broadband basics and options that are available to them, will coach on future broadband grant and loan applications, and will act as liaison with Internet Service Providers or electric cooperatives to communicate the needs of our community. The Broadband Consultant is vital to improve our broadband understanding, so we can ensure Phillips County will be able to negotiate and communicate effectively with Internet Service Providers to ultimately achieve better community-wide access high-speed Internet. We are respectfully requesting \$ 15000 to pay this consultant for six months of work. Request: \$ 15000

Needs Assessment Authors:

The Project Director will identify members of the Taskforce or writing contractors to author the needs assessment .They will receive a sum of \$4,500 each over the course of 6 months to author this document, offer coordination as needed in gathering insight on future grant and loan applications. Request: \$9,000

Total funds requested: Includes the fees for the Broadband Consultant, and Assessment Author. 74,426.46

Rural Broadband I.D. Trust Fund Program

Applicant Name: City of Little Rock / Little Rock Port Authority

Applicant Address: 10600 Industrial Harbor Drive
Little Rock, AR 72206

Applicant Phone Number: 501-490-1468

Applicant Email Address: mguffey@portoflittlerock.com

Applicant Tax ID or EIN Number: 71-0453807

Key Contact Person: Marsha Guffey

Total Amount Requested: \$18,630

Project Description:

The project will provide a full feasibility study of providing commercial broadband service in southeast Little Rock / south Pulaski County, Arkansas, and adjacent areas. A skilled contractors will be contracted to manage the project, study existing service, review available technologies for broadband service, and recommend solutions.

The Little Rock Port Authority will oversee the project on behalf of the City of Little Rock. The Little Rock Port Authority is an instrumentality of the City of Little Rock, established by Ordinance 10,957 of July 6, 1959.

Project Narrative

INTRODUCTION

Proposed Service Area

The proposed study area is the portions of eastern Little Rock and Pulaski County covered by the U.S. Census tract 40.07. This tract includes parts of the City of Wrightsville and Sweet Home, in addition to the Port of Little Rock Industrial Park. Approximately 25% of this area is currently in the Little Rock city limits. The Little Rock portion of the Census tract is industrial, while the Pulaski County portion is rural, with mostly farms and a few scattered residences. Adequate broadband internet and cellular phone service are lacking in both the industrial and rural areas, making it difficult for residents and businesses to achieve modern broadband connectivity.

