FISCAL YEAR 2009

BUDGET

C. Ray Baker	Mayor
Steven Tyler	Director - Ward One
Andre Good	Director - Ward Two
Don Hutchings	Director - Ward Three
Bill Maddox	Director - Ward Four
Gary Campbell	Director - At Large
Kevin Settle	Director - At Large
Cole Goodman, M.D.	Director - At Large
Dennis Kelly	City Administrator
Ray Gosack	Deputy City Administrator
Kara Bushkuhl	Director of Finance

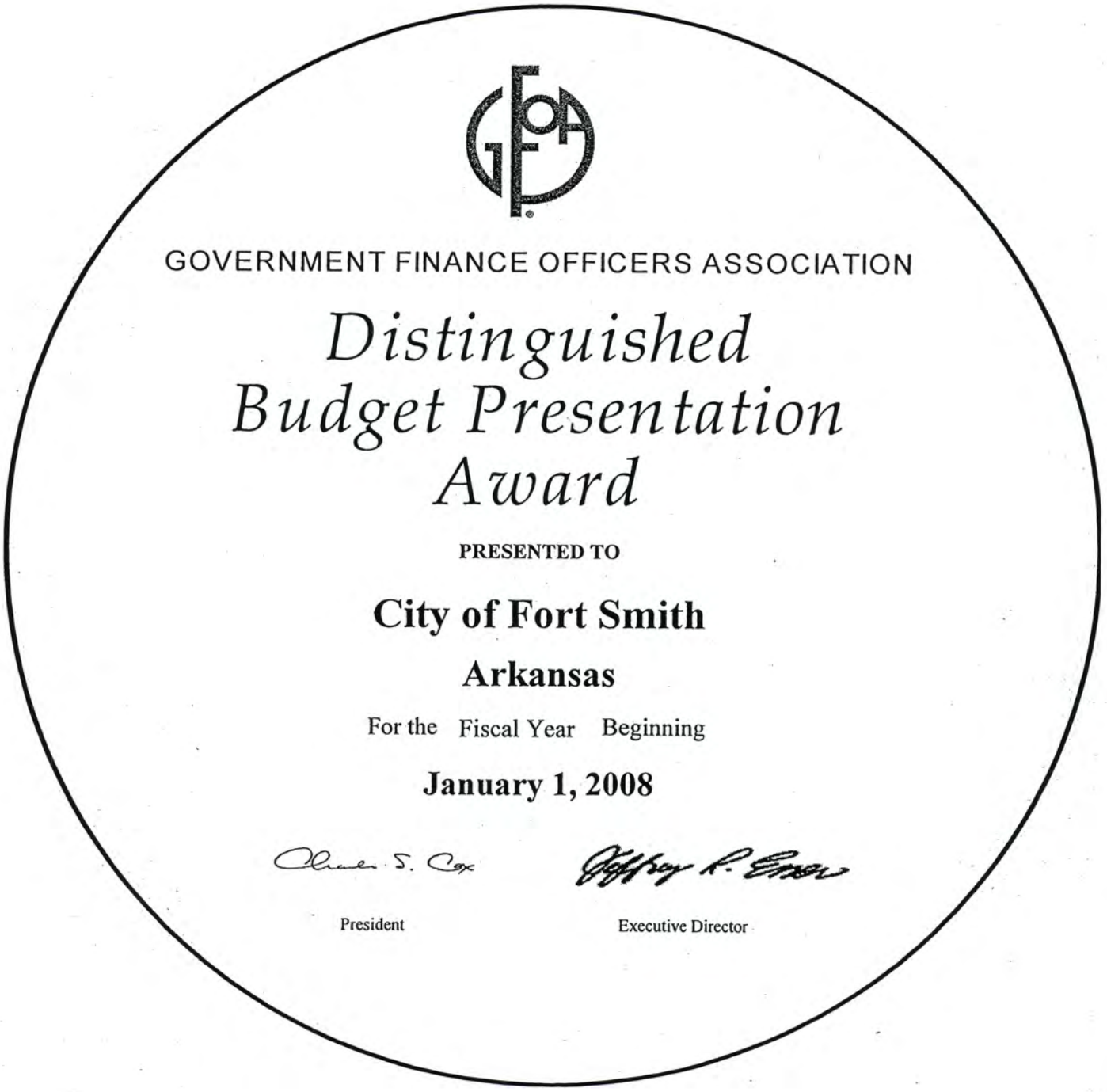
MANAGEMENT TEAM

Dennis Kelly	City Administrator
Ray Gosack	Deputy City Administrator
Mike Alsup	Director of Parks and Recreation
Wally Bailey	Director of Development
Ben Beland	District Court Judge
Claire Borengasser	District Court Judge
Kara Bushkuhl	Director of Finance
Russell Gibson	Director of Information and Technology Services
Frankie Hamilton	Director of Convention Center
Richard Jones	Director of Human Resources
Kevin Lindsey	Police Chief
Baridi Nkokheli	Director of Sanitation
Steve Parke	Director of Utilities
Cindy Remler	City Clerk
Ken Savage	Director of Transit
David Saxon	District Court Judge
Stan Snodgrass	Director of Engineering
Jerry Tomlin	Fire Chief
Bob Wright	Director of Streets and Traffic Control

BUDGET REPORT PRODUCTION, ANALYSIS AND GRAPHICS

Department of Finance
- Jackie Joyce, Assistant Director of Finance
- Jacinta Winstead, Accounting Manager
- Alie Bahsoon, Purchasing Manager
- Christy Deuster, Administrative Coordinator
- Tyler Mitchell, Rate and Financial Analyst
- Angie Chance, Payroll Accountant
- Lindsey Kaelin, Payroll Clerk

City of Fort Smith on the Internet at: www.fortsmithar.gov/finance



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Fort Smith for its annual budget for the fiscal year beginning January 1, 2008. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TABLE OF CONTENTS

Introduction

City Administrator's Budget Message I
Plan of Organization 1
Authorized Level of Full Time Personnel 2
Allocation of Authorized Personnel 3
Mission,Vision & Values Statement 4

Budget Highlights

Introduction 5
Budget Process 5
Fiscal Performance Policies 7
The FY09 Budget 12
Operating Funds 14
General Fund 17
Street Maintenance Fund 19
Water and Sewer Operating Fund 20
Sanitation Operating Fund 20
Personnel Authorizations 21
Capital Improvements Program 22
Retirement Plans 22
Self-Insurance Programs 23
Bonded Indebtedness 26

Budget Summaries - All Funds

Comparative Summary - All Funds 29
Fund List Summary - All Funds FY09 Budget 31
Comparative Summary with Detail Revenue Categories-All Funds 32
Major Revenue Analyses 33
City of Fort Smith Financial Structure 40
Definition of Fund Types and Individual Funds 44
Summary by Fund Type -
General Fund 47
Special Revenue Funds-
Street Maintenance Fund 48
Sales Tax Fund 48
Community Development Block Grant Fund 48
HOME Investment Partnership Act Fund 48
Special Grants Fund 49
Tilles Park Fund 49
Advertising and Promotion Fund 49
Arkansas LOPFI Contribution Fund 49
Convention Center Fund 49
Debt Service Fund-
Sales & Use Tax Bond Fund 50
Capital Projects Fund-
Sidewalk Construction Fund 51
2006 Sales & Use Tax Construction Fund 51
2008 Sales & Use Tax Construction Fund 51
Enterprise Fund
Water and Sewer Funds 52
Sanitation Funds 53
Parking Authority Fund 54
Internal Service Funds-
Working Capital Fund 55
Employee Health & Wellness Fund 55
Workers' Compensation Fund 55

Operating Funds Budget Summaries

Budget Comparison Summary-
Operating Funds 57
General Fund 58
Street Maintenance Fund 59
Water and Sewer Operating Fund 60
Sanitation Operating Fund 61
Statement of Revenue Comparisons-
Combined Operating Funds 62
General Fund 63
Street Maintenance Fund 65
Water and Sewer Operating Fund 67
Sanitation Operating Fund 69
Distribution of Appropriations to the Operating Funds - FY09 71
Distribution of Appropriations to the Operating Funds - FY10 74
Combined Division Summary-
By Division Classification 77
By Expenditure/Expense Classification 78

Division Summaries

Policy and Administration Services 79
Management Services 88
Development Services 100
Police Services 109
Fire Services 113
Operation Services-
Streets and Traffic Control 117
Water and Sewer 120
Parks and Recreation 124
Convention Center 128
Sanitation 131
Transit 135
Non-Departmental 138

Capital Improvements Program

Introduction 145
Sales Tax Fund 145
Water and Sewer Capital Improvement Projects Fund 153
2006 & 2008 Sales & Use Tax Construction Fund 155
Sanitation Sinking / Landfill Construction Fund 155
Sidewalk Construction Fund 156
Tilles Park Fund 156
Parking Authority Fund 156
Parks and Recreation CIP 157
Capital Outlay 158
Effects of Capital Outlay on Operating Budget 160

Related Financial Information

Budget Organizational Structure 161
Budget and Budgetary Control 164
Accounting System Control 164
Classification of Revenue Sources - Operating Funds 165
Debt Service 171
Glossary of Key Budget Terms 177
Fort Smith Notes 181
Miscellaneous Statistical Data 182
Property Tax Illustration 185
Personnel Count Comparison 186
General Index 190

BUDGET FORMAT

The City of Fort Smith Budget serves four primary roles: policy document, financial plan, operations guide and communications tool. In order to meet these roles, the Budget is organized into the following eight sections:

Preface

This section of the document includes the title page, management team listing, the City's Distinguished Budget Presentation Award, the table of contents and budget format description.

Introduction

The Introduction section begins with the City Administrator's Budget Message which outlines the City's accomplishments, goals for the current period and the budgetary plan for the current fiscal year. This section also includes an organization chart, graphic presentation of full-time personnel and a comparative list of authorized personnel. The amounts compared in the Budget Message are Adopted Budget 2008 and Adopted Budget 2009.

Budget Highlights

The Budget Highlights section of the document is intended to serve as a summary of the current fiscal year budget plan. The budget process, and the fiscal performance policies are included in this section. In addition, highlights of the current year budget including narratives, graphs and tables are presented.

Budget Summaries - All Funds

This section of the document includes financial statements for all funds of the City. A comparative summary of all funds for FY07 Actual, FY08 Budget, FY08 Estimated and FY09 Budget is included. A comparative summary for all funds with major revenue detail is presented for FY06 Actual, FY07 Actual, FY08 Budget, FY08 Estimated, and FY09 Budget. A combined summary of all funds for the FY09 Budget as well as individual fund statements by fund type for FY09 Budget is included. The City of Fort Smith financial structure and explanations for each fund are also included in this section.

Operating Funds Budget Summaries

The Operating Funds Budget Summaries section includes the basic financial statements for the four major funds of the City for which an annual budget is required. Comparative summaries and statements of revenue comparisons are provided for the operating funds combined and for each individual operating fund. The distribution of appropriations to the operating funds for FY09 is also incorporated in this section. An early projection for FY10 is also presented for the departments. Combined summaries by division and expenditure/ expense classification are provided at the end of this section in statement and graphic form.

Division Summaries

This section of the document describes the operating programs of the City's basic organizational units which provide the essential services to the citizens of Fort Smith. City programs are organized into seven divisions:

- Policy and Administration Services
- Management Services
- Development Services
- Police Services
- Fire Services
- Operation Services (Streets and Traffic Control, Water and Sewer, Parks and Recreation, Convention Center, Sanitation and Transit)
- Non-Departmental

Each division includes a purpose, organization chart, overview for the current budget year, current goals, prior year goals and results, service measures/performance indicators, and workload/demand statistics, as applicable.

Capital Improvement Program

The Capital Improvement Program section provides highlights of the major capital projects in the various funds. A list of the capital outlay items authorized in the current budget and capital sinking fund transfers are included in this section. The effects of capital improvements on the operating budget are also included.

Related Financial Information

This section provides various data to aid the reader in understanding the budget document. The City's budget organizational structure, budgetary and accounting system control, classification of revenue sources for the operating funds, debt service schedules, glossary of key terms, Fort Smith notes, personnel count comparison and miscellaneous statistical data of the City are included in this section. An index is included to cross-reference pertinent information in the document.

The City of Fort Smith ARKANSAS

January 1, 2009

The Honorable Ray Baker, Mayor
and City Directors
City of Fort Smith, Arkansas

Mayor and Directors:

We're pleased to present the 2009 Budget adopted on December 2, 2008. The 2009 Budget is a complete financial plan for all funds which includes all programs and activities of the City government.

The City was able to maintain its quality level of services during 2008 despite difficult economic conditions. The outlook for 2009 continues to reflect the uncertainty of the nation's economy. Fortunately, our regional economy is performing better than the national economy. This is allowing us to restore some cuts made in 2008. The water and sewer operating fund continues to experience challenges due to decreasing consumption and the corresponding effect on revenues.

In the General Fund, we were able to restore capital outlay spending for police patrol vehicles, a replacement fire engine, and parks projects. The personnel accounts include funds to provide a 2.5% market adjustment for employees, merit and step pay increases during 2009 (these were suspended in 2008), and a reduction in the number of steps in the police officer pay plan. Employees will see no increase in their health coverage contributions for 2009, the fourth consecutive year of no increase. Also, the 2009 budget doesn't rely on a hiring freeze as the 2008 budget did.

The projected fund balance at December 31, 2009 for the General Fund is $3.3 million which represents 7.8% of the 2009 operating expenditures. The main reasons that the reserve is presented below the City's policy of 15% of current operating expenditures are varied. The planned pay increases as well as including some of the capital assets that were deleted from the prior year budget contribute to the lower fund balance.

Although the budgeted fund balance is 7.8%, we fully expect that 2009 will end with a higher fund balance for two reasons. First, our revenue estimates are prepared conservatively; actual revenues are typically higher than what's budgeted. Second, departments rarely spend 100% of their budget authorizations. Unspent appropriations increase the fund balance at the end of the year.

Water consumption billed in 2008 is estimated to be 4% less than in 2007. Consumption billed has been relatively flat since 2003 due to weather, rainfall, and conservation efforts. The City's rate structure is based upon volume demand factors, therefore, the revenue generated by rate increases have not met expectations. Furthermore, the level of bonded indebtedness continues to require larger annual requirements be met. The 2009 water and sewer revenue was based upon consumption records for 2004, 2005, and 2006 in an effort to be as conservative as possible. Most of the capital requests for 2009 were deleted and operating costs have been reduced as much as possible for 2009. The projected working capital reserve at December 31, 2009 is $1.8 million or 8.4% of 2009 operating expenses.

623 Garrison Avenue
P.O. Box 1908
Fort Smith, Arkansas 72902
(479) 785-2801
Administrative Offices FAX (479) 784-2430

Printed on 100% Recycled Paper

The 2009 Budget includes a 25% increase in sewer fixed charges and volume rates beginning July 1, 2009. The rate adjustment will support the debt service requirements for financing wet weather improvements with 2009 revenue bonds. The rate adjustment is a part of the financing plan for wet weather improvements discussed by the Board in 2006. Additionally effective January 1, 2009, volume rate increases approved during 2007 for water and sewer will increase approximately 3% and 5%, respectively.

The financial condition of both the General Fund and the Water and Sewer Operating Fund present challenges for the City. The General Fund's available revenue sources are very limited.

Recent Key Challenges and Accomplishments

Although the City faces continued financial challenges in 2009, the following major achievements in 2008 will strengthen our future. Highlighted accomplishments are as follows:

- Planning and fundraising for the construction of the U.S. Marshals Service museum continues. The museum will attract tourists nationally and internationally, complement the Fort Smith National Historic Site, and possibly lead to the development of a museum cottage industry in Fort Smith. Land for the museum has been donated.

- Fort Smith's retail marketplace has expanded significantly with the opening of a third Wal-Mart Supercenter in the city and a new Target department store. Additional retail development at the Target shopping center will open through early 2009. These retail additions provide expanded shopping opportunities for citizens and boost the city's sales tax revenue.

- Three new major employers have facilities under construction or soon to be under construction at Chaffee Crossing. Another manufacturer is planning an expansion. Combined, they're expected to add 340 new jobs and invest $130 million in their new facilities.

- Completed replacement of the aging public safety radio communication system with a state-of-the-art digital system that allows interoperability between all city departments and with other agencies statewide.

- Adoption of new development codes is pending. These codes will improve the "look of Fort Smith" as identified in the city's comprehensive plan.

- Awarded $60 million in construction contracts for the city's sanitary sewer system to alleviate overflows, bypasses and backups during heavier periods of rainfall.

- Replaced 2.5 miles of undersized neighborhood water lines to improve water quality and fire protection for the affected residents.

- Automated refuse collection was expanded in 2008 to an additional 4,000 customers. More neighborhoods will be added in 2009. The program streamlines the collection of garbage and reduces the potential for litter.

- Awarded the GFOA Distinguished Budget presentation Award for 2008, which is the city's twentieth consecutive recognition; and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 2007 CAFR, the twenty-third consecutive recognition.

Major 2009 Policy Initiatives

Through policy guidance by the City Board of Directors and in cooperation with the leadership of our educational institutions, business and industry, the City has enjoyed and shared the role of moving the community in a positive direction, over the past several years. To keep the momentum, the City will need to continue focusing its efforts on those policy issues facing her citizens and businesses in the coming year.

The City-wide goals for 2009 are as follows:

1. Improve employee morale and retention by restoring step and merit pay increases and making salaries more competitive with other cities.

2. Continue the "green" initiatives including recycling efforts in all city offices and facilities; paperless communications with the Board, committees, and citizens; and less energy consumption by the City.

3. Continue economic growth and develop strategies to attract higher technological jobs to the region.

4. Improve the livability of neighborhoods by enhancing infrastructure and enforcing new and existing neighborhood codes.

5. Continue efforts to strengthen citizen service and citizen access to city government.

The departmental goals which are presented in the Division Summaries section of this document have been developed to achieve these city-wide goals.

For the Future

As Chaffee Crossing continues to develop, the City must provide public safety, street maintenance and construction, utility services, planning and code enforcement for the area. The water and sewer infrastructure projects total $28.3 million and may need to be designed and constructed between 2009 and 2010. The Fire Department estimates that a station will need to be constructed ($950,000) and staffed (nine additional positions at an annual cost of approximately $500,000) during 2010-2011. Funding must be identified for these improvements and services.

Implementation of the comprehensive plan will require future budget allocations to accomplish its key elements. The level of resources to dedicate for this purpose must be determined for the next several years.

The City's share of the county-wide sales tax represents 39% of total General Fund revenue. The reliance on a revenue that is impacted by external factors such as economic conditions is a concern. The City must continue to review other revenue options and continue to streamline expenditures in the General Fund to provide financial stability to continue providing the level of public services expected by the community. The loss of $1.8 million in convention center turnback funding in 2010 must also be addressed. Funds of $725,000 allocated to specific uses temporarily will be ended to alleviate this revenue loss. However, a gap of $1.1 million must still be closed.

The Parks and Recreation Commission report recommends expansion and improvement to parks projects, facilities and acreage and indicates a funding need of $20 million over the next 10 years. Two possible funding sources may be considered. The first is a voter approved restaurant tax dedicated to park programs, and the second is reallocation of a small portion of the sales tax revenue dedicated to streets and drainage projects.