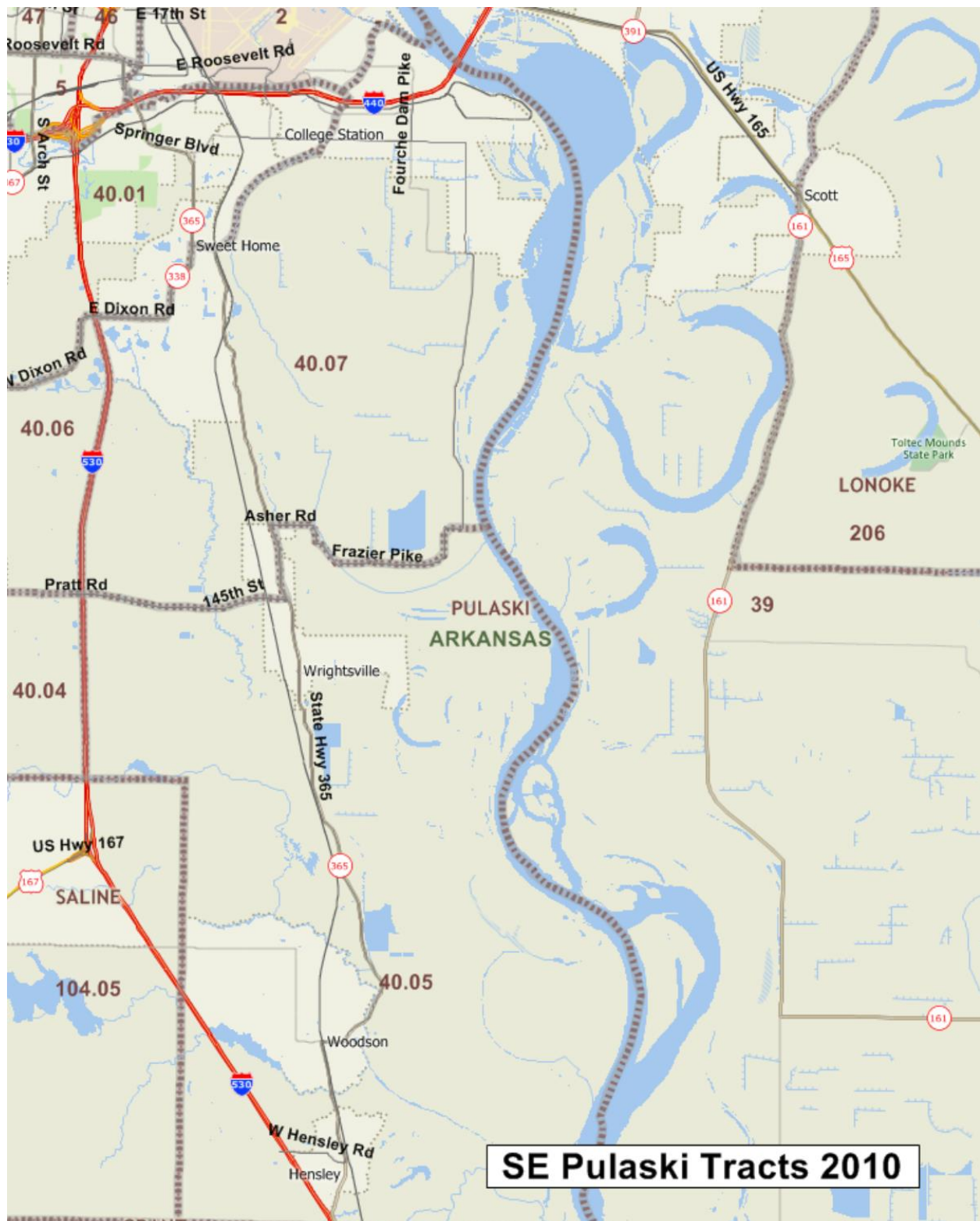


Figure 1 SE Pulaski 2010 Census Tracts, Source: Metroplan

Lack of connectivity is a problem for all, including the many students enrolled in virtual learning due to the Covid-19 pandemic. To satisfy the needs of these communities, the City of Little Rock / Little Rock Port Authority proposes to do a feasibility study see if the needed infrastructure can be put into place to serve the needs of all in this area.

Percentage of Service Area That Is Unserved

The 2019 American Community Survey indicates that of the 950 households in Census tract 40.07, only 57% have internet. 527 of these households have broadband, with 11 still on dial-up.

The map below shows the download speeds available in the rough area of Census tract 40.07, less than 100 mbps in all but the westernmost areas. The curve of the Arkansas River shown in the middle of the map marks the eastern boundary of this tract.