Future expansions of the Riverfront Park as well as continued improvements in the downtown area, such as expansion of the streetscape, will need to be prioritized and funding sources identified. Private participation and grants are options to review. Ongoing operating and maintenance costs will need to be considered.

Pay rates for many employee groups continue to lag behind other cities in our region. The longer this remains unaddressed, the greater the likelihood that we'll lose employees to cities with more competitive pay rates.

Budget Summary

The 2009 Annual Budget is designed to present the City's operating programs in a comprehensive yet simple, clear and easy to read manner. The City's budget process is guided by its Fiscal Performance Policies which are presented in the Budget Highlights section of this document. The Policies were originally adopted in1987 and have been updated regularly.

The City's 2009 Annual Budget, comprised of all funds, programs and activities, totals $264.8 million or a $10 million bottom line increase over the 2008 Annual Budget of $254.8 million.

The City's 2009 Budget of $264.8 million includes the 2009 Operating Budget of $105.1 million as well as $101.5 million for capital improvements; $ 37.7million for debt service; $5.1 million for pension programs; $9.1 million for self-funded workers' compensation and employee benefit programs; $1.4 million for CDBG, housing and special grants programs; and $4.9 million for the Advertising and Promotion Commission, Parking Authority, Convention Center and internal service funds. Excluding various interfund transfers of $21.4 million, the City's Annual Budget totals $243.4 million.

The table below summarizes the major areas of change between the 2008 and 2009 Annual Budgets:

Overall Budget Summary

	2008	2009	Change	%
Operating Budget	**$101,649,288**	**$105,126,563**	**$3,477,275**	**3.4%**
Capital Improvements	**99,191,087**	**101,489,783**	**2,298,696**	**2.3%**
Debt Service	**34,818,853**	**37,653,093**	**2,834,240**	**8.1%**
Pension Programs	**4,676,100**	**5,052,700**	**376,600**	**8.1%**
Workers' Compensation and Insurance Programs	**8,635,000**	**9,131,970**	**496,970**	**5.8%**
CDBG, Housing & Special Grants	**1,903,000**	**1,398,218**	**(504,782)**	**-26.5%**
Special Projects	**3,928,380**	**4,903,833**	**975,453**	**24.8%**
Total	**$254,801,708**	**$264,756,160**	**$9,954,452**	**3.9%**
Less Interfund Transfers	**21,286,320**	**21,391,860**	**105,540**	**0.5%**
Total	**$233,515,388**	**$243,364,300**	**$9,848,912**	**4.2%**

The 2009 Operating Budget is summarized in greater detail elsewhere. The 2009 Capital Budget of $101.5 million includes $37.1 million in various street and drainage improvements; $62.8 million in water and sewer system improvements;$300,000 in sidewalk construction; and $1.3 for the landfill expansion and purchase of heavy equipment for Sanitation.

The increase in debt service is due to the issuance of the 2008 Water and Sewer Revenue Refunding and Construction Bonds, the 2008 Sales and Use Tax Bonds and the expected issuance of the 2009 Water and Sewer Revenue Construction Bonds.

The pension program for police and fire uniformed personnel is estimated to increase between years due to planned salary increases.

The increase in worker's compensation and insurance programs is a result of expected health care cost increases in 2009.

The decrease in CDBG, housing, and special grants is because of the reduction of HUD monies by the federal government.

The increase in special projects is due to additional operating and capital costs for the convention center for 2009 and the cost of motor fuel in the working capital internal service fund.

2009 Operating Budget Summary

The Fiscal Performance Policies, reproduced in the Budget Highlights section of the 2009 Annual Budget, require the adoption of an annual budget in which expenditures do not exceed reasonably estimated revenues and available fund balances/working capital.

The 2009 Operating Budget of $105.1 million achieves this goal with anticipated revenues of $101 million and $4.1 million from prior year balances. The major revenue source of the General Fund is the City's share of the county- wide sales tax which represents 39% of total operating revenues. The county-wide sales tax is anticipated at $16.1 million for 2009. The franchise tax for 2009, estimated at $7.6 million, reflects a 3% increase over estimated 2008 revenue. Property tax is estimated at $5.5 million for FY09 which is 2% above the estimated FY08 amount.

The Street Maintenance Fund revenue remains stable from 2008 to 2009.

The Water and Sewer Operating Fund revenues are expected to increase by 0.7% between budget years. The 2009 budget includes a 25% sewer rate increase to become effective July 1, 2009. Also, the 2009 Budget includes water and sewer revenues based upon the January 1, 2009 rate increases that were adopted in 2007.

The Sanitation Operating Fund reflects a 5.2% increase for FY09 as compared to the FY08 budgeted revenue. The increased revenue is a result of an increase in solid waste disposal at the City's landfill. No sanitation rate increases are included in the 2009 Budget.

The figures below summarize 2008 and 2009 Budget revenues by operating fund:

Revenues by Operating Fund

	2008	2009	Change	%
General	$39,830,867	$41,410,510	$1,579,643	4.0%
Street Maintenance	5,542,928	5,560,296	17,368	0.3%
Water and Sewer	38,119,610	38,372,210	252,600	0.7%
Sanitation	14,871,365	15,641,200	769,835	5.2%
Total Revenues	$98,364,770	$100,984,216	$2,619,446	2.7%
Prior Year Balance	3,284,518	4,142,347	857,829	26.1%
Total	$101,649,288	$105,126,563	$3,477,275	3.4%

2009 Operating Budget-Expenditure Summary

The 2009 Operating Budget totals $105.1 million, or $3.5 million or 3.4% more than the 2008 Operating Budget of $101.6 million. The 2009 Budget includes funds to provide a 2.5% market adjustment for employees and to resume merit and step pay increases. The approximate cost of the 2.5% market adjustment is $1,152,000. Proposed staffing levels for 2009 remain as in the 2008 Budget with the exception of the deletion of one Deputy City Administrator position. A mid-year reorganization plan will be presented during 2009 to consider changes to staff.

The 2009 General Fund expenditures are anticipated to increase $2.6 million or 6.3% over 2008 budget expenditures. The increase is attributable to the 2.5% market adjustment ($729,000), resuming merit and step pay increases ($476,000), beginning a multi-year plan to reduce the number of steps in the police officer pay plan ($123,000), and the 5% increase in the City's share of employee insurance coverage ($195,000). Capital asset additions of a fire pumper ($450,000), police patrol vehicles ($221,000), and park equipment and projects ($354,000) comprise the remainder of the increase in General Fund appropriations in 2009. These types of capital asset additions were excluded from the 2008 budget.

The expenditures in the Street Maintenance Fund are expected to be 1.5% more in 2009 than budgeted for 2008. The increase is attributed to the 2.5% market adjustment, resuming merit and step pay increases, and increased operating costs such as fuel and materials.

Water and Sewer Operating expenses are anticipated to increase by 1.3% between years. The increase is due to the 2.5% wage adjustment ($249,000), and resuming merit and step pay increases.

The Sanitation Operating Fund budgeted expenses for 2009 are 1.7% more than the 2008 budgeted expenses. The increase is attributable to the 2.5% market adjustment ($102,000), and resuming merit and step pay increases, ($119,000).

The figures shown below compare 2008 and 2009 Budget expenditure/expense appropriations by operating fund, category of use, and service division.

Summary by Operating Fund

	2008	2009	Change	%
General	$42,148,605	$44,787,072	$2,638,467	6.3%
Street Maintenance	6,893,516	6,998,278	104,762	1.5%
Water and Sewer	37,039,093	37,504,281	465,188	1.3%
Sanitation	15,568,074	15,836,932	268,858	1.7%
Total	$101,649,288	$105,126,563	$3,477,275	3.4%

Summary by Use

	2008	2009	Change	%
Personnel	$49,702,160	$52,613,620	$2,911,460	5.9%
Capital	3,753,169	3,984,560	231,391	6.2%
Operating	25,995,193	27,530,359	1,535,166	5.9%
Debt Service	16,568,710	16,522,210	(46,500)	-0.3%
Transfers	5,630,056	4,475,814	(1,154,242)	-20.5%
Total	$101,649,288	$105,126,563	$3,477,275	3.4%

Summary by Service Division

	2008	2009	Change	%
Policy	$3,719,210	$3,866,760	$147,550	4.0%
Management	6,584,100	6,721,300	137,200	2.1%
Development	2,990,800	3,146,000	155,200	5.2%
Police	14,884,290	16,952,020	2,067,730	13.9%
Fire	9,935,900	10,425,510	489,610	4.9%
Operations	56,916,239	58,348,190	1,431,951	2.5%
Non-Departmental	6,618,749	5,666,783	($951,966)	-14.4%
Total	$101,649,288	$105,126,563	$3,477,275	3.4%

For reference purposes, Policy Services include the Mayor, Board of Directors, City Administrator, Economic Development, Internal Audit, Legal Services including the City Attorney, District Court, City Prosecutor, and Public Defender. Management Services include the City Clerk/Action Center, Finance, Human Resources and Information and Technology Systems. Development Services include Planning and Zoning, Engineering, and Building Safety. Operation Services include Street Maintenance, Water and Sewer, Parks and Recreation, Public Transit, and Sanitation. Police and Fire are self explanatory. Non-departmental includes interfund transfers and service contracts with outside agencies and organizations.

2009 Contingencies

The City's contingencies consist of unencumbered fund balances/working capital. Strong fund balances/working capital are absolutely essential to maintain a positive year-round cash flow, as well as to meet unexpected increases in the cost of providing services. Importantly they also serve as the City's only available reserve for unexpected claims, emergencies or downturns in revenues.

The fiscal performance policies require maintaining at least a 15% contingency based upon estimated operating expenditures/expenses for the current fiscal year. The General Fund projected ending balance is 7.8%, the Water and Sewer Operating Fund ending balance is 8.4% , and the Sanitation Operating Fund ending balance is 10.2%, which fall below the target of 15%. In an effort to maintain current service levels, this is as near to the policy level that may be maintained for 2009. Our beginning General Fund balance of 18.3% will help with the stagnation in 2009 revenues. The Street Maintenance Fund achieved the desired level of reserve.

The figures shown below compare budgeted 2008 and 2009 contingencies based upon the current year operating expenditures/expenses.

Contingencies by Operating Fund

	2008		2009	
	Balance	% of Exp.	Balance	% of Exp.
General	$2,927,200	7.4%	$3,333,083	7.8%
Street Maintenance	1,187,063	18.2%	1,026,250	15.3%
Water and Sewer	1,237,314	5.9%	1,813,472	8.4%
Sanitation	1,907,871	15.4%	1,319,495	10.2%
Total	$7,259,448	14.2%	$7,492,300	8.9%

Message Summary

The Board of Directors has taken very clear, deliberate and progressive action to improve the long-term capability of the City government to continue providing responsive, effective and accountable public services. The Board is committed to providing financial stability for all programs and to provide long range forecasts of financial and planning needs for the City.

Special appreciation is expressed to Kara Bushkuhl, Ray Gosack, the Finance Department staff, and all City employees for their assistance in preparing the 2009 Budget.

Respectfully submitted,

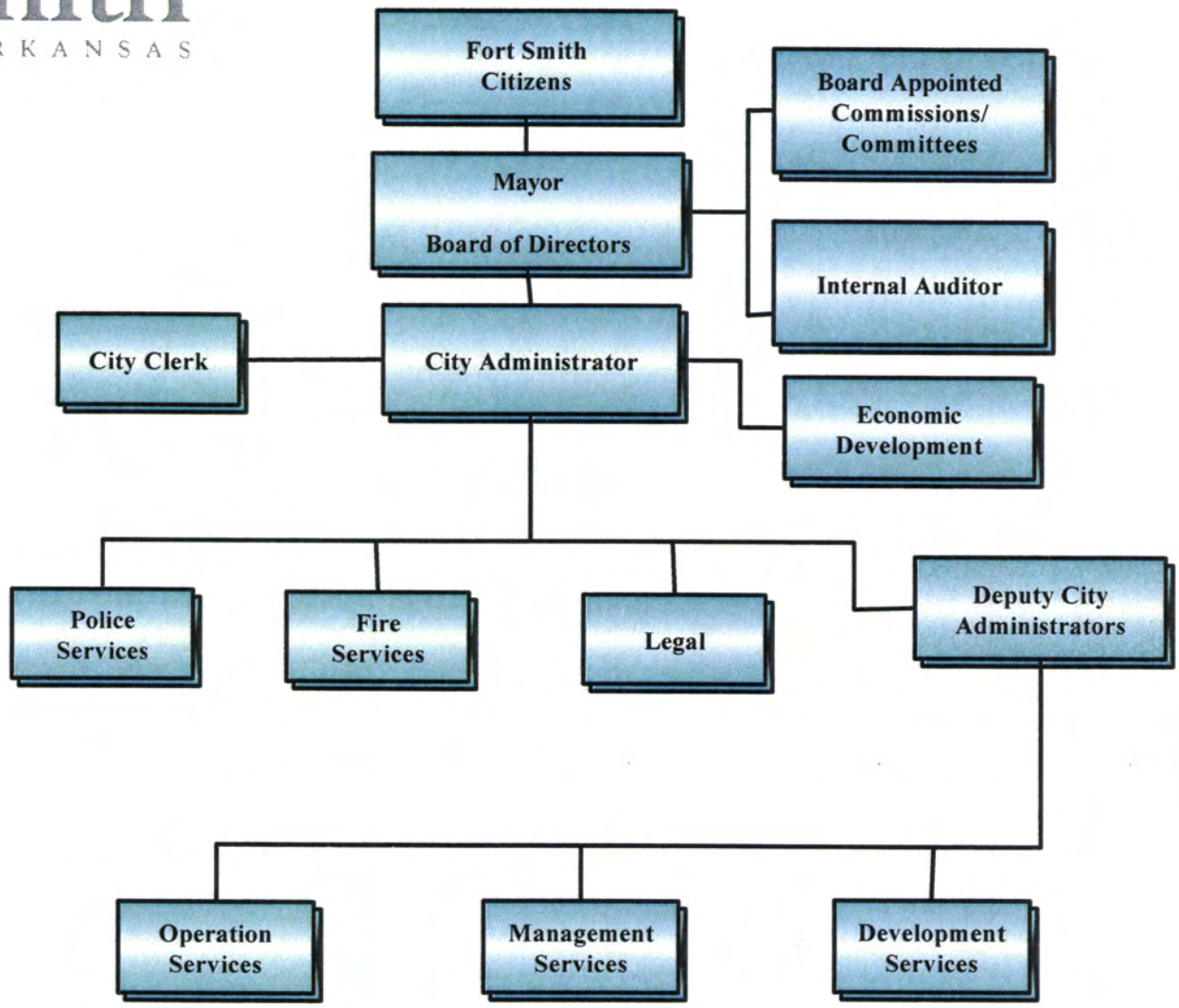
Dennis Kelly
City Administrator

cd

This Page Left Intentionally Blank

The City of Fort Smith ARKANSAS

Plan of Organization



Streets & Traffic Control

Water & Wastewater

Parks & Recreation

Convention Center

Sanitation

Transit

Human Resources

Finance

Information & Technology Services

Engineering

Planning & Zoning

CDBG

Building Safety

Neighborhood Services

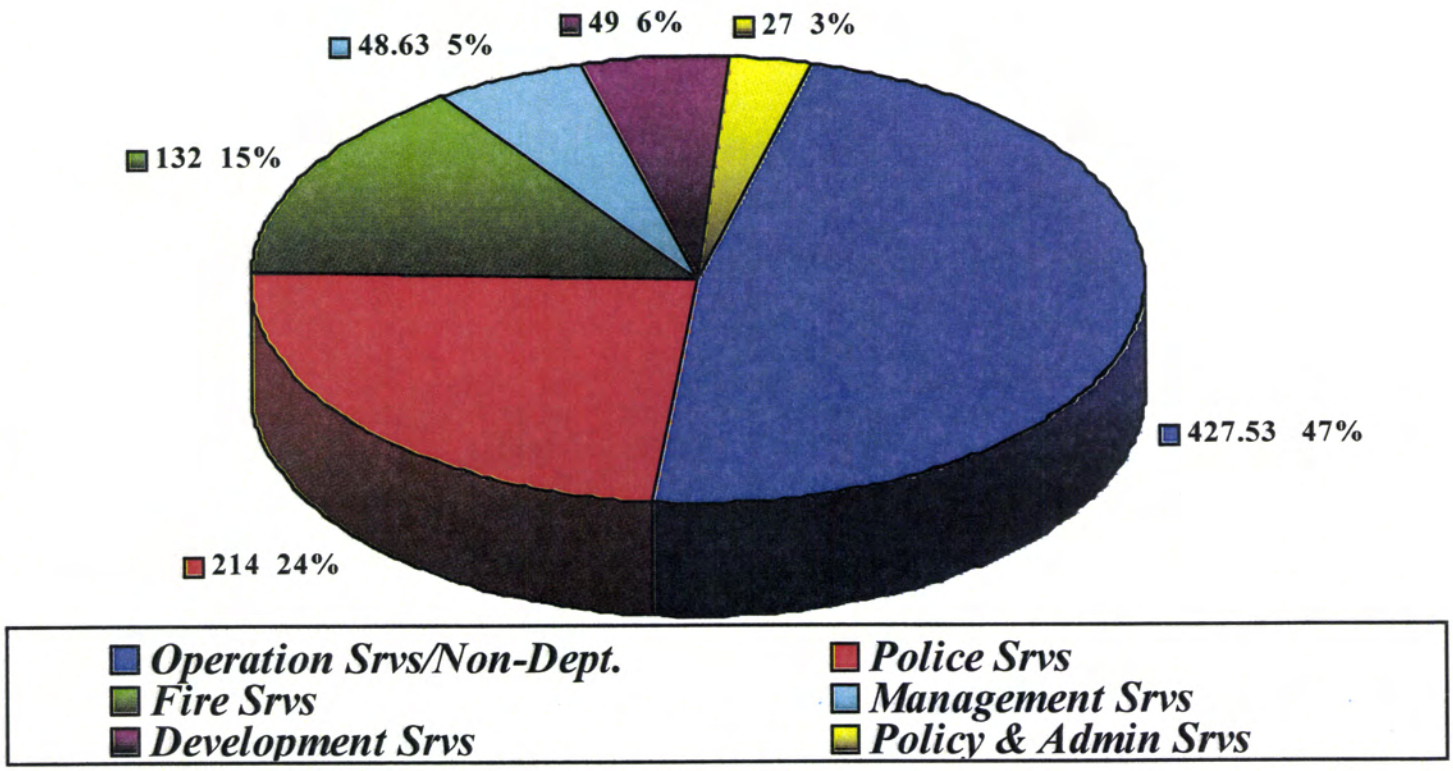
CITY OF FORT SMITH
AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL
BY EXPENDITURE CLASSIFICATION

	FY07 Actual	FY08 Estimated	FY09 Budget
Policy and Administration Services (Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	4.00	4.00	3.00
Economic Development	2.00	2.00	2.00
District Court	20.00	18.00	18.00
City Prosecutor	2.00	2.00	2.00
Internal Audit	1.00	1.00	1.00
Total	30.00	28.00	27.00
Management Services			
Human Resources	4.00	4.00	4.00
City Clerk/Citizen Action Center	2.63	2.63	2.63
Finance	33.00	33.00	33.00
Information & Technology Services	9.00	9.00	9.00
Total	48.63	48.63	48.63
Development Services			
Engineering	19.00	19.00	19.00
Planning and Zoning	7.75	7.75	7.75
Building Safety	11.00	11.00	11.00
Community Development	3.25	3.25	3.25
Neighborhood Services	8.00	8.00	8.00
Total	49.00	49.00	49.00
Police Services	214.00	214.00	214.00
Fire Services	132.00	132.00	132.00
Operation Services			
Streets and Traffic Control	64.24	64.24	64.24
Water and Sewer	191.19	191.19	191.19
Parks and Community Services	38.10	38.10	38.10
Convention Center	14.00	14.00	14.00
Sanitation	78.00	78.00	78.00
Transit	37.00	37.00	37.00
Total	422.53	422.53	422.53
Non-Departmental			
Convention & Visitors Bureau	5.00	5.00	5.00
Total Authorized Level of Full-Time Equivalent Personnel	901.16	899.16	898.16

Note 1: Positions of Mayor (1) and Board of Directors (7) are excluded from this schedule.