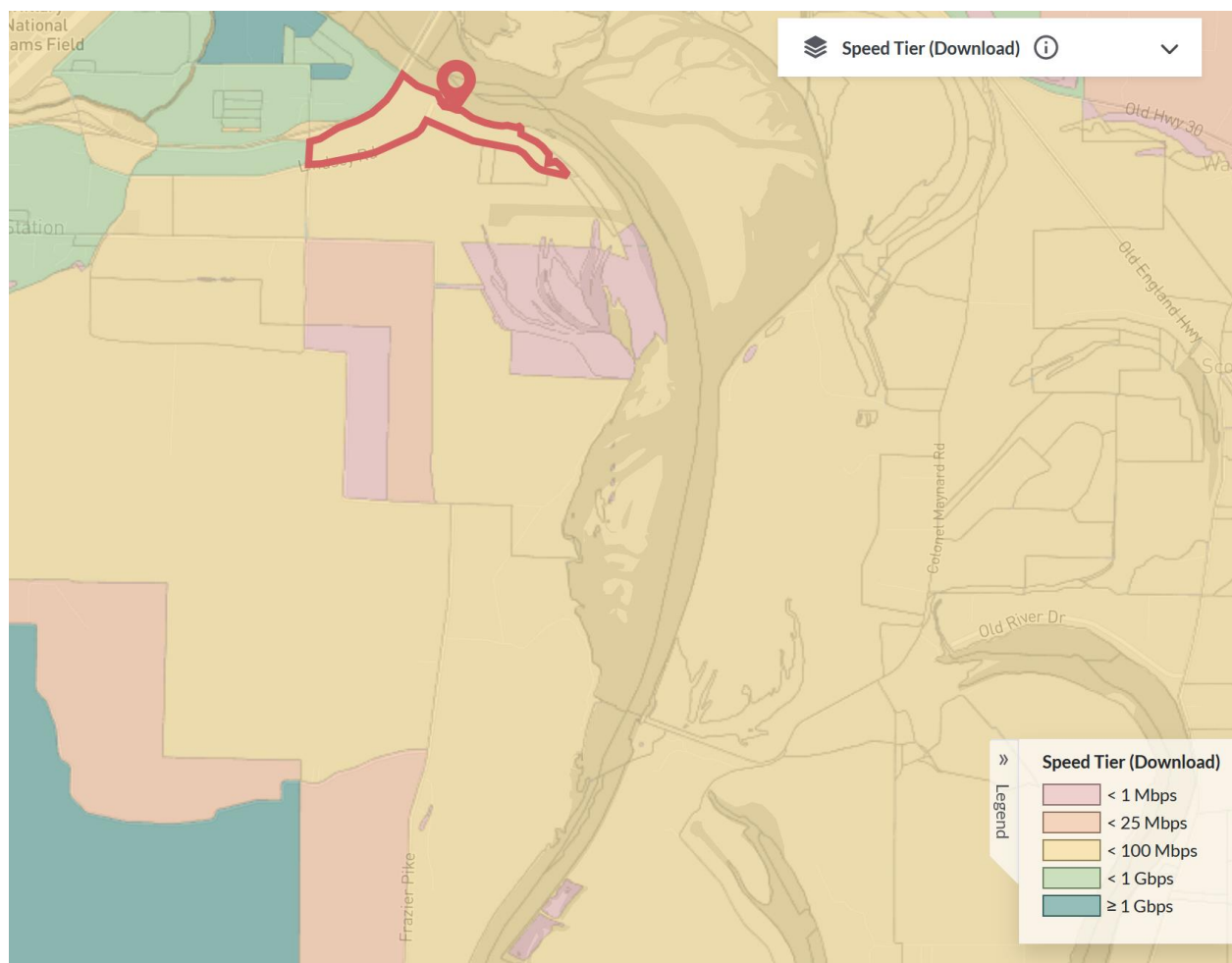


Figure 2 Broadband Download Speed, Source: Arkansas State Broadband Office

Figure 3 shows the number of internet providers in the area, again, with better coverage in some of the western areas of 40.07:

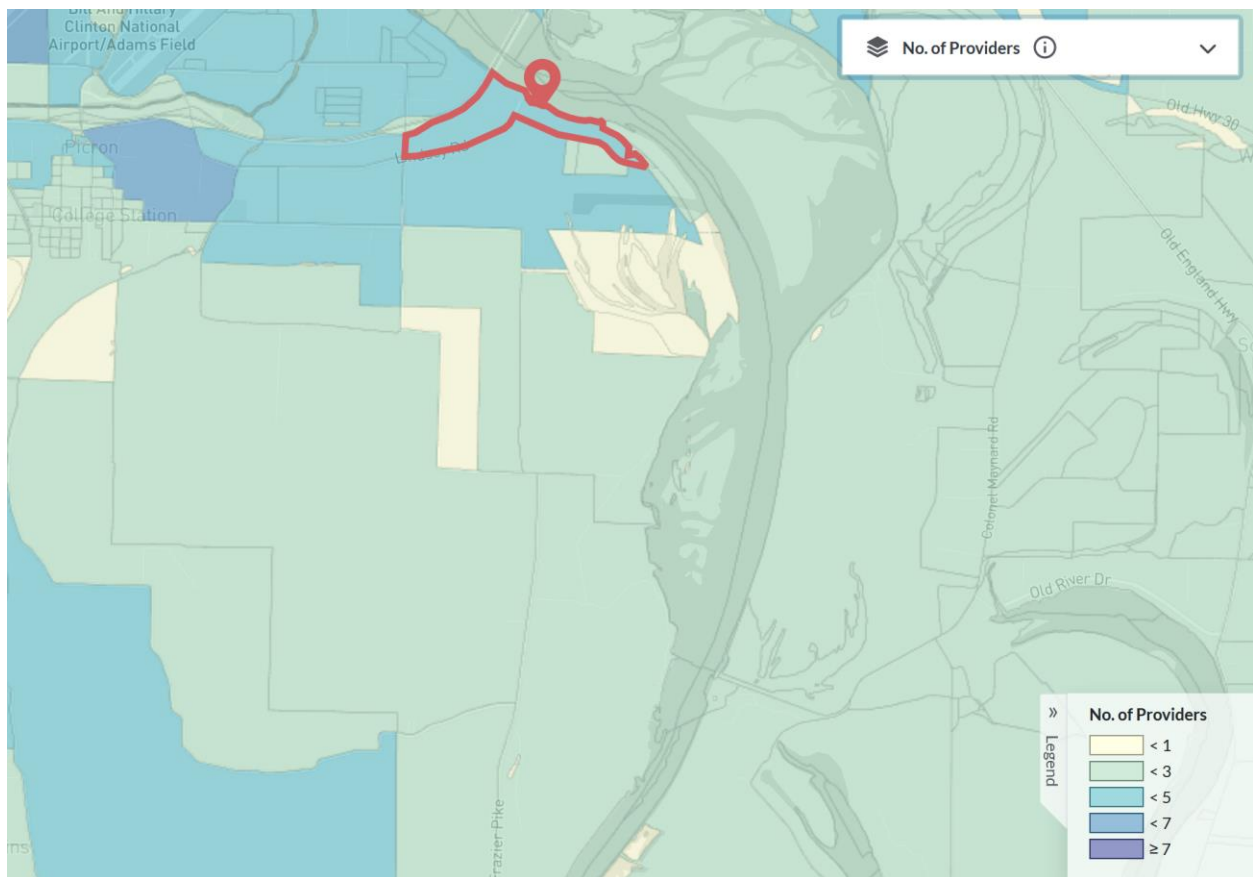


Figure 3 Number of Broadband Providers, Source: Arkansas State Broadband Office

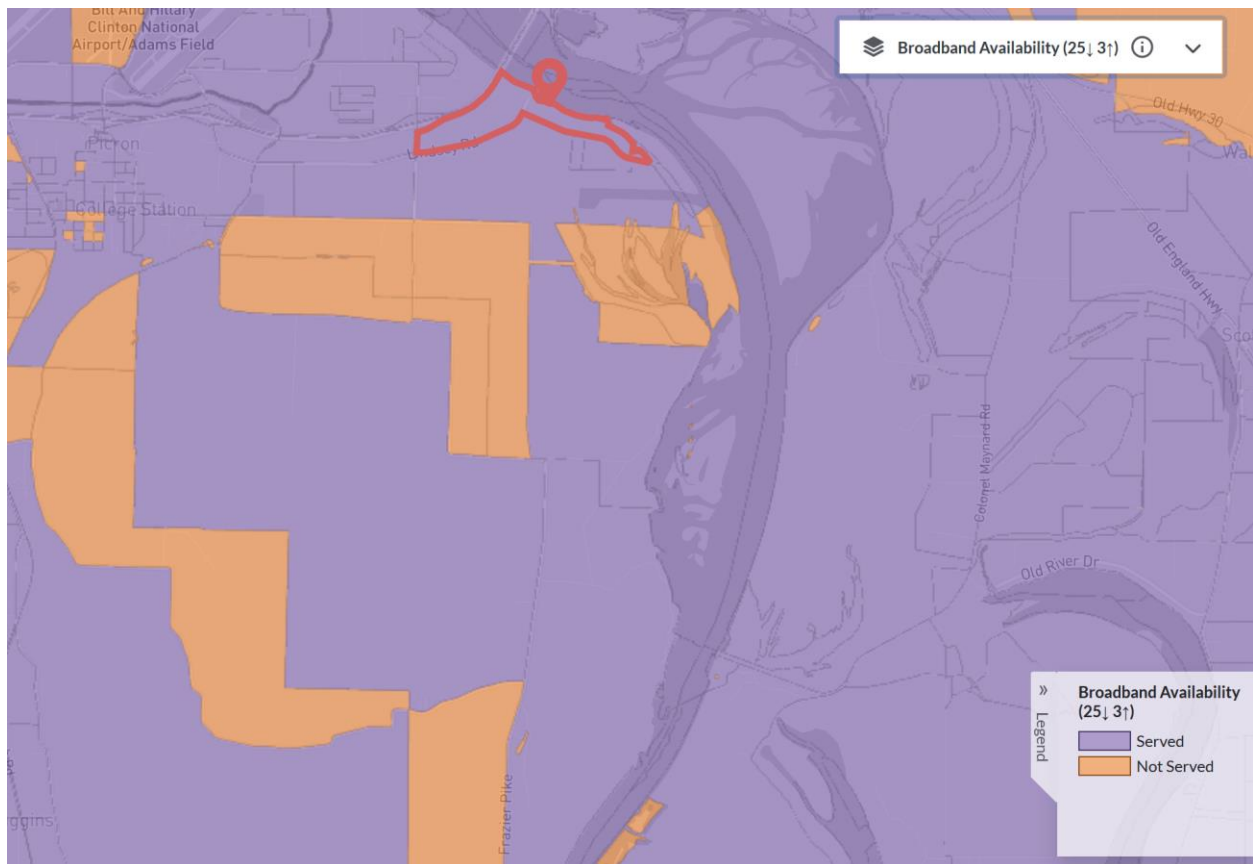


Figure 4 Broadband Availability, Source: Arkansas State Broadband Office

Although the above maps suggest that 25/3 MB broadband service is available widely in the service area, the practical experience of many residents is quite different. A typical service may be 13.1 Mb download and 1.7 Mb upload speeds. Some locations may not have service at all. This rural area, in reality, has very limited broadband infrastructure.

Additionally, much of the methodology used to produce the maps leads to inaccuracy. Until recently, the FCC considered a Census block served if at least one home or business in that Census block has broadband access. Also, the data is self-reported by broadband services providers and is not independently verified.