Note 2: Of the 898.16 FTE personnel authorized for 2009, 855 positions are full time and 43.16 positions are part-time or seasonal.

898.16 FTE PERSONNEL FOR 2009



BY EXPENDITURE/EXPENSE CLASSIFICATION

CITY OF FORT SMITH
Mission, Vision and Values Statements

MISSION STATEMENT

We are a unified team committed to consistently providing citizen-focused services for the advancement of a thriving community.

VISION STATEMMENT

Our vision is providing WORLD CLASS SERVICES by VALUING the contributions of every citizen and employee

--being AGILE

--being VALUES-BASED

--being CONTINUOUS LEARNERS

VALUES STATEMENT

Our shared values are…

INTEGRITY Always !
Absolute PROFESSIONALISM !!!
ACCESSIBILITY for ALL !!!

INTRODUCTION

This section contains a narrative summary of the budget process used by the City of Fort Smith, as well as the major funding and service level decisions reflected in this budget.

BUDGET PROCESS

The following procedures are adhered to in establishing the annual operating budget:

1. By December 1 of each year, the City Administrator is required to submit to the Mayor and the Board of Directors a proposed budget for the fiscal year beginning on the following January 1. The budget includes proposed expenditures/expenses and means of financing them.

2. Prior to adoption of the annual budget, a public hearing is conducted to obtain citizen comments.

3. State statutes require adoption of the Budget by February 1 of each year. For practical purposes, the Board of Directors usually adopt the Budget prior to January 1 of each year to coincide with the fiscal year.

4. Annual budgets are legally adopted for the operating funds which include the General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and the Sanitation Operating Fund.

5. Generally accepted accounting principles (GAAP) state that the General Fund and the Street Maintenance Fund budgets are to be prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available for use during the year and expenditures are recognized when the related liability is incurred, except for interest and principal on general long-term debt, which are recorded when due or otherwise payable. The City follows GAAP for the General Fund and Street Maintenance Fund in preparing its budget. GAAP requires the Water and Sewer Operating Fund and the Sanitation Operating Fund budgets be prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City complies with GAAP for the Water and Sewer Operating Fund and the Sanitation Operating Fund with the exception that depreciation expense is not reflected in the budgets for these two funds as required under GAAP. Adjustments are made for this difference in the comprehensive annual financial report (CAFR). The basis of accounting for all other special revenue funds and the capital project fund is the modified accrual basis. The basis of accounting for all the other enterprise funds and all internal service funds is the accrual basis.

6. Working Capital is reflected for the Water and Sewer Operating Fund and the Sanitation Operating Fund budgets rather than net assets for comparative purposes. This provides a clearer picture of funds available for appropriation as Working Capital is current assets less current liabilities.

7. Amendments to the operating budgets during the year must be enacted by the Board of Directors. Ordinances are presented periodically during the fiscal year for amendments to the adopted budget. Transfers within appropriated amounts may be approved by the City Administrator.

8. The following budget preparation schedule was established for the 2009 Budget:

June 27, 2008	Distribution of 2009 Budget package to all departments.
June 30, 2008 through August 1, 2008	Departments prepare budget worksheets/disks and summaries for 2009 requests and 2010 projections. Finance refines 2009 revenue estimates and prepares 2010 revenue projections.
July 8, 2008	Review Board of Directors input for city-wide goals for 2009 at study session.
July 8, 2008	Discuss options for structuring partnerships with local service agencies during Board study session.
July 29, 2008	Departments submit service objectives and outcome/performance measures for 2009 and submits a status report on 2008 service objectives and outcome/ performance measures to the Finance Department.
August 4, 2008	The following departments submit completed budget packages to Finance: Administration; Economic Development; District Court; Finance; City Clerk; Human Resources; Internal Audit; Engineering; Planning, CDBG, Building Safety and Neighborhood Services; Information & Technology Services; Convention Center; Health; Street Maintenance Department;Transit and Convention and Visitors Bureau.
August 11, 2008	The following departments submit completed budget packages to Finance: Police; Fire; Parks; Water and Sewer; and Sanitation.
August 15, 2008	Local service agency application notification for 2009 Budget.
August 26, 2008	Review departmental service objectives for 2009 and their correlation with city-wide goals for 2009 during the Board Study Session.
August 7, 2008 through September 10, 2008	Finance verifies the accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 15, 2008 through September 30, 2008	City Administrator, Deputy City Administrators and Director of Finance review budget requests and meet with department directors to discuss the 2009 requests.
September 23, 2008	Proposed five year streets and drainage CIP presented at Board study session.
September 29, 2008 through October 24, 2008	Preparation of draft budget by Finance.
October 3, 2008	Deadline for submission of application packets by local service agencies.
November 4, 2008	Present proposed budget to Mayor and Board of Directors
November 10, November 17, and November 19, 2008	Review proposed budget with Mayor and Board of Directors, discussion with department directors.
December 2, 2008	Conduct 2009 Budget hearing and present 2009 Budget to the Board of Directors for adoption.

FISCAL PERFORMANCE POLICIES

The Fiscal Performance Policies represent an effort to establish written policies to guide the City's financial management and decision-making practices. They are designed to help contain the costs of city government, as well as to strengthen the financial capacity of the City to provide and maintain effective services and programs.

While some of the policy statements are specific and may limit certain types of financial practices, the policy statements are not intended to restrict the ability and responsibility of the Board of Directors to manage emergency or unusual service delivery needs above or beyond the limitation established by the Fiscal Performance Policies.

REVENUE POLICIES

1. The City will strive to maintain a diversified and stable revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.

2. The City will estimate revenues on an objective and reasonable basis. Revenues will be projected on a five year basis with an annual update. This projection will be used for operating budget preparation.

3. The City will use one-time or special purpose revenues for capital expenditures or for expenditures required by the revenue, and not to subsidize recurring personnel, or operation and maintenance costs.

4. The City will establish and periodically review all user charges, licenses and fees at a level related to the cost of providing the services. Such charges, licenses and fees will be reviewed and established where possible so that those who directly benefit from a service principally pay for it.

5. The City will set and maintain water, sewer and sanitation rates at levels which support the total direct and indirect costs of the enterprise, including debt service and capital maintenance.

6. The City will annually review, and revise where necessary, its indirect cost allocation formula on an objective and reasonable basis.

7. The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues from available sources.

8. The City will give priority to those revenue alternatives which involve the least collection and administrative cost, per dollar raised, to the City government.

9. The City will seek a balanced revenue base through active support of area economic development, diversification, and retention efforts.

OPERATING EXPENDITURE/EXPENSE POLICIES

1. The City Administrator will propose, and the Board of Directors will adopt, a balanced operating budget in which expenditures/expenses will not be allowed to exceed reasonably estimated resources and revenues. Basic and essential services provided by the City will receive first priority for funding.

2. The City will estimate expenditures/expenses on an objective and reasonable basis. Operating expenditures/expenses will be projected on a five year basis with an annual update.

3. The City will establish service measurements for all program areas, when feasible. The service measures will reflect the demand, workload capability and projected outcomes for the program to accomplish its goals and objectives.

4. Annual budgets shall be legally adopted for the four operating funds- General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and the Sanitation Operating Fund. Project budgets shall be approved for major capital projects.

5. The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the level defined for the respective retirement plans.

6. The City will encourage delivery of services by other public and private organizations whenever and wherever greater efficiency, effectiveness and service can be expected, as well as to develop and internally use technology and productivity advancements that will help reduce or avoid increasing personnel costs. The intent is to control personnel costs as a proportion of the total budget, to more productively and creatively use available resources, and to avoid duplication of effort and resources.

7. The City will maintain a budgetary control system to help it adhere to the adopted budget, and will prepare and maintain a system of regular fiscal reports comparing actual revenues and expenditures/expenses to budgeted amounts.

8. All budgets shall be adopted on a basis consistent with generally accepted accounting principles (GAAP) except for depreciation expense in the applicable funds.

9. All appropriations lapse at yearend. Any encumbrance appropriated at yearend may be reappropriated by the Board of Directors in the subsequent year.

10. The legal level of budgetary control is the departmental program level. All departments will be given the opportunity to participate in the budget process.

CAPITAL IMPROVEMENT POLICIES

1. The City will prepare annually and update a five year capital improvements program (CIP) which will provide for the orderly maintenance, replacement, and expansion of capital assets.
2. The CIP will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
3. The CIP will reflect for each project the likely source of funding, the priority ranking of each project and attempt to quantify the project's impact to future operating expenditures/expenses.
4. The City will determine and follow the most cost-effective financing method for all capital projects. The City will pursue federal, state and other funding to assist in financing capital projects and improvements.
5. All equipment, projects and improvements with a value equal to or greater than $5,000 per unit will be capitalized for financial reporting purposes.
6. Capital projects and improvements will be constructed to:
    a. Protect or improve the City's quality of life.
    b. Protect or enhance the community's economic vitality.
    c. Support and service new development.

DEBT POLICIES

1. The City will issue debt to finance or refinance capital improvements and long-term fixed assets or other costs directly associated with financing a project which have been determined to be beneficial to a significant proportion of citizens in Fort Smith and for which repayment sources have been identified. Debt issuance shall be used only after considering alternative funding sources such as project revenues, federal and state grants and special assessments.
2. The scheduled maturity of bond issues should not exceed the expected useful life of the capital projects or improvements financed.
3. The City will consider refunding outstanding bonds if one or more of the following conditions exist:
    a. Present value savings are at least 3% with certain exceptions, of the par amount of the refunding bonds.
    b. The bonds to be refunded have restrictive or outdated covenants.
    c. Restructuring debt is deemed to be desirable.
4. The City will seek credit enhancements, such as bond insurance or letters of credit, when necessary for cost-effectiveness.
5. The City will monitor compliance with bond covenants, adhere to Federal arbitrage regulations, and abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c 2-12 concerning primary and secondary market disclosure.
6. The City will encourage and maintain communications with financial bond rating agencies and continue to strive for improvements in the City's bond rating.
7. The City will require that the total annual payments for debt service not exceed 25% of total operating revenues of the applicable fund.
8. The City will evaluate the benefits of conducting financings on a competitive or negotiated basis. Negotiated financings may be used where market volatility or the use of an unusual or complex financing or security structure is a concern with regard to marketability.
9. The City will coordinate its debt issuances with other local government agencies in an effort to review overlapping debt in the community.

RESERVE POLICIES

1. The City will maintain an operating contingency reserve to:

   a) provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature,

   b) permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies,

   c) serve as local match for public or private grants,

   d) meet unexpected small increases in service delivery costs, and

   e) maintain an adequate cash-flow.

2. The contingency reserve will be maintained at not less than fifteen percent (15%) of estimated operating expenditures/expenses. Prior approval of the Board of Directors shall be required before spending contingency funds.

3. The City will develop an equipment reserve fund, and will appropriate funds to it annually to provide for the timely replacement of equipment. The reserve will be maintained in an amount adequate to finance the replacement of equipment. The replacement of equipment will be based upon the adopted equipment replacement schedule. The schedule will be updated annually.

INVESTMENT AND CASH MANAGEMENT POLICIES

1. The City's cash management system will be designed to accurately monitor and forecast revenues and expenditures/expenses in order to invest funds to the fullest extent possible. All cash and investments, other than accounts required by bond covenants, will be maintained in a single cash and investment pool. Interest revenue will be allocated to each investing fund consistent with fund ownership.

2. The objectives of the City's investment and cash management program will be to:

   a) safely invest City funds to the fullest extent possible,

   b) maintain sufficient liquidity to meet cash-flow needs, and

   c) attain the maximum yield possible consistent with the other two objectives.

3. The City will limit its investments to the safest type of securities permitted by Arkansas statutes. These shall include those which:

   a) have insurance on the principal guaranteed by the Federal Deposit Insurance Corporation, or

   b) have security on the principal in the form of bonds or other interest bearing securities of the U.S. Government or its agencies, or

   c) have security on the principal in the form of bonds or other interest bearing securities of the State of Arkansas, or its agencies or political subdivisions as defined in Arkansas statutes.

4. The City's investments will be diversified by type of investment, institution and maturity date to protect against changes in the market at a given time regarding any particular type of investment. Direct obligations of the U.S. Government shall be purchased from the Federal Reserve Bank.

5. Purchase and sale of securities will be made on the basis of competitive offers and bids in order to obtain the highest available rates. In order to keep administrative costs as low as possible, investments of less than $100,000 may be made through a current depository bank. For investments exceeding $100,000, institutions shall be contacted by telephone and given the opportunity to provide an interest quote on the identical investment and term. The bid of each institution shall be recorded and kept on file for one (1) year.

6. In the event of identical interest yield bids, the City may break the tie by use of an objective method to be determined by the City.

7. In the event no quotes are received from a banking institution in the City of Fort Smith insured by the FDIC, the City may invest its funds in any banking institution insured by the FDIC in the state meeting the City's security requirements.

8. Clear title to the principal of and collateral backing for any investment will be maintained by the City or by a third-party safekeeping agent under agreement to the City.

9. The City may specify monthly interest payment in order to enhance cash-flow and investment return.

10. The City Administrator, or his designated representative, will provide the Mayor and Board of Directors with monthly information concerning cash position and investment performance. The information shall include, as a minimum, type of investment, maturity date, face value, rate of interest, amount of interest received during the accounting period, and institution where the funds are invested.

11. A request for banking services will be issued every three (3) years to all qualified banks located within the City limits.

12. The standard of prudence to be applied by the investment officials shall be the "prudent person rule" and shall be applied in the context of managing an overall portfolio. Under the prudent person rule", investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, but for investment, considering the probable safety of their capital as well as the probable revenue to be derived.

FINANCIAL REPORTING POLICIES

1. The City will adhere to a policy of full and open public disclosure of all financial activity. The budget will be prepared in a manner to maximize its understanding by citizens and elected officials. Copies of financial documents will be made available to all interested parties. Opportunities will be provided for full citizen input prior to final decisions on the budget.

2. The City's accounting system will maintain records on a basis consistent with the accepted accounting standards of the Governmental Accounting Standards Board (GASB), Government Accounting Office (GAO), Financial Accounting Standards Board (FASB), and the State of Arkansas.

3. The City Administrator or his designee, will prepare regular quarterly and annual financial reports presenting a summary of financial activity by major types of funds and programs.

4. The City will employ an independent public accounting firm to perform an annual audit, and will make the annual audit available to the general public, bond and financial consultants, and other interested citizens and organizations. The audit shall be completed and submitted to the City within 180 days of the close of the fiscal year.

5. The City will prepare an annual budget document that provides a basic understanding of the City's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for citizen input prior to final adoption of the budget.

6. The City will seek annual renewal of the GFOA Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.

7. The City will provide all financial documents to the internal and external auditors and City representatives will not improperly influence the conduct of audits.

THE FY09 BUDGET

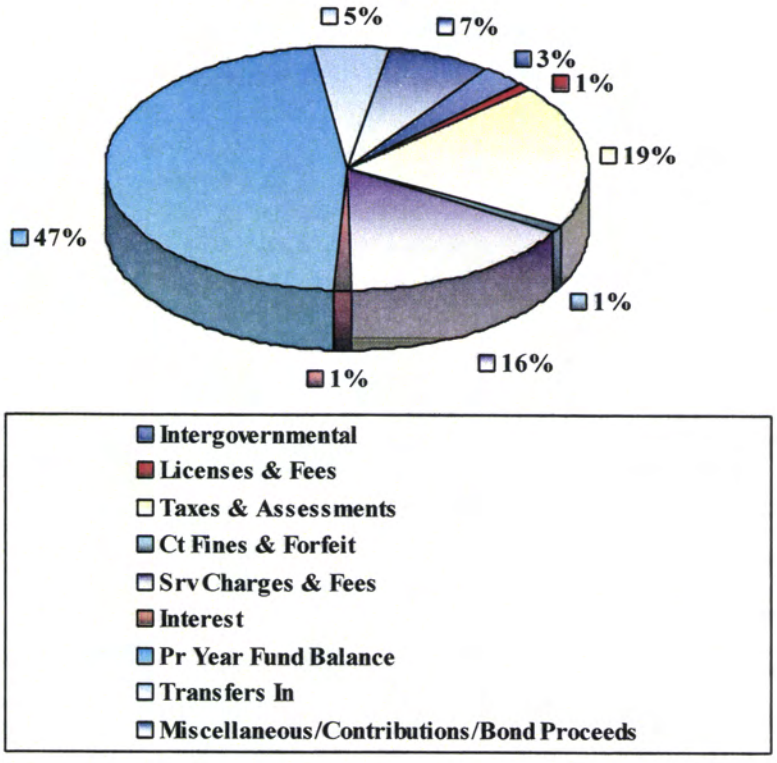
Total funding sources from all funds is estimated at $392.3 million with expenditures/expenses totaling $264.8 million for FY09. All funds for which revenues are received and expenditures/ expenses are incurred are included in the Budget Summaries - All Funds section of this document.

The major sources of funding for FY09 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 47% of total resources. This is due to the inclusion of capital project budget balances which will be expended in future years. Taxes and assessments account for 19% of total resources. The City assesses a 3% local sales tax (2.0% city-wide plus 1.0% county-wide), a 4% utility franchise tax, a 3% hotel/motel tax and imposes a millage rate of $.70 per $100 of assessed property value. Service charges and fees account for 16% of total funding sources. Service charges and fees are primarily rates charged for municipal services of water, sewer and solid waste collection and disposal.

The major uses of funds for FY09 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 40% of total uses and are primarily for personnel, day-to-day operating expenditures/expenses and equipment purchases. Capital improvements account for 38% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 14% of total uses and is comprised of the eight water and sewer revenue bond issues, the parking facilities revenue bond issue, the two solid waste revenue bond issues, the 2006 sales and use tax bond issues and the 2008 sales and use tax bond issues. More information concerning bonded indebtedness may be found at the conclusion of this section and in the Related Financial Information section of this document.

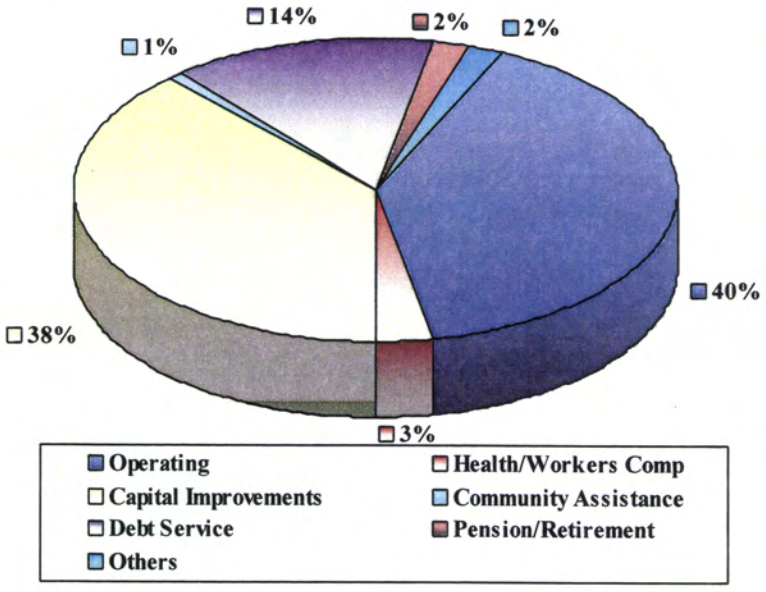
The two graphs which follow depict the allocation of total resources and total uses for 2009.

SUMMARY OF TOTAL RESOURCES
FY 2009



Total Resources $ 392,339,274

SUMMARY OF TOTAL USES
FY 2009



Total Uses $ 264,756,160

The following information provides highlights for various classifications of funds, capital improvements and debt service.

Operating Funds

The Board of Directors is legally required to adopt an annual budget for the four operating funds of the City which include the General Fund, the Street Maintenance Fund, the Water and Sewer Operating Fund and the Sanitation Operating Fund. A significant portion of the budget document is devoted to the operating funds budget.

The FY09 Operating Funds Budget totals $105.1 million in appropriations which is 3.4% more than the FY08 Operating Funds Budget. Operation services account for 56% of operating appropriations. Operation services include: streets, traffic control, water and sewer services, parks and recreation, convention center, sanitation and transit services. The police and fire services combine to account for 26% of total appropriations.

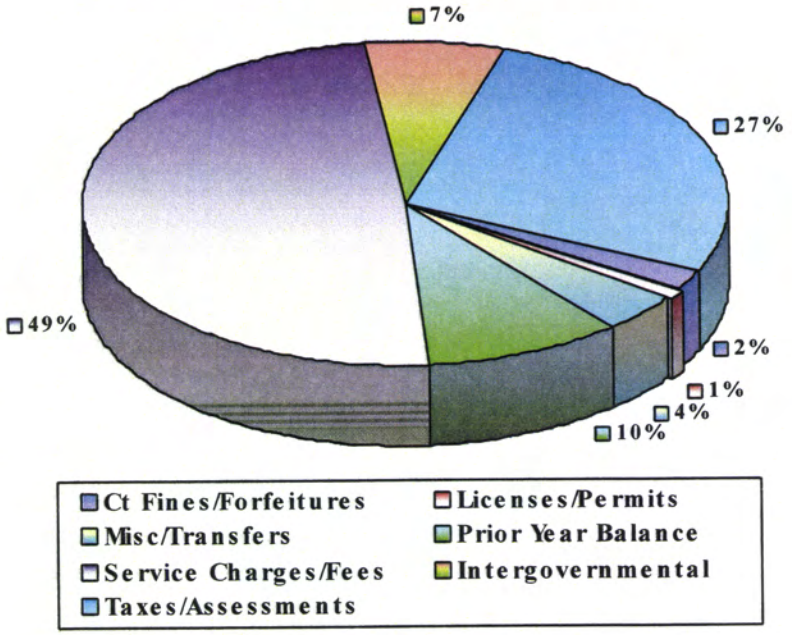
FY09 Operating Funds Sources total $112.6 million, which is a 3.4% increase over FY08 Operating Funds Sources. Service charges and fees account for 49% of total sources. Service charges and fees include utility rate charges for water, sewer and sanitation services. Taxes and assessments comprise 27% of total sources. Taxes and assessments include utility franchise fees, the property tax and the City's share of the county-wide sales tax.

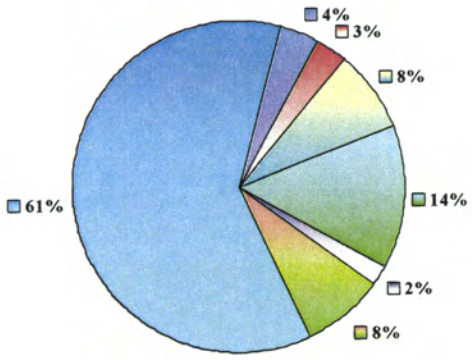
The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 15 illustrate funding sources combined and individually for the four operating funds. The graphs on page 16 illustrate appropriations in combined and individual format for the four operating funds.

COMBINED OPERATING FUNDS

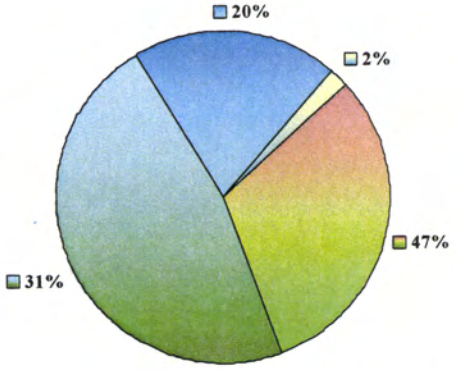
FISCAL YEAR January 1 - December 31, 2009

TOTAL FUNDING SOURCES $112,618,863

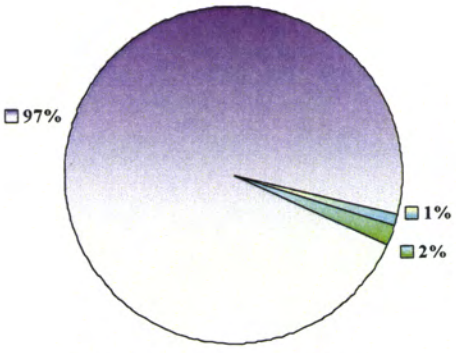




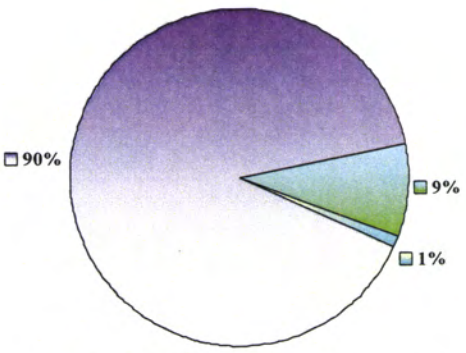
GENERAL FUND
$48,120,155



STREET MAINTENANCE FUND
$8,024,528



W/S OPERATING FUND
$39,317,753

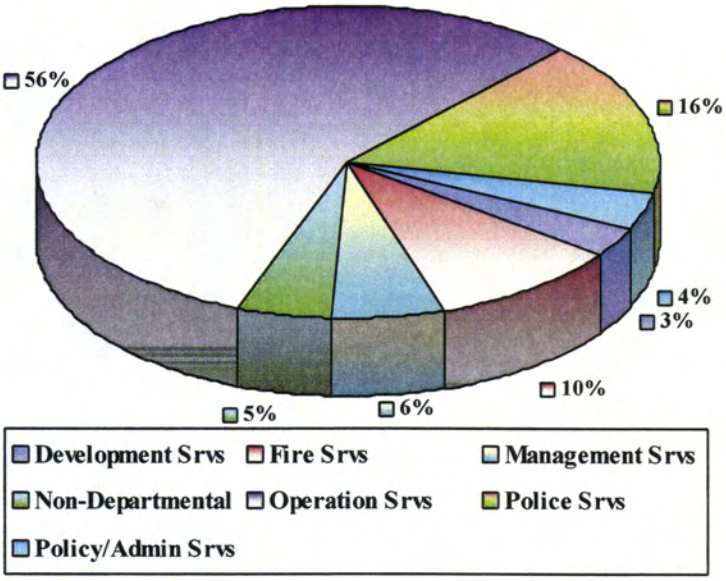


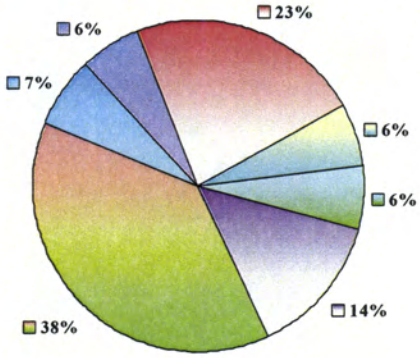
SANITATION OPERATION FUND
$17,156,427

COMBINED OPERATING FUNDS

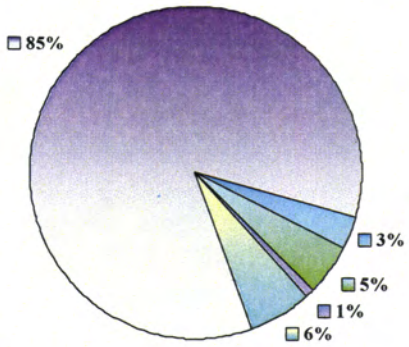
FISCAL YEAR January 1 - December 31, 2009

TOTAL APPROPRIATIONS $105,126,563

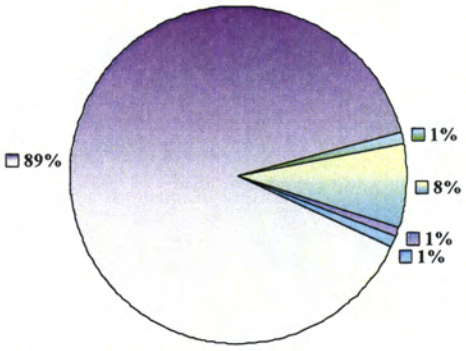




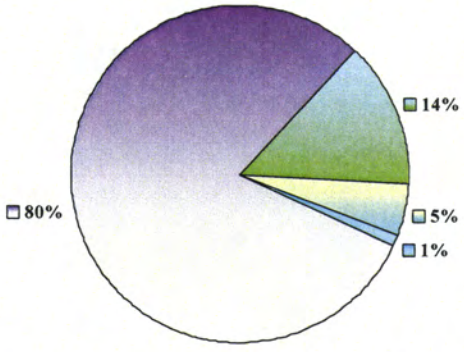
GENERAL FUND
$44,787,072



STREET MAINTENANCE FUND
$6,998,278



W/S OPERATING FUND
$37,504,281



SANITATION OPERATION FUND
$15,836,932

GENERAL FUND

Total funding sources for the General Fund in FY09 amount to $48.1 million which represents a 6.6% increase over FY08 Budget funding sources.

The major funding source for the General Fund is Taxes and Assessments which comprise 61% of total resources. Ad valorem taxes, franchise taxes and the county sales tax comprise this revenue classification. The General Fund receives 5.0 mills applied to assessed property values within the City limits. Estimated revenues from ad valorem tax for FY09 total $5.5 million, which is an increase of 2% over the FY08 estimated amount of $5.4 million. The tax rate for FY09 and FY10 remains constant at the maximum allowed by the state. The increase is a result of increased property values. Assessed property values are established by the Sebastian County Assessor. Graphic displays of the assessed property values for the past five years and the allocation of property tax rates for FY09 are shown on page 185.

Franchise taxes for FY09 are estimated at $7.6 million, which is a 2% increase over the FY08 estimated revenue of $7.3 million. A comparison of the franchise tax revenues between years is as follows:

	FY 08 ESTIMATED (Thousands)	FY 09 BUDGET (Thousands)
Electric	$ 3,872	$ 3,989
Gas	2,562	2,680
Cable	637	628
Telecommunications	275	269
	$ 7,346	$ 7,566

The increase between FY09 Budget and FY08 Estimated represents anticipated increases in gas and electric rates during FY09. Please note that the City received a payment of $28,000 during FY08 from the cable company for a prior period adjustment.

In June 1994, the citizens of Fort Smith and Sebastian County approved a one-cent county-wide sales and use tax. Collection of the tax began August 1, 1994. The City receives approximately 70% of the total tax collection as the distribution is based on population within the County. The General Fund direct share of the county sales tax is estimated at $16.1 million for FY09. This tax accounts for 39% of the General Fund revenue.

The General Fund appropriations for FY09 total $44.8 million which is $2.6 million or 6.3% more than the FY08 Budget. There is one less position in the FY09 Budget as compared to FY08.

The FY09 Budget includes a 2.5% market adjustment for all employees at an approximate cost of $729,000, merit based pay raises totaling approximately $476,000, and a reduction in the numbers of steps within the police officer pay plan at $123,000. Capital asset additions include a fire pumper ($450,000), patrol vehicle replacements ($221,000), and park equipment and projects ($354,000). Also, the use of the fund's sales tax allocations as outlined below is expected to increase 2.4% compared to FY08 Budget but it is anticipated to decrease by 1.2% when compared to the FY08 estimated. The estimated FY08 county sales tax includes revenue generated by the additonal construction materials used for hail damage repairs.

The General Fund uses for the County Sales Tax in FY09 are as follows:

Public Safety	$ 12,217,996
Public Library	964,579
Park Capital Maintenance	401,908
Senior Citizen Programs	241,145
Downtown Development & Projects	482,289
Public Transit	482,289
Privilege License Replacement	1,286,105
	$ 16,076,311

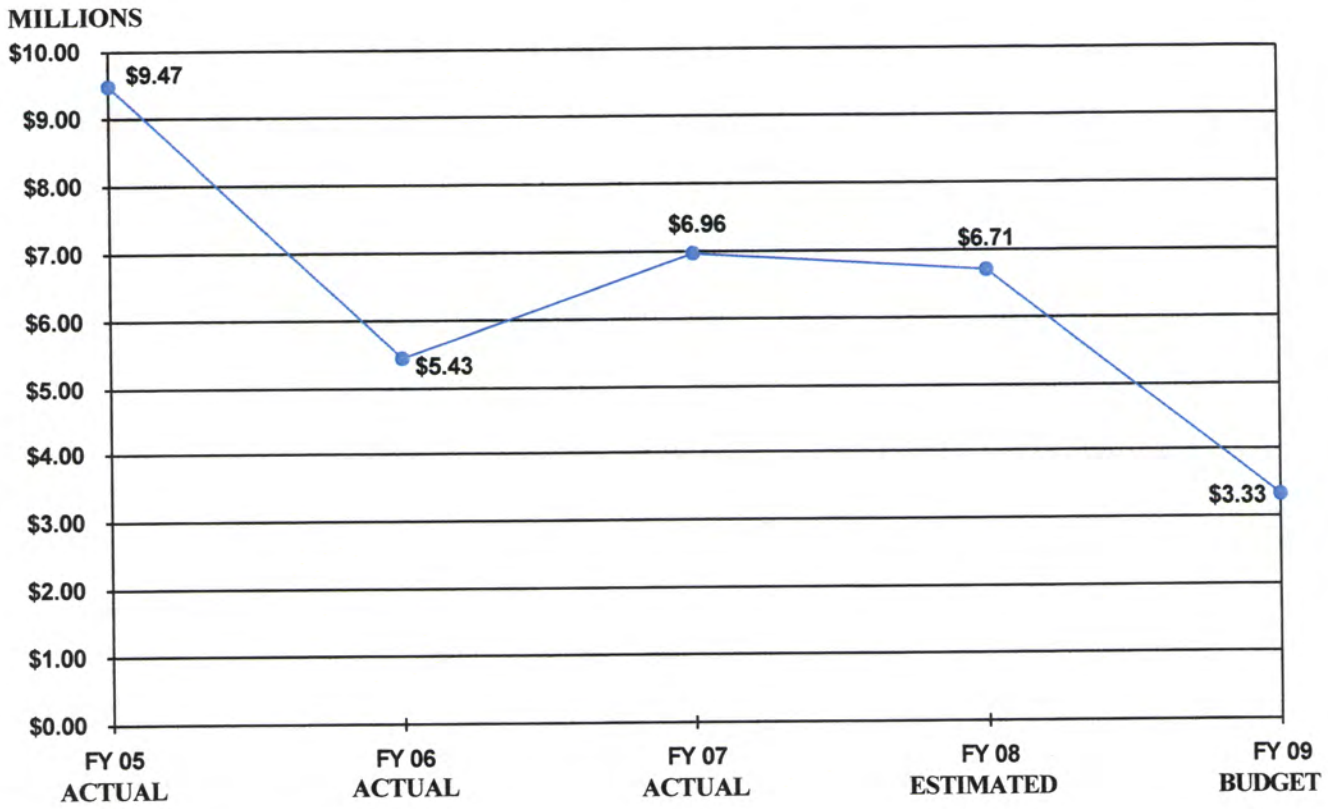
The projected fund balance of the General Fund at December 31, 2009 is $3,333,083 which represents 7.8% of operating expenditures for 2008. The Fiscal Performance Policies require a 15% contingency. Expenditure increases have outpaced the revenue increases such as the cost of labor, fuel, materials, and utilities. In the adopted FY08 Budget document the estimated ending balance was 7.4% compared to the FY08 estimated ending balance of 18.3% as indicated below. Any further reductions in appropriations would require eliminating positions which would reduce the level of services currently provided. The level of ending fund balances for the past four years, and projected for FY09 is:

FY05	18.5%
FY06	13.6%
FY07	14.5%
FY08 Estimated	18.3%
FY09 Budget	7.8%

The graph on the following page depicts the past four years and current year projected ending balance for the General Fund.

GENERAL FUND

COMPARISON OF ENDING BALANCE



STREET MAINTENANCE FUND

Total funding sources of the Street Maintenance Fund for FY09 amount to $8 million which is $0.6 million less than the FY08 Budget. The decrease is in miscellaneous revenue due to the decrease in investment earnings.

The major funding source for the Street Maintenance Fund is provided by State Turnback of the Gasoline Tax allocated on the basis of population. The estimate for FY09 is $47.00 compared to FY08 estimate of $45.

This Fund also receives one-half of the 3.0 Road Millage levied by Sebastian County. Total estimate from this revenue for FY09 is $1.6 million which reflects a 2% increase over FY08 estimated revenue.

FY09 appropriations for the Street Maintenance Fund total $7 million compared to $6.9 million in FY08. The 1.5% increase in estimated expenditures for FY09 is attributable to the 2.5% wage adjustment as well as estimated merit pay.

The major appropriation classification of the Street Maintenance Fund is Operation Services involving the streets and traffic control programs. This classification represents 85% of total appropriations.

The estimated year end fund balance of the Street Maintenance Fund is $1,026,250 which represents 15.3% of FY09 operating expenditures. This exceeds the 15% reserve requirement and will be used for future years needs.

WATER AND SEWER OPERATING FUND

Total funding sources for the Water and Sewer Operating Fund amount to $39.3 million for FY09. This represents a 2.7% increase over FY08 total funding sources of $38.3 million. The water sales and sewer services have been increased by 3% and 5% respectively, for the rate increases adopted during 2007. Also, there is a 25% sewer rate increase expected to become effective July 1, 2009.

Service charges and fees provide 97% of total resources for this fund.