(<https://www.everycrsreport.com/reports/R45962.html>)

Percentage Rural Versus Urban

Per the 2010 Census, 67.3% of the population in Census Tract 40.07 is Urban, 32.7% Rural.

Percentage Living in Poverty

According to the 2019 American Community Survey, 28% of the households are living in poverty.

Medically Underserved Areas

The 40.07 Census tract is not in a Medically Underserved area, however, the only medical facility within a 20-minute drive for most people is the CHI St. Vincent Business Health and Convenient Care Clinic located at 6800 Lindsey Road. This facility is only open Monday through Friday from 8 am to 5 pm.

DESCRIPTION OF NEED

Staffing Needs

The City of Little Rock/Little Rock Port Authority will provide the basic work of executing contracts and monitoring progress of the program, working with the City of Little Rock Information Technology Department as needed to conduct technical aspects of the project. We propose to use a sole source contract with Broadband Development Group, LLC to perform the bulk of the work. The Company will study the technologies that are in place, or are available, for delivering broadband internet access to Census Tracts 40.07. The justification for sole source, in this instance, is because the Broadband Development Group is already under contract with Pulaski County to study Census Tracts 40.01 and 40.05. Using the same company will allow Pulaski County and the City of Little Rock/Little Rock Port Authority to develop a seamless system to serve all three Census tracts.

Population Needs

The population in the study area is a combination of rural residences and industrial properties, neither of which is currently well-served by the current broadband capabilities. Sixty-seven per cent of the 2,779 residents (2010 Census) are African American, with less than 1% being Asian or Hispanic. Although the per capita income is higher than in some of the surrounding Census Tracts, still 28% of the households are living in poverty.

Other than the CHI St. Vincent Business Health and Convenient Care Clinic, there are no healthcare services located in the service area, which makes telemedicine of great potential benefit to many residents, especially elderly residents. The lack of healthcare services is not unusual in a rural area, but some of the residents live in remote locations where access can take significant time.

The ability to perform e-commerce in the service area is significantly limited due to the restricted broadband service capacity.

For residents who have more conventional employment, with the onset of the pandemic many have shifted to telecommuting arrangements. Limited broadband service can severely limit their ability to fully engage in work activities, trainings, meetings, and other requirements as described, above.

Lastly, K-12 and college students are among the residents of the area needing access to high-speed internet for distance learning that has become a regular school setting as a result of COVID-19.

Broadband Needs

Broadband is needed in Census Tract 40.07 so residents in this area can carry out all the same tasks that most other residents of Little Rock and Pulaski County enjoy such as video conferencing, remote education, entertainment, remote worksites, and e-commerce.

Port industries do have the financial and technological capability to run fiber to assist in meeting broadband internet needs; however, the auxiliary wireless and cellular communications infrastructure is not in place to provide the complete modern communications system enjoyed in other parts of the country, providing a disincentive for industries to locate in Central Arkansas. The proposed study will provide insight into what is needed to provide an integrated system that will meet the needs of all.

The attached letter from CHS and email from Lexicon directly address some of the problems experienced by Port industries.

Internet Service Provider Relationship Needs

AT&T and Comcast are currently the only largescale providers of internet access at the Port of Little Rock. However, neither entity has the current capacity to serve the entire Port. Several industries have complained about the lack of quality and reliable internet access. As the Port continues to grow and attract industry, reliable broadband infrastructure will become even more important.

To ensure all avenues are explored, the City of Little Rock/Little Rock Port Authority will execute a contract for professional services with the Broadband Development Group, LLC. Broadband Development Group, LLC will study the technologies that are in-place, or available, for delivering broadband Internet access to Census Tracts 40.07 in southeast Little Rock/southern unincorporated Pulaski County, Arkansas.

Financial Needs

The project does not directly benefit the City of Little Rock/Little Rock Port Authority, and therefore funds have not been budgeted to support this project. However, the project will help us to provide broadband internet services to the residents and industries that make up our Port community. We are seeking financial assistance for the execution of the Scope of Services to perform a study so we can help attract more broadband providers and/or explore ways to put the necessary infrastructure in place. The requested funding is not intended for the direct employment of staff or reimbursement of expenses other than the direct Professional Services contract amount of \$18,630.

Community Relationship Needs

At the February 2021 meeting, the Little Rock Port Authority Board of Directors approved a resolution to partner with the Progressive League of College Station to promote and forward measures that will increase the health, safety, and economic well-being of the College Station Community and the Port community. Although College Station is in Census Tract 40.01

adjacent to the proposed study area, the resolution demonstrates the Port's commitment to meeting the needs of all residents and industries in the area.