Total Water and Sewer Operating Fund appropriations for FY09 total $37.5 million compared to FY08 appropriations of $37 million. The increase is due to the 2.5% market wage adjustments and anticipated merit pay increases.

The projected working capital at December 31, 2009, is $1,813,472, which represents 8.4% of FY09 operating expenses. This does not meet the fiscal policy of a 15% reserve requirement.

SANITATION OPERATING FUND

Total funding sources of the Sanitation Operating Fund amount to $17.2 million for FY09 and represent a 1.7% decrease from FY08 budget sources of $17.5 million.

Service charges and fees are the major funding sources for the Sanitation Operaring Fund reflecting 90% of this total.

Total appropriations for the Sanitation Operating Fund total $15.8 million. This is a 1.7% increase over the total FY08 appropriations of $15.6 million. The increase is attributable to the 2.5% market wage adjustment and anticipated merit pay increases

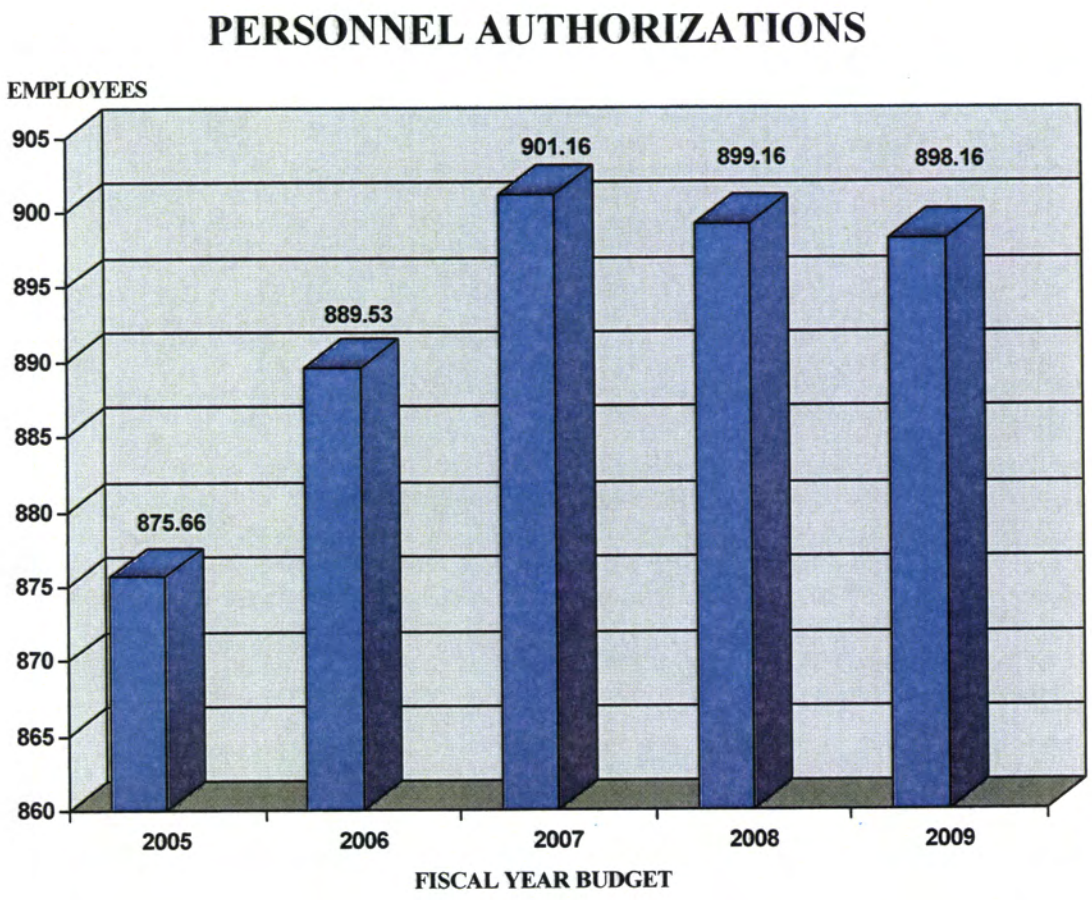
The major appropriation of the Fund is operation services which comprise 80% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is $1,319,495 and reflects 10.2% of FY09 operating expenses. This does not meet the policy level of 15%.

PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY09 represent 50.1% of total operating funds appropriations compared to 48.9% for FY08.

The level of personnel for the past five years is represented in the graph below.



The net change in personnel between 2008 estimated and 2009 is a decrease of 1FTE. The following chart reconciles the 2008 estimated positions to the total positions for 2009.

	Full Time	Part-Time/ Seasonal	Total FTE
2008 Estimated	856	43.16	899.16
City Administrator	(1)	-	(1)
2009 Budget	855	43.16	898.16

CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY09 total $101.5 million. Capital Improvements for the current fiscal year are provided by the five funds as indicated:

	Amount (Thousands)
Sales Tax Fund	$ 37,086
Water and Sewer Capital Improvement Projects Fund	30,100
2006 & 2008 Sales & Use Tax Construction Fund	32,736
City Sidewalk Construction Fund	300
Sanitary Landfill Construction & Sinking Fund	1,267
Total	$ 101,489

More detailed information may be found in the Capital Improvement Section of this document.

RETIREMENT PLANS

All uniformed police and fire personnel are members of the Arkansas Local Police and Fire Retirement System (LOPFI). The System is administered by the state. Contributions to the system are actuarially determined each year. The rates as a percentage of salary for active members in FY09 are 24.05% and 34.3% for police and fire personnel, respectively, as compared with FY08 rates of 23.79% and 33.24% for police and fire personnel, respectively. A special revenue fund entitled Arkansas LOPFI Contribution Fund accounts for these members' participation. Currently, there are 287 active members and 248 benefit recipients.

Benefit payments and retirement contributions for LOPFI for FY09 are estimated at $5.1 million as compared to $4.7 million for FY08. The increase is attributable to the pay adjustments for uniformed police and fire personnel for FY09 as well as the increase in contribution rates for 2009.

The District Court Judges and the District Court Clerk are members of the Arkansas Judges Retirement System and the Arkansas Public Employees Retirement System, respectively. These plans are administered by the state. During 2007, the City entered into an agreement with the state whereby the judges became state employees and the City contributes one-half of the judges' salaries to the state. Therefore, all fringe benefits for the judges are paid by the state including retirement contributions. All three (3) judges are state employees for FY09. The current employer contribution rate for the court clerk is 12.54%. The FY09 contribution for the court clerk will be made from reserved funds remaining from the closed Municipal Judge and Court Clerk's Retirement System which was maintained as a pension trust fund in the past. There is currently one retiree receiving benefits.

All other full-time employees are members of a 401(a) contribution plan administered by the International City Manager's Association Retirement Corporation (ICMARC). The City contributes 10% of pay to each employee's account. The employer contribution is accounted for in each program.

SELF-INSURANCE PROGRAMS

The City's employee insurance plan and workers' compensation program are basically provided for as self-insurance programs. The City has contracted with a third party administrator to handle claims for each program. Each program is accounted for as an internal service fund. The estimated cost to the City for these programs is $9.1 million in FY09 as compared to the FY08 estimated costs of $8.6 million. The increase is based upon historical costs as well as continuing to fund a trust account for other past employment benefits (OPEB) for retirees at $350,000. The City's contribution for FY09 is budgeted at $7.2 million which is approximately 5% more than the FY08 contribution.

Health and Drug Options:

	Core Plan	
Benefit Description	**In Network**	**Out of Network**
Lifetime Maximum	$1 million	$1 million
Deductibles:		
Employee	$400	$600
Family	$1,200	$1,800
Co-Insurance (unless otherwise noted)	80%	60%
Office Visit Co-Pay	$25 Primary	60% after deductible
Out of Pocket Maximum (excluding co-pay):		
Employee	$2,500	$10,000
Family	$7,500	$30,000
Out Patient Surgical Facility	80% ded. waived	60% after ded.
Pre- Admission/Operation Testing	100% ded. waived	60% ded. waived
In Patient Hospital	80% after ded.	60% after ded.
Organ Transplants	100% after ded.	50% after ded. to max of $100,000
Physical Therapy	80% ded. waived 60 visits/year	60% after ded. 60 visits/year
Wellness	100% Max $500/yr to age 2 100% no limit	100% Max $500/yr to age 2 100% no limit
Immunizations	100%	100%
Spinal Adjustments	$25 co-pay $1,500/yr	60% after ded. $1,500/yr
RX Drugs-		
Participating Retail Pharmacy:		
Name Brand	$25 or 30% of actual cost	
Generic	$8 or 20% of actual cost	
Name Brand Non Preferred		
Mail Order:		
Name Brand	$50 or 30% of actual cost	
Generic	$20or 20% of actual cost	
Name Brand Non Preferred	$80 or 40% of actual cost	

Monthly Contribution Rates:

	2008 and 2009		
Medical Plan-	City	Employee	Total
Option 1:			
Employee Only	$335.78	$67.00	$402.78
Employee + Children	$556.44	$228.98	$785.42
Employee + Spouse	$577.64	$276.26	$853.90
Family	$753.60	$350.02	$1,103.62
Option 2:			
Employee Only	$335.78	$127.42	$463.20
Employee + Children	$556.44	$346.80	$903.24
Employee + Spouse	$577.64	$404.34	$981.98
Family	$753.60	$509.22	$1,262.82
Dental Plan-			
Employee Only	$32.74	$0.00	$32.74
Employee + One	$48.26	$17.20	$65.46
Family	$66.94	$31.24	$98.18
Vision Plan-			
Employee Only	$6.56	$0.00	$6.56
Employee + One	$8.87	$3.88	$12.75
Family	$13.06	$5.68	$18.74

Funding for the Workers' Compensation Fund is provided by the four operating funds. Total funding for FY09 is $351,180 which is approximately 5.5% more than the FY08 amount. The City records total costs of workers' compensation which includes actual claims paid as well as reserves incurred but not yet paid. Recording total incurred costs provides covering potential risk. The estimated claims for FY09 total approximately $382,000.

BONDED INDEBTEDNESS

The City currently has twelve bond issues outstanding in 2009. A brief explanation of how each issue relates to the budget is as follows:

1. **Water and Sewer System Revenue Bonds- Series 1999**
   These bonds are secured by the rates of the water and sewer system, which are reflected in the Water and Sewer Operating Fund. Debt service is provided by the Water and Sewer Operating Fund. These bonds were issued as parity bonds to the Series 1994 Water and Sewer Revenue Refunding and Construction Bonds. The FY09 appropriation is $854,000 to cover FY09 principal and interest. The original issue amount was $26.415 million and the bonds were issued to improve and expand the Lee Creek water treatment plant, improve the existing transmission, storage and distribution system, relocate the Lake Fort Smith State Park in order to accomplish the Lake Fort Smith water supply expansion project, engineering work on the Lake Fort Smith water supply expansion project and associated water system improvements. The issue was sold in September 1999. During 2005, $16.375 million of the $21.945 million bonds outstanding at June 1, 2005 were refunded in advance by the 2005A Water and Sewer Revenue Refunding Bonds. If revenues of the Operating Fund were not sufficient to cover debt service, rates would have to be increased to meet the City's bond covenants. The Water and Sewer Operating Fund has sufficient revenues to provide for this required debt service in FY09. These bonds will be fully redeemed on October 1, 2009.

2. **Water and Sewer System Revenue Bonds- Series 2002**
   These bonds are secured by the rates of the water and sewer system, which are reflected in the Water and Sewer Operating Fund. Debt service is provided by the Water and Sewer Operating Fund. These bonds were issued as parity bonds to the 1994 and 1999 water and sewer revenue bonds. The FY09 appropriation of $3,632,220 will cover the required principal and interest for the fiscal period. The bonds were issued in February 2002 and October 2002. The total original issue amount was $111.755 million. Of this amount, $94,905 million was issued to provide financing for the Lake Fort Smith water supply expansion project, $9.015 million was issued to finance other water improvements, and $7.835 million was issued to advance refund a portion of the 1994 Water and Sewer Refunding and Construction Bonds. During 2008, the 2002A series bonds were called and the debt is considered defeased. The Water and Sewer Operating Fund has sufficient operating revenue to provide for the required debt service for this series in FY09.

3. **Water and Sewer Revenue Refunding Bonds- Series 2004-**
   These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. Debt service is provided by the Water and Sewer Operating Fund. These bonds were issued as parity bonds to the Series 1999 and Series 2002 water and sewer revenue bonds. The FY09 appropriation is $531,300 to cover FY09 principal and interest requirements. The original issue was $8.7 million and the bonds were issued to refund the remaining Series 1994 Water and Sewer Refunding and Construction Bonds. If revenues of the Operating Fund were not sufficient to cover debt service, rates would have to be increased to meet the City's bond covenants. The Operating Fund has sufficient operating revenues to provide for the required debt service in FY09. These bonds will be fully redeemed on October 1, 2009.

4. **Water and Sewer Revenue Refunding Bonds- Series 2005A-**
   These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. Debt service is provided by the Water and Sewer Operating Fund. These bonds were issued on a parity basis with the water and sewer system revenue bonds Series 1999, 2002 and 2004. The bonds were issued to advance refund $16.375 million of the Water and Sewer System Revenue Bonds, Series 1999. The original issue was $17.605 million. The FY09 appropriation of $1,222,720 will cover the required principal and interest payments due during the fiscal period. The Water and Sewer Operating Fund has sufficient operating revenues to provide for this required debt service coverage in FY09.

5. **Water and Sewer Revenue Construction Bonds- Series 2005B-**
These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides for transfers to meet the debt service requirements of the bonds. These bonds were issued on parity with the water and sewer system revenue bonds series 1999, 2002, 2004 and 2005A. The bonds were issued to provide financing for purchase of a portion of the South Sebastian Water Users Association transmission lines and extending services to the area, construction of an elevated storage tank in the Howard Hill area, installation of a 12" water line along Highway 45 West, and repainting the Wildcat Mountain water storage tank. The original issue was $7.34 million. The FY09 appropriation of $309,795 will cover the required principal and interest payments due during the fiscal period. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service in FY09.

6. **Water and Sewer Revenue Construction Bonds- Series 2007-**
These bonds are secured by the water and sewer operating revenues as described in the bond covenants. These revenues are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides for transfers to meet the annual debt service requirements. The 2007 bonds were issued on a parity with the water and sewer system revenue bonds, series 1999, 2002, 2004, 2005A, and 2005B. The original issue was $24.47 million. The purposes of the bonds are to fund the new sewer pump stations, sewer extensions in the southern growth area of the City, the Mountainburg water treatment plant rehabilitation and expansion, Midland Boulevard water transmission line replacement, neighborhood water line replacements, new water transmission line from Mountainburg to the City, water storage tank painting, Lee Creek water treatment plant instrumentation, and water transmission system metering. The FY09 appropriation of $1,890,105 will provide the required debt service during FY09. The Water and Sewer Operating Fund should have sufficient revenues to meet this requirement in FY09.

7. **Water and Sewer Revenue Refunding and Construction Bonds- Series 2008-**
These bonds are secured by the rates of the water and sewer system which are reflected in the Water an Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to provide financing for the advance refund of the series 2002A Bonds, for sewer extensions in the growth areas of the city, the Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacement, and the Howard Hill elevated water storage tank. The original principal issued was $117.42 million. The FY09 appropriation of $6,559,580 will cover the required debt service payments during 2009. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service for FY09.

8. **Parking Facilities Revenue Construction and Refunding Bonds - Series 1998**
These bonds were issued to refund the Series 1991 Bonds and to provide construction of additional off-street parking sites in relation to the convention center and riverfront park improvements in the downtown area. The aggregate principal of the bonds is $2,025,000. The bonds are secured by revenues of the system including parking meter revenues. The FY09 debt service requirement is $136,690. Parking deck and parking meter revenues should be sufficient in FY09 to meet this required payment.

9. **Solid Waste Revenue Refunding Bonds- Series 1998**
These bonds were issued to refinance the Series 1994 bonds which were originally issued to provide construction funds for the second cell of the City's landfill. The aggregate principal of the bonds is $3,055,000. The FY09 Sanitation Operating Fund includes an appropriation of $291,870 to cover the FY09 required debt service. The Sanitation Operating Fund has sufficient revenues to meet the required debt service in FY09. These bonds fully mature on December 1, 2009.

10. **Solid Waste Revenue Refunding Bonds- Series 2002**
These bonds are secured by the solid waste operations of the Sanitation Operating Fund. These bonds were issued to refund the Series 1995 Solid Waste Revenue Refunding Bonds. The 1995 Bonds, with a par amount of $9.185 million, were originally issued to refund temporary bonds issued in 1993 and to fund a portion of the construction costs for the second cell at the sanitary landfill. The 2002 Bonds were issued at an aggregate principal amount of $6,305,000. The Sanitation Operating Fund provides an appropriation totaling $780,620 to cover the required debt service for FY09. The Sanitation Operating Fund has sufficient revenues to meet the required debt service in FY09.

11. **Sales and Use Tax Refunding and Construction Bonds- Series 2006**
These bonds are secured by a special one percent (1%) local sales and use tax. The 2006 Bonds were issued in the amount of $84.935 million in September 2006. The bonds were issued to redeem the outstanding 2001 Sales and Use Tax Bonds, to purchase a radio communications system, and to fund wastewater wet weather improvements. Sales tax revenue for FY09 is anticipated to be $20,090,485. Adding interest earnings for the year, revenues will be sufficient to pay debt service requirements of $11,004,683 as well as call approximately $6 million in bonds during FY09.

12. **Sales and Use Tax Construction Bonds- Series 2008**
These bonds are secured by a special one percent (1%) local sales and use tax. The 2008 Bonds were issued in the amount of $15.815 million in November 2008. The bonds were issued to provide additional financing for purchase of a radio communications system and for wastewater improvements including wet weather improvements. Sales tax revenue for FY09 is estimated to be $20,090,485. The tax revenue plus interest will provide funding to pay debt service requirements of $2,983,922 as well as call approximately $1 million in bonds during FY09.

Please refer to pages 172-176 in the Related Financial Information section of this document for more information regarding the City's debt.

City of Fort Smith
FY09
Comparative Summary - All Funds

	Actual FY07	Budget FY 08	Estimated FY 08	Budget FY 09
Revenues				
Intergovernmental	$ 12,595,565	$ 12,211,572	$ 12,349,768	$ 12,621,124
Taxes and Assessments	69,397,932	71,800,747	74,021,506	74,261,808
Licenses and Permits	1,319,940	1,291,000	1,603,184	1,389,000
Court Fines and Forfeitures	2,858,829	1,978,100	1,993,215	2,050,000
Service Charges and Fees	56,593,271	63,506,775	62,165,682	65,574,852
Interest	8,416,340	5,520,735	4,507,882	3,736,251
Contributions	1,031,273	4,017,473	3,886,539	1,077,900
Bond Proceeds (Note 3)	24,522,716	13,900,000	59,875,457	25,000,000
Miscellaneous	1,775,209	1,551,074	1,309,688	1,425,314
Transfers In	27,035,178	21,286,320	21,922,050	21,391,860
Total	$ 205,546,253	$ 197,063,796	$ 243,634,971	$ 208,528,109
Expenditures/Expenses				
Operating	$ 94,990,520	$ 101,649,288	$ 99,346,495	$ 105,126,563
Capital Improvements	45,624,026	99,191,087	68,969,954	101,489,783
Community Assistance (Note 1)	2,333,697	1,903,000	1,221,632	1,398,218
Debt Service	32,553,526	34,818,853	37,046,691	37,653,093
Pension Benefits/Retirement Contributions	4,466,299	4,676,100	4,718,656	5,052,700
Health Insurance and Workers' Compensation Claims	7,286,108	8,635,000	7,996,530	9,131,970
Other (Note 2)	4,105,911	3,928,380	4,739,075	4,903,833
Total	$ 191,360,087	$ 254,801,708	$ 224,039,033	$ 264,756,160
Excess (Deficiency) Revenues Over (Under) Expenditures/Expen	$ 14,186,166	$ (57,737,912)	$ 19,595,938	$ (56,228,051)
Fund Balance/Working Capital Beginning of Year	150,029,061	142,123,353	164,215,227	183,811,165
Fund Balance/Working Capital End of Year	$ 164,215,227	$ 84,385,441	$ 183,811,165	$ 127,583,114

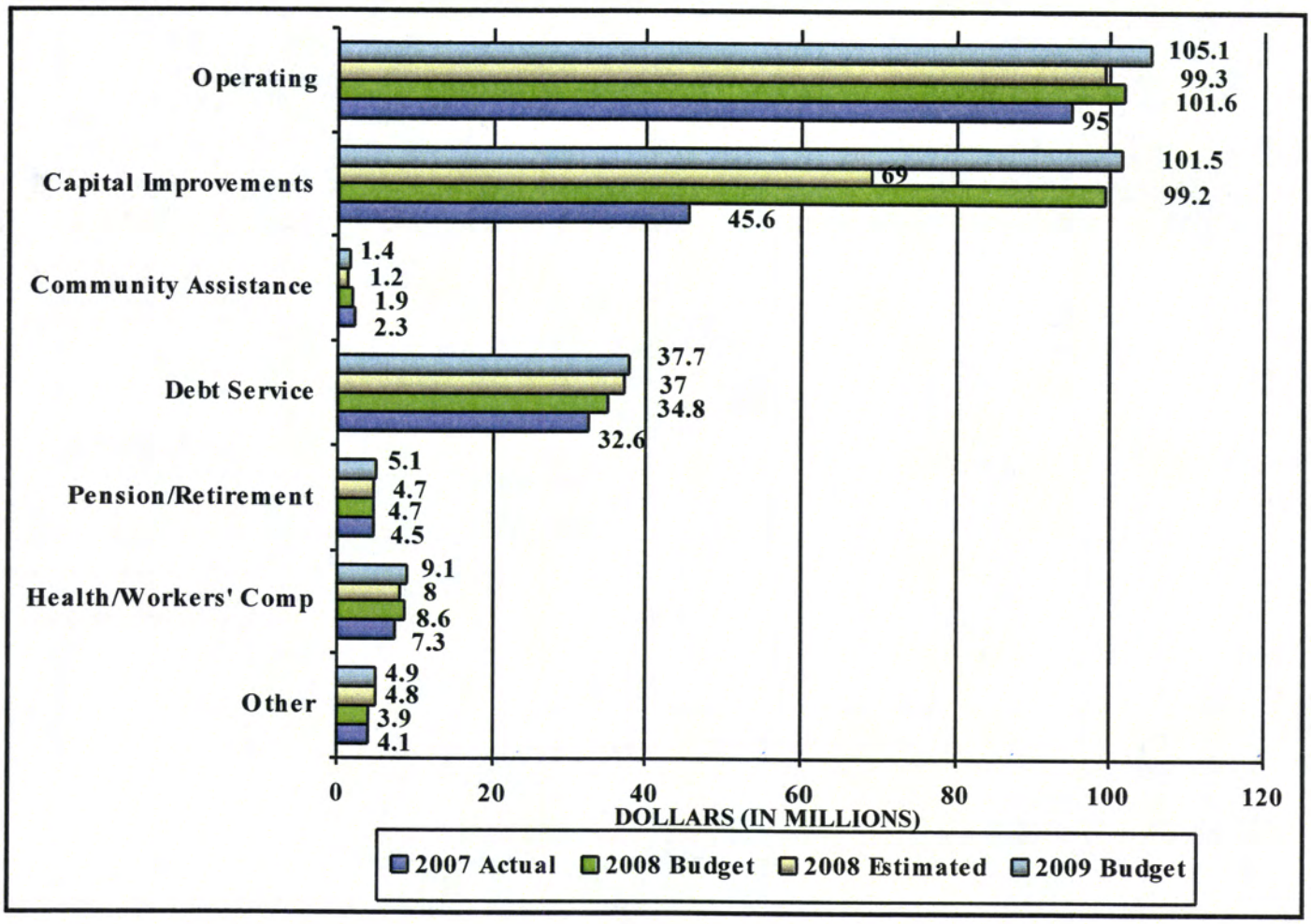
Note 1: Community Assistance includes the CDBG and HOME program as well as the historic preservation, federal transportation, and drug enforcement grant activity of the Special Grants Fund. Amounts for 2009 are: CDBG and HOME $1,296,988; Special Grants $101,230.

Note 2: Other expenditures/expenses include the costs for activities of the Advertising and Promotion Fund, the Parking Authority Fund, the Working Capital Fund, the Cleanup Demolition Program Fund, and the Convention Center Fund.

Note 3: The bond proceeds for FY07 actual are the 2007 Water and Sewer Revenue Bonds; for FY08 estimated are the 2008 Water and Sewer Revenue Bonds and the 2008 Sales and Use Tax Bonds that were issued during 2008; and for FY09 budget are the 2009 Water and Sewer Revenue Bonds expected to be issued during 2009 for additional wastewater improvements.

Comparative Summary - All Funds

Expenditure/Expense



City of Fort Smith
FY09
Fund List Summary

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
General	$ 6,709,645	$ 41,410,510	$ 44,787,072	$ 3,333,083
Special Revenue Funds:				
Street Maintenance	2,464,232	5,560,296	6,998,278	1,026,250
Sales Tax	21,810,531	21,454,116	37,086,178	6,178,469
Community Development Block Grant	802	824,191	824,191	802
HOME Investment Partnership Act	-	472,797	472,797	-
Special Grants	135,130	101,230	101,230	135,130
Tilles Park	8,155	600	-	8,755
Advertising and Promotion	275,305	829,967	965,673	139,599
Arkansas LOPFI Contribution	13,309,269	4,591,060	5,052,700	12,847,629
Convention Center	966,278	1,816,637	1,830,730	952,185
Sub-Total	38,969,702	35,650,894	53,331,777	21,288,819
Debt Service Fund:				
Sales & Use Tax Bonds	10,053,521	20,260,485	20,993,604	9,320,402
Capital Projects Funds:				
Sidewalk Construction	519,008	279,000	300,000	498,008
2006 Sales & Use Tax Construction	27,771,605	465,000	28,236,605	-
2008 Sales & Use Tax Construction	13,925,000	208,500	4,500,000	9,633,500
Sub-Total	42,215,613	952,500	33,036,605	10,131,508
Enterprise Funds:				
Water and Sewer	76,295,943	79,870,550	83,054,242	73,112,251
Sanitation	5,234,840	19,361,690	18,845,970	5,750,560
Parking Authority	95,530	452,500	394,120	153,910
Sub-Total	81,626,313	99,684,740	102,294,332	79,016,721
Internal Service Funds:				
Working Capital	20,181	1,165,800	1,180,800	5,181
Employee Health & Wellness	4,212,419	8,990,000	8,749,870	4,452,549
Workers' Compensation	3,771	413,180	382,100	34,851
Sub-Total	4,236,371	10,568,980	10,312,770	4,492,581
Total	183,811,165	208,528,109	264,756,160	127,583,114
Interfund Transfers	-	(21,391,860)	(21,391,860)	-
Adjusted Total	$ 183,811,165	$ 187,136,249	$ 243,364,300	$ 127,583,114

City of Fort Smith
FY09
Comparative Summary with Detail Revenue Categories - All Funds

	Actual FY 06	Actual FY 07	Budget FY 08	Estimated FY 08	Budget FY 09
Revenues					
Intergovernmental					
Federal	$ 3,589,675	$ 4,138,640	$ 4,168,693	$ 4,531,345	$ 4,737,902
State	8,444,962	8,450,799	8,032,879	7,815,923	7,878,222
Local	14,238	6,126	10,000	2,500	5,000
Taxes and Assessments					
Ad Valorem	8,948,367	8,736,124	9,166,500	9,166,860	9,350,160
Franchise	7,406,294	6,760,463	7,193,800	7,345,540	7,565,900
Sales Tax - City	36,841,831	37,859,054	38,836,672	40,221,964	40,180,970
Sales Tax - County	14,718,645	15,155,255	15,697,930	16,273,545	16,076,311
Hotel/Motel Tax	658,125	705,954	722,845	730,753	818,467
Other	186,602	181,082	183,000	282,844	270,000
Licenses and Permits	1,292,182	1,319,940	1,291,000	1,603,184	1,389,000
Court Fines and Forfeitures	2,063,755	2,858,829	1,978,100	1,993,215	2,050,000
Service Charges and Fees					
Water & Sewer	32,645,032	33,238,901	37,919,610	36,268,275	38,232,210
Sanitation	11,811,666	12,561,103	14,766,365	14,418,507	15,531,200
General Fund	1,139,150	1,088,811	1,120,760	1,220,131	1,239,462
Internal Service	7,890,836	9,529,876	9,513,040	10,090,889	10,376,980
Parking Operations	159,842	174,580	187,000	167,880	195,000
Interest	6,340,469	8,416,340	5,520,735	4,509,671	3,736,251
Contributions	2,170,215	1,031,273	4,017,473	3,886,539	1,077,900
Bond Proceeds	86,033,314	24,522,716	13,900,000	59,875,457	25,000,000
Miscellaneous	1,292,572	1,775,209	1,551,074	1,309,688	1,425,314
Transfers In	24,940,632	27,035,178	21,286,320	21,922,050	21,391,860
Total	$ 258,588,404	$ 205,546,253	$ 197,063,796	$ 243,636,760	$ 208,528,109
Expenditures/Expenses					
Operating	$ 90,392,384	$ 94,990,520	$ 101,649,288	$ 99,346,495	$ 105,126,563
Capital Improvements	48,085,472	45,624,026	99,191,087	68,969,954	101,489,783
Community Assistance	2,125,397	2,333,697	1,903,000	1,221,632	1,398,218
Debt Service	51,059,819	32,553,526	34,818,853	37,046,691	37,653,093
Pension Benefits/Retirement Contributions	4,311,729	4,466,299	4,676,100	4,718,656	5,052,700
Health Insurance and Workers' Compensation Claims	7,571,141	7,286,108	8,635,000	7,996,530	9,131,970
Other	3,130,510	4,105,911	3,928,380	4,739,075	4,903,833
Total	$ 206,676,452	$ 191,360,087	$ 254,801,708	$ 224,039,033	$ 264,756,160
Excess (Deficiency) Revenues Over (Under) Expenditures/Expense	$ 51,911,952	$ 14,186,166	$ (57,737,912)	$ 19,597,727	$ (56,228,051)
Fund Balance/Working Capital Beginning of Year	98,117,109	150,029,061	142,123,353	164,215,227	183,811,165
Fund Balance/Working Capital End of Year	$ 150,029,061	$ 164,215,227	$ 84,385,441	$ 183,812,954	$ 127,583,114

Major Revenue Analyses-2009 Budget

The City estimates annual revenues by using historical trends and a simple form of regression analysis. An analysis for each of the most significant revenues is provided.

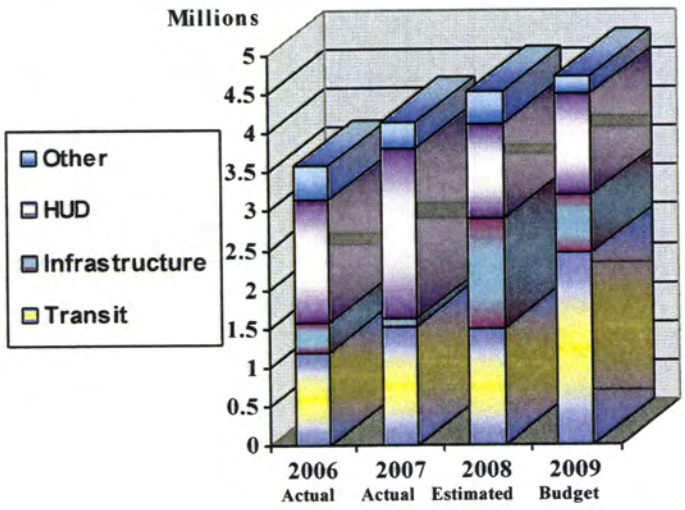
Intergovernmental

Federal-

Revenue Description- grants and contributions provided by the federal government including transit funds and infrastructure project participation for the street sales tax projects from the Department of Transportation (DOT) and community assistance grants from the department of Housing and Urban Development (HUD).

Revenue History- federal funding represents an average of only 2.1% of total annual revenues. However, the transit funding is accounted for in the General Fund and represents an average of 4.4% of its annual revenues. The CDBG and HOME grants from HUD represent 100% of the applicable fund's revenue source each year.

	Transit	Infrastructure Projects	HUD	Other	Total
2006 Actual	1,202,281	380,425	1,577,908	429,061	3,589,675
2007 Actual	1,533,440	94,554	2,180,928	329,718	4,138,640
2008 Est.	1,493,493	1,404,100	1,218,596	415,156	4,531,345
2009 Budget	2,463,984	750,000	1,294,988	228,930	4,737,902



2009 Revenue Estimates- the increase in 2009 is due to the inclusion of the transit transfer station allocation during 2009. This increase is offset by a decrease in the funding for infrastructure projects for the street sales tax.

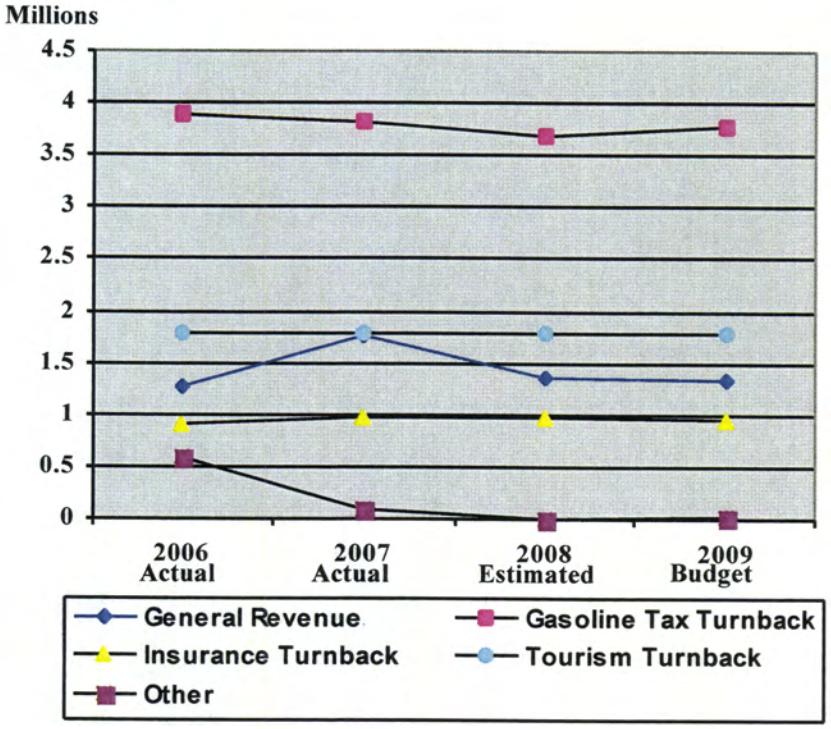
State-

Revenue Description- state aid in the form of turnbacks from state tax levies, grants and special appropriations. The most significant state provided revenue is the gasoline tax turnback which is accounted for in the Street Maintenance Fund, the general revenue turnback, the insurance turnback for the police and fire pension plan contributions accounted for in the Arkansas LOPFI Contributions Fund, and the special tourism turnback for the Convention Center Fund.

State (continued)-

Revenue History- state funding represents an average of 4% of total revenues. However, the gasoline tax turnback represents an average of 67% of the Street Maintenance Fund annual revenue and the insurance turnback represents 21% of the Arkansas LOPFI Contribution Fund Revenue.

	General Revenue Turnback	Gasoline Tax Turnback	Insurance Turnback	Tourism Turnback	Other	Total
2006 Actual	1,257,680	3,882,300	911,307	1,795,545	598,130	8,444,962
2007 Actual	1,757,224	3,823,143	977,845	1,795,984	96,603	8,450,799
2008 Estimated	1,364,500	3,692,328	961,177	1,796,051	1,867	7,815,923
2009 Budget	1,344,489	3,772,596	950,000	1,786,637	24,500	7,878,222



2009 Revenue Estimates- the amount of general revenue turnback and gasoline tax turnback is allocated on a per capita basis with annual estimates provided by the Arkansas Municipal League (AML). During 2007, the state legislature approved a one time, supplemental general turnback of $550,000 for Fort Smith. The tourism turnback is specified in state statutes and 2009 is the last full year for receipt of the tourism turnback. The City expects its tourism turnback for 2010 to be $888,723 which will signify the end of state authorization for this turnback. The insurance turnback is based on historical receipts for the past 5 years.

Taxes and Assessments:

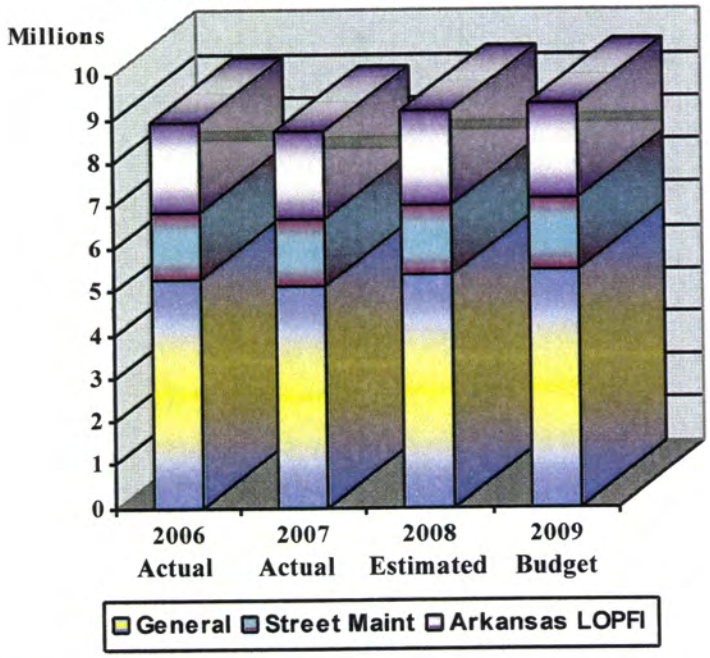
Ad Valorem-

Revenue Description- taxes upon the assessed value of taxable real and personal property as authorized by Sebastian County. The City levies 5 mills (.005) for the City's General Fund which is the maximum allowed by state law and 2 mills (.002) for the police and fire pension fund contributions. In accordance with state law, the City receives one-half of the county's three mills or 1.5 mills for the Street Maintenance Fund.