The Port also facilitates regular meetings of Port stakeholders to gather feedback on needed improvements. The need for improved infrastructure of all kinds, including broadband internet, was discussed in our November 2020 Quality of Life Focus group.

DESCRIPTION OF THE PLAN

Grant funds will be used to study the technologies that are in-place, or available, for delivering broadband Internet access to Census Tracts 40.07, coordinating any recommendations with similar studies being performed for Census Tracts 40.01 and 40.05. The proposal will include an overview of the requirements and available technologies and a final report with conclusions and recommendations.

Summary of activity

Activities to be performed include:

Demographic Summary to include:

- Number of residents, including age statistics
- Number of households
- Number of housing units
- Income statistics
- Electronic devices per household (where available)
- Additional statistics as appropriate

Survey of available broadband offerings from any source

- Available technologies - including DSL, fiber optics, cellular, satellite, fixed wireless, and CATV
- Available service levels and prices
- Sample speed tests and coverage maps
- Sample polling of residents for user input

Summary of costs/feasibility of last-mile technologies

- Fiber-to-the-home
- Fixed wireless
- Satellite
- Etc.

High-level financial model

- Costs
- Revenues
- Sustainability
- Funding requirements for a deployment project

Proposed network approach

- High-level design in support of conclusions regarding available technologies

Broadband Development Group will conduct two meetings with interested parties to gather input, suggestions, and needs to be included as part of the data gathering phase. Milestone 1 will be to complete the above items as data gathering and designing. Milestone 2 will be to develop conclusions and write the final report. Broadband Development Group will present a final report to the community and interested parties, as directed by community leaders.

BUDGET

| Budget Categories | Cost |
|----------------------|-----------------|
| Personnel | \$0 |
| Fringe Benefits | \$0 |
| Travel | \$0 |
| Equipment | \$0 |
| Supplies | \$0 |
| Contractual | \$18,630 |
| Other | \$0 |
| Total Request | \$18,630 |

BUDGET JUSTIFICATION

The City of Little Rock/Little Rock Port Authority will engage one contractor to provide work as described in the **Description of Plan**, above. As such, the budget line item Contractual will not exceed \$18,630, which is \$15 per housing unit in the Census Tract. Expenses have been budgeted for contractual services in this project, to provide project coordination, facilitation and communication, and technical and business expertise which are necessary for the scope of work as described. The City of Little Rock/Little Rock Port Authority does not have adequate staff, time, or expertise to conduct critical elements of the project, and therefore, external expertise is required.

SUPPORTING DOCUMENTS

See attached letters

- Cover letter from City of Little Rock
- Support Letter from State Representative Denise Ennett
- Support Letter from CHS

- Support Letter from Lexicon
- Statement of Problems from Lexicon

- Timeline of Funded Activities -

| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
|------------------------------------------------------------|---------|---------|---------|---------|---------|---------|
| Activity 1: Conduct 2 Stakeholder/Community Meetings | X | | | | | |
| Activity 2: Begin data collection | X | | | | | |
| Activity 3: Complete data collection | | | X | | | |
| Activity 4: Develop Conclusions/Write Report | | | | X | | |
| Activity 5: Present Final Report to Stakeholders/Community | | | | | X | |
| | | | | | | |

- Current Annual Budget

A spreadsheet showing recent year revenues and expenditures for the Little Rock Port Authority, plus budget for 2020 and 2021 is attached. There are several things to note:

1. We are not proposing an activity that directly benefits the Port, but rather we are doing this as a service to the Port community. Therefore, it is difficult to justify a direct outlay for the study, especially as our revenues are declining due to the impact of COVID-19, but also of much more consequence, resulting downturns in the oil and gas industry. The major source of revenue for the Port is railcar switching—our biggest customer has experienced a major downturn in business, so that expenses were over revenues to the tune of \$717,259 last year, resulting in the use of reserves to cover expenses. This year’s outlook is even worse because of federal policies affecting the major customer. These losses will also spill over to barge traffic.

2. Ports across the United States, both private and public, have not been direct recipients of any federal COVID-19 emergency funding. Instead, we must compete for relief with regular city / county entities like police, fire, and emergency responders, which has left us on the short end of the stick.

The following images from the City of Little Rock Budget Workshop slides (November 2020), show the highlights from its budget. Like the Little Rock Port Authority, the City of Little Rock has not budgeted for a broadband study of the proposed area. Such a study would be a service to the Port community, much of which is NOT in the Little Rock city limits, but rather in Pulaski County.

Police and Fire personnel costs make up the vast majority of the Little Rock General Fund expenses, at 63%.

GENERAL FUND REVENUE FORECAST SUMMARY

| | | 2019 | 2020 | 2020 | 2021 DRAFT | CHANGE | CHANGE FROM |
|----|------------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| | REVENUES | ACTUAL | ORIG BUDGET | AMENDED | BUDGET | 2020 to 2021 | 2020 ORIG. |
| 1 | General Property Taxes | \$30,301,000 | \$31,189,332 | \$30,863,382 | \$31,603,699 | \$740,317 | \$414,367 |
| 2 | Sales and Use Taxes | 108,995,027 | 108,439,925 | 107,566,845 | 108,035,271 | 468,426 | (404,654) |
| 3 | Licenses and Permits | 12,457,941 | 12,474,600 | 11,204,900 | 12,004,000 | 799,100 | (470,600) |
| 4 | Intergovernmental | 10,561,590 | 10,561,800 | 11,038,777 | 11,105,872 | 67,095 | 544,072 |
| 5 | Charges for Services | 11,157,963 | 11,405,605 | 7,671,740 | 10,234,888 | 2,563,148 | (1,170,717) |
| 6 | Fines and Fees | 2,086,181 | 2,339,900 | 1,378,147 | 1,821,500 | 443,353 | (518,400) |
| 7 | Utility Franchise Fees | 29,676,836 | 29,996,250 | 28,505,750 | 29,138,856 | 633,106 | (857,394) |
| 8 | Investment income | 589,856 | 350,000 | 288,500 | 250,000 | (38,500) | (100,000) |
| 9 | Miscellaneous | 3,846,755 | 1,132,007 | 1,285,378 | 1,053,483 | (231,895) | (78,524) |
| 10 | Transfers In | 8,382,149 | 4,235,834 | 4,235,834 | 4,853,400 | 617,566 | 617,566 |
| 11 | Total General Fund Revenues | \$218,055,297 | \$212,125,253 | \$204,039,253 | \$210,100,969 | \$6,061,716 | (\$2,024,284) |

The 2021 General Fund revenue forecast as presented on November 10, 2020 is **\$210,100,969** or **3%** above the 2020 Amended Budget. The change from the 2020 Original Budget is a reduction of 1%. The 2021 forecast is still approximately \$8 million or 3.6% below 2019 actual results.

17

GENERAL FUND - EXPENDITURES BY CATEGORY FISCAL YEARS 2019 – 2021

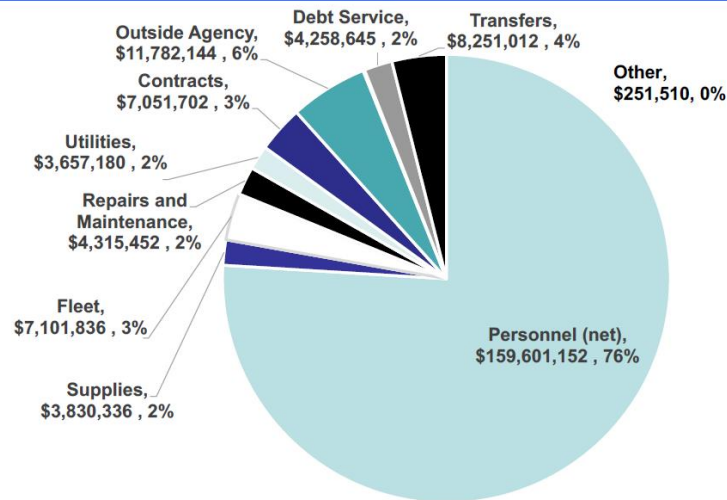
| | 2019 | 2020 | 2020 | 2021 | Change | Change from |
|---------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| | Actual | Original Budget | Amended | Budget | 2020 to 2021 | 2020 Orig. |
| 1 Personnel | \$157,632,324 | \$164,217,007 | \$149,821,793 | \$165,601,152 | \$15,779,359 | \$1,384,145 |
| 2 Supplies | 3,997,878 | 3,821,951 | 3,812,333 | 3,810,336 | (1,997) | (11,615) |
| 3 Fleet (Fuel & Services) | 6,959,471 | 7,452,306 | 7,452,306 | 7,101,836 | (350,470) | (350,470) |
| 4 Repairs and Maintenance | 3,331,930 | 4,180,932 | 4,227,922 | 4,315,452 | 87,530 | 134,520 |
| 5 Utilities | 3,940,729 | 3,679,294 | 3,644,770 | 3,657,180 | 12,410 | (22,114) |
| 6 Contracts | 7,553,971 | 6,722,310 | 6,793,302 | 7,071,702 | 278,400 | 349,392 |
| 7 Outside Agency Funding | 10,635,619 | 11,851,607 | 11,242,380 | 11,782,144 | 539,764 | (69,463) |
| 8 Capital Outlay | 80,635 | - | - | - | - | - |
| 9 Debt Service | 7,250,229 | 5,505,534 | 5,505,534 | 4,258,645 | (1,246,889) | (1,246,889) |
| 10 Other | 239,662 | 251,510 | 383,210 | 251,510 | (131,700) | - |
| 11 Vacancy Allocation | 35 | (5,500,000) | (500,000) | (6,000,000) | (5,500,000) | (500,000) |
| 12 Transfers | 9,565,040 | 9,942,802 | 11,655,703 | 8,251,012 | (3,404,691) | (1,691,790) |
| 13 Total Expenditures | \$211,187,523 | \$212,125,253 | \$204,039,253 | \$210,100,969 | \$6,061,716 | (\$2,024,284) |