Revenue History- the City's share of ad valorem taxes totals 8.5 mills for the four years presented. Sebastian County is the assessment, bill and collection agency for all taxing entities. The property tax levy for the past five years is presented in graphic form on page 185 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 4.6% of total City revenues. The revenue for the three funds which receive property tax revenue since 2006 is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2006 Actual	5,265,212	1,578,274	2,104,640	8,948,367
2007 Actual	5,138,690	1,541,615	2,055,819	8,736,124
2008 Estimated	5,400,900	1,605,600	2,160,360	9,166,860
2009 Budget	5,508,900	1,637,700	2,203,560	9,350,160



2009 Revenue Estimate-ad valorem taxes are expected to increase by approximately $183,300 or 2% for 2009 due to an increase in the total value of property within the City limits.

Franchise Fees-

Revenue Description- a General Fund revenue which is a 4% fee assessed to franchised utilities' gross revenues earned within the City limits. The fee is assessed for the use of streets, alleys, highways and public grounds which are directly affected by the franchised utilities' activities and systems.

Revenue History- the two electric utilities and the gas utility gross revenues are directly related to rate adjustments and weather fluctuations. Franchise fees represent an average of 3.6% of total City revenues and an average 19% of total General Fund revenue.

	2006 Actual	2007 Actual	2008 Estimated	2009 Budget
Electric	4,222,940	3,691,557	3,868,999	3,987,950
Gas	2,367,671	2,223,388	2,562,334	2,680,000
Cable	485,032	540,711	609,255	628,000
Telephone	320,726	295,383	266,388	260,000
Other	9,925	9,424	38,564	9,950
	7,406,294	6,760,463	7,345,540	7,565,900

2008 Revenue Estimate- franchise fees are anticipated to increase by approximately $220,000 or 3% over 2008 estimated revenue. The increase is primarily a result of anticipated higher electric and natural gas rates.

City Sales Taxes-

Revenue Description- the City assesses a 2% local sales and use tax upon taxable sales within the City. The state collects the sales taxes and remits the revenue to the City net of a 3% collection fee.

Revenue History- 1% of the City's local sales and use tax is dedicated for streets, bridges and associated drainage projects. The revenue is accounted for in the Sales Tax Fund and the tax has been in place since 1985. A 1% City sales and use tax is dedicated to the redemption of the Sales and Use Tax Bonds Series 2006 and Series 2008. The 2006 Bonds were issued in September 2006 to refund the remaining 2001 Sales and Use Tax Bonds, to provide funding for a new public safety and utility radio system, and to provide funding for wastewater projects in accordance with the EPA wet weather improvement mandates. The 2008 Bonds were issued in November 2008 to provide additional funding for the radio system project and wastewater improvements. A form of this tax has been in place since 1997.

	Street Sales Tax Fund	2006 Sales & Use Tax Bond Fund	Total
2006 Actual	18,420,915	18,420,916	36,841,831
2007 Actual	18,929,527	18,929,527	37,859,054
2008 Estimated	20,110,982	20,110,982	40,221,964
2009 Budget	20,090,485	20,090,485	40,180,970

2009 Revenue Estimate- City sales and use tax revenue is projected to increase 2.5% between years after adjusting for the effect that tax generated by storm construction had on the revenues during May through August. The state, as collection agent, does not provide the City any information as to the various commodities which generate the tax, therefore, there are little forecasting techniques which would provide a trend analysis other than historical revenue.

County Sales Tax-

Revenue Description- a General Fund revenue which represents the City's share of a 1% Sebastian County sales and use tax assessed upon taxable sales within the county. The tax is distributed based upon population. This tax is also collected by the state and remitted to the City net of a 3% collection fee.

Revenue History- this tax was approved by voters in 1994 and reaffirmed in 2003 for extension through 2014.

Actual 2006	14,718,645
Actual 2007	15,155,255
Estimated 2008	16,273,545
Budget 2009	16,076,311

2009 Estimated Revenue- the county sales tax is expected to increase 2.5% over 2008 after adjusting for construction activity during 2009. As in the case of the City's sales tax levies, the state does not provide any trend information for this revenue source.

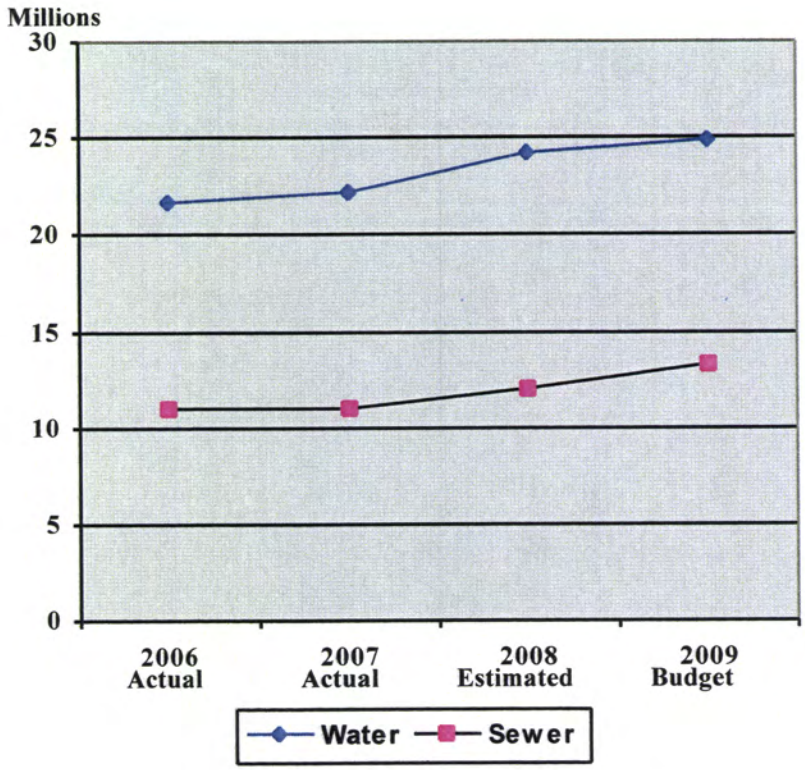
Service Charges and Fees:

Water and Sewer-

Revenue Description- the City of Fort Smith owns and operates the municipal water and wastewater utilities. Charges and fees for water and sewer services are allocated by customer type and usage. Rates are set by the Board of Directors.

Revenue History- usage fluctuates due to winter and summer weather patterns. Rate increases for both water and sewer services are periodically increased by the Board. The most recent rate increases for water and sewer services became effective October 1, 2007 to fund capital projects, meet debt service requirements, and maintain adequate debt service coverage. Additional rate increases have been approved which become effective January 1, 2009 and January 1, 2010. Combined water and sewer service charges and fees represent an average 17% of total city revenue.

	Water	Sewer	Total
Actual 2006	21,706,458	10,938,574	32,645,032
Estimated 2007	22,209,285	11,029,616	33,238,901
Actual 2008	24,210,879	12,057,396	36,268,275
Budget 2009	24,911,900	13,320,310	38,232,210



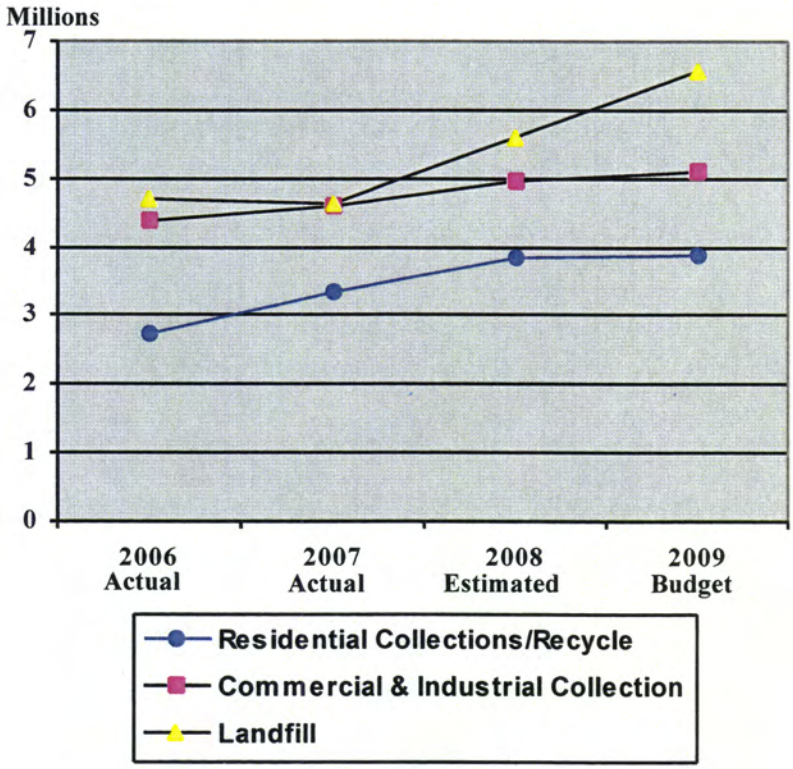
2009 Revenue Estimate- The rate increases that become effective January 1, 2009 are reflected in the 2009 revenue. Additionally, the 2009 Budget includes a 25% sewer rate increase to become effective July 1, 2009.

Sanitation-

Revenue Description- the City provides residential, commercial and industrial waste collection services and operates a sanitary landfill for disposal of solid waste. Rates are established by the Board of Directors.

Revenue History- the City allows private haulers to provide commercial and industrial services to enterprises within the City. In April 2004, the Board approved an agreement between the City and Waste Management, the largest private hauler in Fort Smith; whereby a specified amount of waste is disposed at the City's landfill. The City negotiated a rate with Waste Management in exchange for the disposal of waste. This rate is adjusted annually by the change in CPI. The agreement continues to be in effect through April 2009. A revision to the agreement will be proposed during 2009. In addition, all rates for sanitation services were increased during 2007. The current residential fees became effective July 1, 2007 and current rates for commercial collections, industrial collections, and solid waste disposal fees became effective August 1, 2007.

	Residential Collection/ Recycling	Commercial Industrial/ Collection	Landfill	Total
Actual 2006	2,712,796	4,396,354	4,707,516	11,811,666
Actual 2007	3,335,110	4,586,369	4,639,624	12,561,103
Estimated 2008	3,846,522	4,958,132	5,613,853	14,418,507
Budget 2009	3,860,000	5,110,000	6,561,200	15,531,200



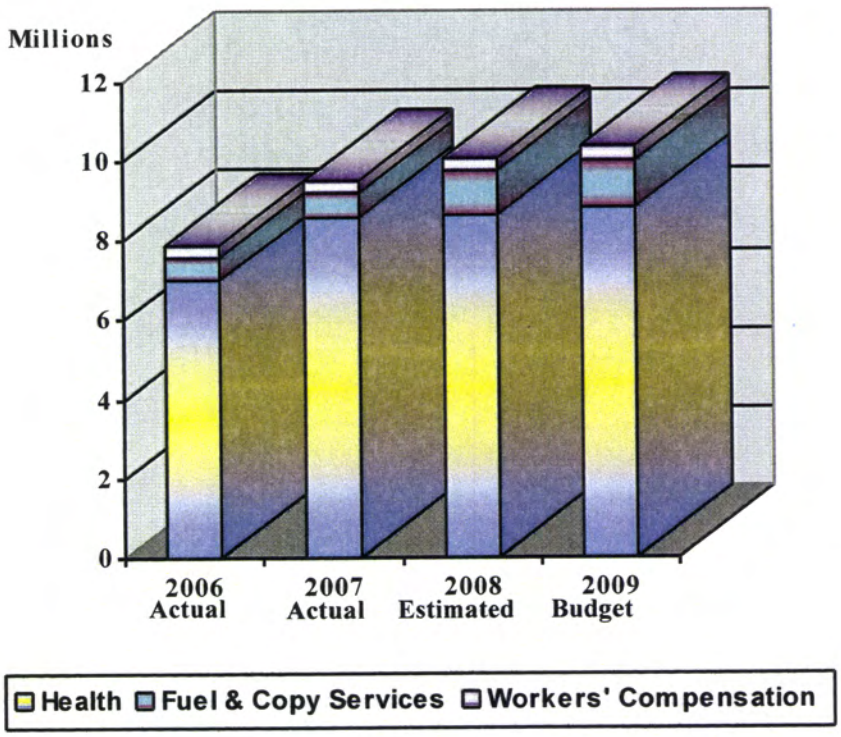
2009 Revenue Estimates- The 2009 budget does not include any rate increases. However, the private hauler contract agreements will be presented to the Board for consideration of a proposed change in the assignment of fees to go into effect May 1, 2009. The landfill revenue has been adjusted for this change as well as for an increase in waste disposal tonnage during 2009. The landfill revenue includes $207,000 and $250,000 in methane gas sales for 2008 and 2009, respectively.

Internal Service Operations-

Revenue Description- charges to provide health and wellness benefits, workers' compensation claims, fuel and copy services to City departments, employees and outside entities such as the Fort Smith Regional Airport and the Fort Smith Public Library are accounted for in three internal service funds.

Revenue History- the costs for providing workers' compensation claims, and fuel and copy services have increased by 15% and 98% respectively when comparing 2009 Budget with 2006 Actual. The significant increases in motor fuel has been the main reason for such a large fluctuation in fuel and copy services. The costs for health and wellness benefits have increased 38% over the past three years. The 2009 allocation will include the second annual funding for OPEB for retirees.

	Health & Welfare	Fuel & Copy Services	Workers' Compensation	Total
Actual 2006	6,996,689	589,337	304,810	7,890,836
Actual 2007	8,559,125	647,991	322,760	9,529,876
Estimated 2008	8,634,933	1,122,916	333,040	10,090,889
Budget 2009	8,860,000	1,165,800	351,180	10,376,980



City of Fort Smith Financial Structure

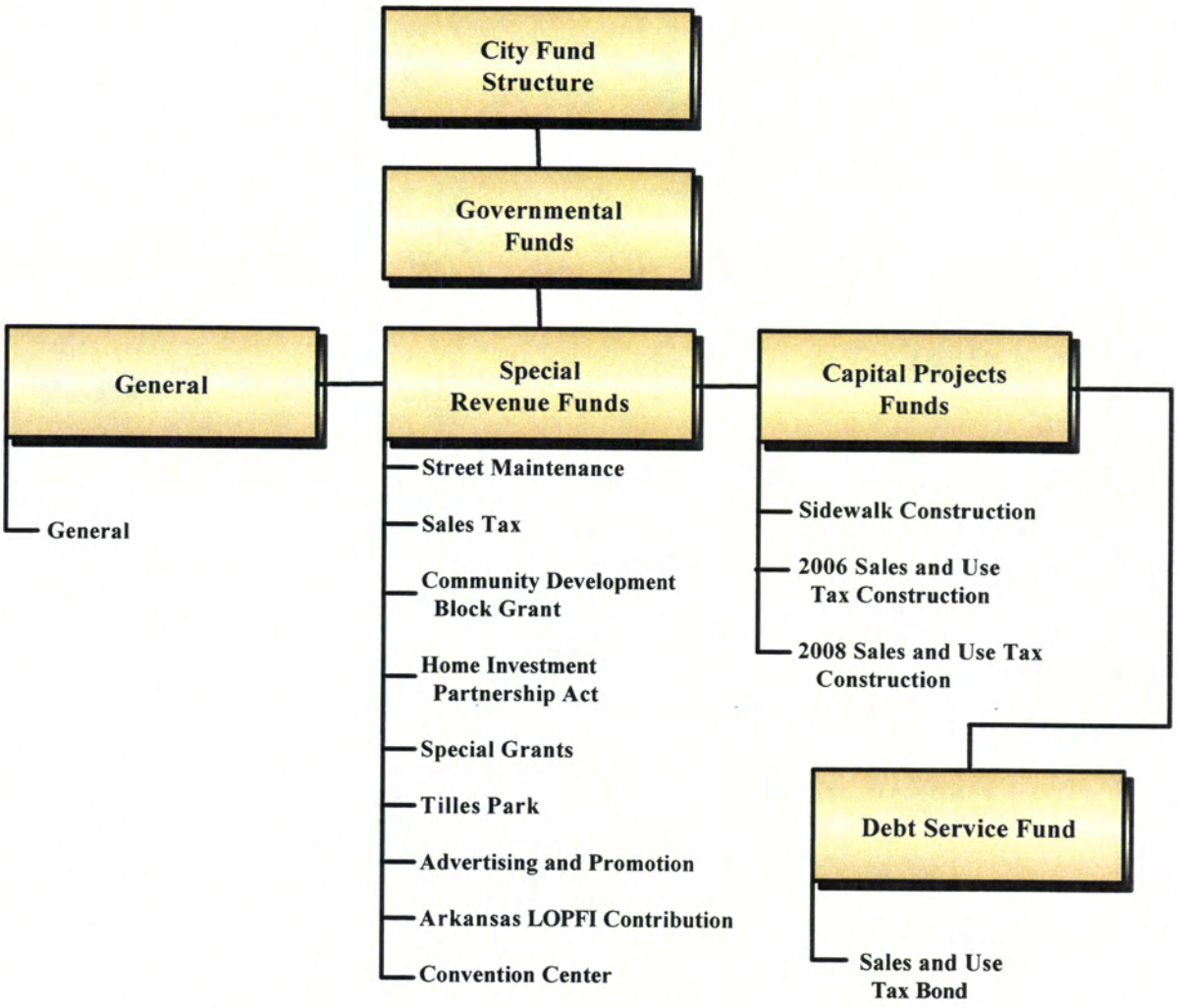
The City provides the full range of municipal services as provided by the City Charter. These include public safety, water, sewer, sanitation, public transportation, parking, public improvements, recreational and general administrative services.

To account for these services, individual funds are maintained for various purposes. In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts established and maintained for a specific purpose or to attain a certain objective in accordance with legal and administrative restrictions.