- The Proposed 2021 General Fund Budget is balanced with revenues and expenditures of **\$210,100,969**, representing a decrease of **(\$2,024,284)** from the 2020 Original Budget.
- The primary components of the changes in personnel cost and the other expenditure categories were discussed on previous slides.
- Outside Agency Funding, Debt Service, and Transfers Out will be discussed in detail in a moment.

25

GENERAL FUND - EXPENDITURES BY CATEGORY

- Personnel Cost (net of vacancy savings), Outside Agency funding, and Transfers Out represent **85.5%** of General Fund expenditures.
- Total Expenditures - **\$210,100,969**



26

GENERAL FUND - EXPENDITURES BY DEPARTMENT FISCAL YEARS 2019 - 2021

| | 2019 Actual | 2020 Original Budget | 2020 Amended | 2021 Budget | Change 2020 to 2021 | Change from 2020 Orig. |
|------------------------------------|----------------------|-------------------------|----------------------|----------------------|------------------------|---------------------------|
| 1 Executive Administration | \$37,253,249 | \$32,528,568 | \$37,836,895 | \$29,399,062 | (\$8,437,833) | (\$3,129,506) |
| 2 Board of Directors | 347,081 | 338,411 | 337,918 | 338,715 | 797 | 304 |
| 3 Community Programs | 500,509 | 462,179 | 436,581 | 465,049 | 28,468 | 2,870 |
| 4 City Attorney | 1,582,776 | 1,585,138 | 1,550,326 | 1,654,033 | 103,707 | 68,895 |
| 5 First District Court - Criminal | 1,258,225 | 1,348,842 | 1,314,415 | 1,343,070 | 28,655 | (5,772) |
| 6 Second District Court - Traffic | 1,319,922 | 1,246,377 | 1,218,067 | 1,255,694 | 37,627 | 9,317 |
| 7 Third District Court - Environ. | 503,837 | 537,099 | 511,241 | 539,585 | 28,344 | 2,486 |
| 8 Finance | 3,277,046 | 3,588,285 | 3,373,203 | 4,057,149 | 683,946 | 468,864 |
| 9 Human Resources | 1,762,430 | 1,860,866 | 1,739,939 | 2,051,039 | 311,100 | 190,173 |
| 10 Information Technology | 4,948,012 | 5,538,495 | 5,357,182 | 6,039,340 | 682,158 | 500,845 |
| 11 Planning & Development | 2,310,219 | 2,601,213 | 2,409,696 | 2,708,492 | 298,796 | 107,279 |
| 12 Housing & Neighborhood Programs | 5,039,371 | 5,566,012 | 4,811,652 | 5,710,466 | 898,814 | 144,454 |
| 13 Public Works | 1,018,975 | 1,074,107 | 1,065,539 | 1,110,957 | 45,418 | 36,850 |
| 14 Parks: | | | | | | - |
| 15 Parks & Recreation | 9,492,931 | 9,994,977 | 8,817,707 | 10,181,728 | 1,364,021 | 186,751 |
| 16 RiverMarket | 1,305,240 | 1,356,920 | 929,938 | 774,678 | (155,260) | (582,242) |
| 17 Golf | 2,264,744 | 1,532,166 | 1,620,904 | 1,572,011 | (48,893) | 39,845 |
| 18 Fitness | 905,754 | 886,292 | 772,876 | 867,184 | 94,308 | (19,108) |
| 19 Zoo | 6,281,848 | 6,638,508 | 6,106,956 | 6,481,505 | 374,549 | (157,003) |
| 20 Fire | 53,044,285 | 53,230,908 | 45,613,526 | 53,350,321 | 7,736,795 | 119,413 |
| 21 Police | 76,771,070 | 80,209,890 | 78,214,692 | 80,200,891 | 1,986,199 | (8,999) |
| 22 Total Expenditures | \$211,187,523 | \$212,125,253 | \$204,039,253 | \$210,100,969 | \$6,061,716 | (\$2,024,284) |

32