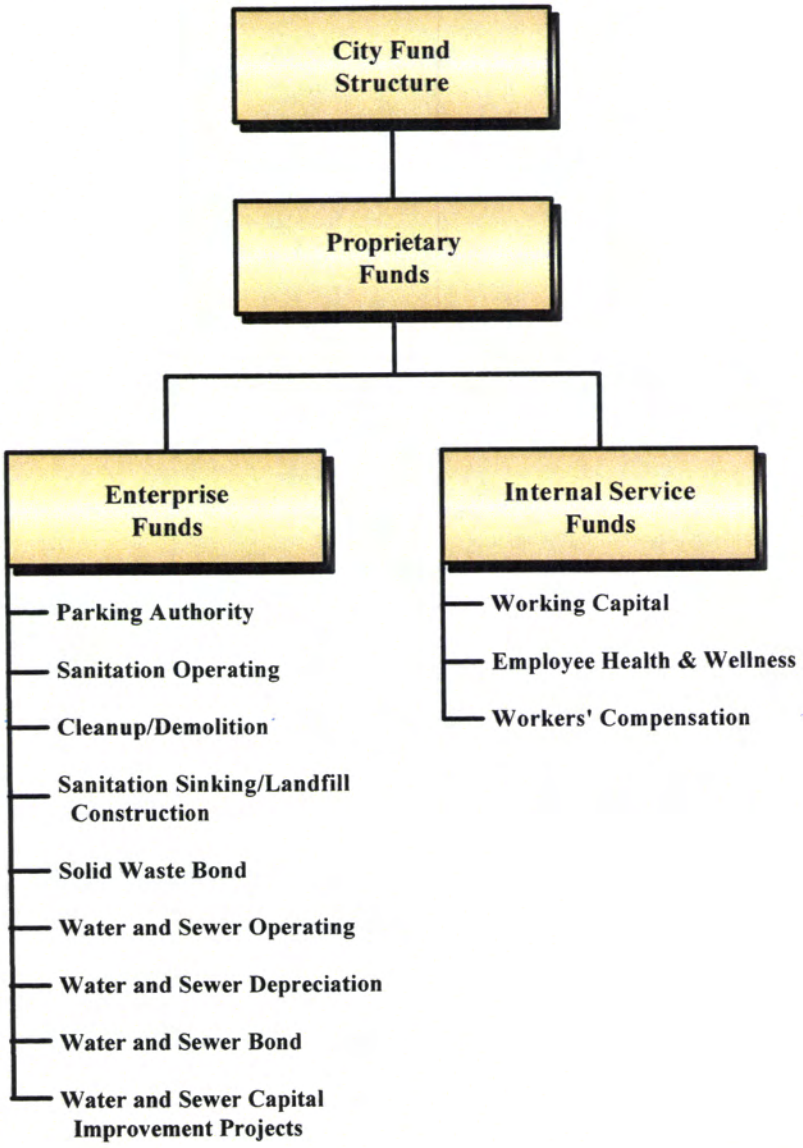
The charts, on pages 42 and 43, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2009 Budget for each individual fund by fund type is presented.

This Page Left Intentionally Blank

City of Fort Smith, Arkansas Chart of Fund Types



City of Fort Smith, Arkansas Chart of Fund Types



Definition of Fund Types and Individual Funds

General Fund - The principal fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

Special Revenue Funds - Funds to account for the proceeds of specific revenue (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Street Maintenance Fund - A special revenue fund accounted for as an operating fund to account for operations related to the repair, maintenance and improvement of the City streets and right-of- ways. Revenues collected in this fund are restricted for these uses and are derived from state turnback for gasoline tax and one-half of the three mill county road tax.

Sales Tax Fund - A special revenue fund to account for projects utilizing the City's operating sales tax revenues. Such revenues are restricted for repair, maintenance and improvement of City streets, bridges and associated drainage.

Community Development Block Grant (CDBG) Fund - A special revenue fund to account for the operations of projects utilizing CDBG funds. Such revenues are restricted to expenditures for specified projects by the Department of Housing and Urban Development (HUD).

Home Investment Partnership Act Fund - A special revenue fund to account for Federal funds administered by HUD to provide loans for affordable housing.

Special Grants Fund - A special revenue fund to account for Federal, state and local grants received by the City. Current grants include law enforcement, historic restoration, economic development, recycling, and police drug enforcement.

Tilles Park Fund - A special revenue fund to account for donations received from the Tilles family estate. The money received is restricted for upgrading and maintaining Tilles Park.

Advertising and Promotion Fund - A special revenue fund to account for the proceeds of a three percent hotel/motel tax. Revenue derived from the tax is to be used for tourism development and promotion of Fort Smith.

Arkansas LOPFI Contribution Fund - A special revenue fund to account for costs associated with the City's participation in the Local Police and Fire Retirement System (LOPFI) which is administered by a state agency. Revenues are restricted in this fund for retirement contributions. All uniformed police and fire personnel are covered by this Fund.

Convention Center Fund- A special revenue fund to account for the operations of the Convention Center as well as staffing for the parking deck. Revenue is provided by a special turnback from the state of Arkansas. The City expects to receive this revenue through June 30, 2010.

Debt Service Funds-Funds used to account for the repayment of debt issued for general government purposes.

Sales and Use Tax Bond Fund- A debt service fund to account for the City's special assessment of a one percent (1%) sales and use tax for the repayment of the 2006 and 2008 bonds. The 2006 bonds were issued to refund the remaining 2001 Sales and Use Tax Bonds, finance the purchase of a radio communications system, and fund wastewater improvements in response to the EPA administrative orders against the City. The 2008 Bonds were issued for additional funding of the radio system project and wastewater projects.

Capital Projects Funds - Funds used to account for the acquisition of capital facilities being financed from bond proceeds, intergovernmental revenues, contributed capital, or transfers from other funds, other than those recorded in the Enterprise Funds, Internal Service Funds and Trust Funds.

Sidewalk Construction Fund - A capital projects fund to account for resources utilized to construct sidewalks within the City limits. Revenues are derived from permit assessments on building permits.

2006 Sales and Use Tax Construction Fund- A capital projects fund to account for the 2006 bond proceeds. Projects funded by the bonds include the replacement and upgrade for the public safety and utility radio communication system and wastewater improvements in response to the EPA administrative orders against the CIty.

2008 Sales and Use Tax Construction Fund- A capital projects fund to account for the 2008 bond proceeds. Projects funded include the public safety and utility radio communication system and wastewater improvements in response to the EPA administrative orders against the City.

Enterprise Funds - Funds used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Parking Authority Fund - An enterprise fund to account for the provision of parking facilities within the City. All services necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Sanitation Operating Fund- An enterprise fund accounted for as an operating fund for the City to account for the provision of sanitation services to residential, commercial and industrial customers of the City. Sanitary landfill services are also accounted for in this fund. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Cleanup/Demolition Program Fund - An enterprise fund to account for cleanup of land costs and demolition of sub-standard structures. Funding is provided by the Sanitation Operating Fund.

Sanitation Sinking/Landfill Construction Fund - An enterprise fund to account for monies set aside for acquisition and construction of the City's landfill.

Solid Waste Bond Fund - An enterprise fund to account for the repayment of solid waste debt. Current debt issues are the Solid Waste Revenue Bonds, Series 1998 and Series 2002.

Water and Sewer Operating Fund - An enterprise fund accounted for as an operating fund for the City to account for the provision of water and sewer services to residential, commercial and industrial customers of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Water and Sewer Depreciation Fund - An enterprise fund to account for monies required by the revenue bond ordinances for repair and maintenance of the water and sewer system.

Water and Sewer Bond Fund - An enterprise fund to account for the repayment of bonds for the Water, Sewer System Revenue Bonds, Series 1999, Water and Sewer System Revenue Bonds, Series 2002, Water and Sewer Revenue Refunding Bonds, Series 2004, Water and Sewer Revenue Refunding Bonds, Series 2005A, Water and Sewer Revenue Construction Bonds, Series 2005B, Water and Sewer Revenue Construction Bonds, Series 2007, and Water and Sewer Refunding and Construction Bonds, Series 2008.

Water and Sewer Capital Improvement Projects Fund - An enterprise fund to account for large capital improvements for the water and sewer system. Funding is provided by the Water and Sewer Operating Fund and bond proceeds.

Internal Service Funds - Funds used to account for the financing of materials and services provided by one department of the City to other departments of the City on a cost-reimbursement basis and the City's self-insurance programs (employee insurance and workers' compensation).

Working Capiral Fund - An internal service fund to account for vehicle maintenance, office supplies and copy center services.

Employee Health and Wellness Fund - An internal service fund to account for monthly premiums contributed by the City and its employees for health and life insurance coverage and dental coverage. The medical plan is self-insured with a third party administrator acting as paying agent for claims.

Workers' Compensation Fund - An internal service fund to account for amounts contributed for workers' compensation claims. The fund is self-insured and claims are administered by a third party paying agent.

General Fund

Revenues	
Intergovernmental	$ 4,853,123
Taxes and Assessments	29,156,111
Court Fines and Forfeitures	1,900,000
Licenses and Permits	1,389,000
Service Charges and Fees	1,239,462
Miscellaneous	183,164
Interest	280,000
Transfers In	2,409,650
Total	$ 41,410,510
Expenditures	
Operating:	
Policy and Administration Services	$ 3,027,307
Management Services	2,705,451
Development Services	2,809,211
Police Services	16,952,020
Fire Services	10,425,510
Operation Services	6,194,575
Non-Departmental	2,672,998
Total	$ 44,787,072
Excess (Deficiency) Revenues Over Expenditures	$ (3,376,562)
Fund Balance, Beginning of Year	6,709,645
Fund Balance, End of Year	**$ 3,333,083**

Special Revenue Fund

	Street	Sales Tax	Community Development Block Grant	Home Investment Partnership Act
Revenues				
Intergovernmental -				
State Turnback	$ 3,772,596	$ 0	$ 0	$ 0
Federal Grant	0	750,000	822,191	472,797
State Grant	0	0	0	0
Local Grant	0	0	0	0
Taxes and Assessments -				
Ad Valorem Tax	1,637,700	0	0	0
Sales Tax	0	20,090,485	0	0
Hotel/Motel Tax	0	0	0	0
Court Fines and Forfeitures	0	0	0	0
Interest	145,000	413,631	2,000	0
Contributions	0	200,000	0	0
Miscellaneous	5,000	0	0	0
Total	$ 5,560,296	$ 21,454,116	$ 824,191	$ 472,797
Expenditures				
Operating	$ 6,998,278	$ 0	$ 0	$ 0
Capital Improvements	0	37,086,178	0	0
Community Assistance -				
Development Services	0	0	300,650	0
Police Services	0	0	0	0
Public Works and Community Service Projects	0	0	223,541	0
Housing Assistance	0	0	300,000	472,797
Pension Benefits/Retirement Cont.	0	0	0	0
Other (Note 1)	0	0	0	0
Total	$ 6,998,278	$ 37,086,178	$ 824,191	$ 472,797
Excess (Deficiency) Revenues Over (Under) Expenditures	$ (1,437,982)	$ (15,632,062)	$ 0	$ 0
Fund Balance, Beginning of Year	2,464,232	21,810,531	802	0
Fund Balance, End of Year	$ 1,026,250	$ 6,178,469	$ 802	$ 0

Note 1: Other includes the costs to provide the Advertising and Promotion activities and Convention Center operations.

Special Grants	Tilles Park	Advertising and Promotion	Arkansas LOPFI Contribution	Convention Center	Total
$ 0	$ 0	$ 0	$ 950,000	$ 1,786,637	$ 6,509,233
68,930	0	0	0	0	2,113,918
24,500	0	0	0	0	24,500
5,000	0	0	0	0	5,000
0	0	0	2,203,560	0	3,841,260
0	0	0	0	0	20,090,485
0	0	818,467	0	0	818,467
0	0	0	150,000	0	150,000
2,800	200	9,000	410,000	30,000	1,012,631
0	400	2,500	875,000	0	1,077,900
0	0	0	2,500	0	7,500
$ 101,230	$ 600	$ 829,967	$ 4,591,060	$ 1,816,637	$ 35,650,894
$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,998,278
0	0	0	0	0	37,086,178
0	0	0	0	0	300,650
68,930	0	0	0	0	68,930
32,300	0	0	0	0	255,841
0	0	0	0	0	772,797
0	0	0	5,052,700	0	5,052,700
0	0	965,673	0	1,830,730	2,796,403
$ 101,230	$ 0	$ 965,673	$ 5,052,700	$ 1,830,730	$ 53,331,777
$ 0	$ 600	$ (135,706)	$ (461,640)	$ (14,093)	$ (17,680,883)
135,130	8,155	275,305	13,309,269	966,278	38,969,702
$ 135,130	$ 8,755	$ 139,599	$ 12,847,629	$ 952,185	$ 21,288,819

Debt Service Fund

Sales and Use Tax Bond Fund

Revenues

Taxes and Assessments-	
Sales Tax	$ 20,090,485
Interest	170,000
Total	$ 20,260,485

Expenditures

Debt Service-	
Current	20,993,604
Excess Revenues Over Expenditures	$ (733,119)
Fund Balance, Beginning of Year	10,053,521
Fund Balance End of Year	**$ 9,320,402**

Capital Projects Fund

	Sidewalk Construction	2006 Sales & Use Tax Construction	2008 Sales & Use Tax Construction	Total
Revenues				
Intergovernmental-				
Taxes and Assessments	$ 265,000	$ 0	$ 0	$ 265,000
Permit Assessments	14,000	465,000	208,500	687,500
Interest				
Total	$ 279,000	$ 465,000	$ 208,500	$ 952,500
Expenditures				
Capital Improvements	300,000	28,236,605	4,500,000	33,036,605
Excess (Deficiency) Revenues Over (Under) Expenditures	$ (21,000)	$ (27,771,605)	$ 4,291,500	$ (32,084,105)
Fund Balance, Beginning of Year	519,008	27,771,605	13,925,000	42,215,613
Fund Balance, End of Year	$ 498,008	$ 0	$ 9,633,500	$ 10,131,508

Enterprise Funds-
Water and Sewer Funds

	Water and Sewer Operating	Water and Sewer Depreci-ation	Water and Sewer Bond	Water and Sewer Capital Improvement Projects	Total
Revenues					
Service Charges and Fees	$ 38,232,210	$ 0	$ 0	$ 0	$ 38,232,210
Interest	50,000	0	120,000	928,620	1,098,620
Bond Proceeds	0	0	0	25,000,000	25,000,000
Miscellaneous	90,000	0	0	0	90,000
Transfers In	0	0	15,449,720	0	15,449,720
Total	$ 38,372,210	$ 0	$ 15,569,720	$ 25,928,620	$ 79,870,550
Expenses					
Operating	$ 37,504,281	$ 0	$ 0	$ 0	$ 37,504,281
Capital Improvements	0	0	0	30,100,000	30,100,000
Debt Service:					
Current	0	0	15,449,961	0	15,449,961
Total	$ 37,504,281	$ 0	$ 15,449,961	$ 30,100,000	$ 83,054,242
Excess (Deficiency) Revenues Over (Under) Expenses	$ 867,929	$ 0	$ 119,759	$ (4,171,380)	$ (3,183,692)
Working Capital, Beginning of Year	945,543	500,000	964,585	73,885,815	76,295,943
Working Capital, End of Year	$ 1,813,472	$ 500,000	$ 1,084,344	$ 69,714,435	$ 73,112,251

Sanitation Funds

	Sanitation Operating	Cleanup/ Demolition	Sanitation Sinking/ Landfill Construction	Solid Waste Bond Fund	Total
Revenues					
Service Charges and Fees	$ 15,531,200	$ 0	$ 0	$ 0	$ 15,531,200
Interest	85,000	15,000	200,000	28,000	328,000
Miscellaneous	25,000	235,000	0	0	260,000
Transfers In	0	180,000	1,990,000	1,072,490	3,242,490
Total	$ 15,641,200	$ 430,000	$ 2,190,000	$ 1,100,490	$ 19,361,690
Expenses					
Operating	$ 15,836,932	$ 0	$ 0	$ 0	$ 15,836,932
Capital Improvements	0	0	1,267,000	0	1,267,000
Other	0	669,200	0	0	669,200
Debt Service	0	0	0	1,072,838	1,072,838
Total	$ 15,836,932	$ 669,200	$ 1,267,000	$ 1,072,838	$ 18,845,970
Excess (Deficiency) Revenues Over (Under) Expenses	$ (195,732)	$ (239,200)	$ 923,000	$ 27,652	$ 515,720
Working Capital Beginning of Year	1,515,227	448,544	2,954,622	316,447	5,234,840
Working Capital, End of Year	$ 1,319,495	$ 209,344	$ 3,877,622	$ 344,099	$ 5,750,560

Parking Authority Fund

	Enforcement	Facilities	Total
Revenues			
Service Charges and Fees	$ 12,500	$ 182,500	$ 195,000
Interest	0	7,500	7,500
Transfers In	250,000	0	250,000
Total	$ 262,500	$ 190,000	$ 452,500
Expenses			
Other:			
Police Services	$ 193,410	$ 0	$ 193,410
Finance	0	64,020	64,020
Debt Service:			
Current	0	136,690	136,690
Total	$ 193,410	$ 200,710	$ 394,120
Excess (Deficiency) Revenues Over (Under) Expenses	$ 69,090	$ (10,710)	$ 58,380
Working Capital, Beginning of Year	0	95,530	95,530
Working Capital, End of Year	$ 69,090	$ 84,820	$ 153,910

Internal Service Funds

	Working Capital	Employee Health Wellness	Workers' Compensation	Total
Revenues				
Service Charges and Fees	$ 1,165,800	$ 8,860,000	$ 351,180	$ 10,376,980
Transfers In	0	0	40,000	
Interest	0	130,000	22,000	152,000
Total	$ 1,165,800	$ 8,990,000	$ 413,180	$ 10,568,980
Expenses				
Health Insurance and Workers' Compensation Claims	$ 0	$ 8,749,870	$ 382,100	$ 9,131,970
Other - Materials and Supplies	1,180,800	0	0	1,180,800
Total	$ 1,180,800	$ 8,749,870	$ 382,100	$ 10,312,770
Excess (Deficiency) Revenues Over (Under) Expenses	$ (15,000)	$ 240,130	$ 31,080	$ 256,210
Working Capital, Beginning of Year	20,181	4,212,419	3,771	4,236,371
Working Capital, End of Year	$ 5,181	$ 4,452,549	$ 34,851	$ 4,492,581

This Page Left Intentionally Blank

City of Fort Smith
FY09
Budget Comparison Summary-Operating Funds

	Estimated FY08	Budget FY09	Increase (Decrease)	Projected FY10
Revenues				
Intergovernmental	$ 6,710,121	$ 7,741,069	$ 1,030,948	$ 7,000,985
Taxes and Assessments	30,630,585	30,793,811	163,226	31,489,869
Court Fines and Forfeitures	1,846,100	1,900,000	53,900	1,900,000
Licenses and Permits	1,603,184	1,389,000	(214,184)	1,423,000
Service Charges and Fees	51,906,913	55,002,872	3,095,959	57,504,022
Miscellaneous	1,603,767	1,747,814	144,047	1,823,434
Transfers	2,345,610	2,409,650	64,040	2,474,850
Total	$ 96,646,280	$ 100,984,216	$ 4,337,936	$ 103,616,160
Expenditures/Expenses				
Policy and Administration Services	$ 3,489,778	$ 3,866,760	$ 376,982	4,212,660
Management Services	6,396,026	6,721,300	325,274	7,163,170
Development Services	2,893,838	3,146,000	252,162	3,359,500
Police Services	13,966,195	16,952,020	2,985,825	18,963,630
Fire Services	9,399,776	10,425,510	1,025,734	12,407,850
Operation Services	55,158,029	58,348,190	3,190,161	60,251,605
Non-Departmental	8,042,853	5,666,783	(2,376,070)	4,980,442
Total	$ 99,346,495	$ 105,126,563	$ 5,780,068	$ 111,338,857
Excess (Deficiency) Revenues Over Expenditures/Expenses	$ (2,700,215)	$ (4,142,347)	$ (1,442,132)	$ (7,722,697)
Fund Balance/Working Capital, Beginning of Year	14,334,862	11,634,647	(2,700,215)	7,492,300
Fund Balance/Working Capital, End of Year	$ 11,634,647	$ 7,492,300	$ (4,142,347)	$ (230,397)

City of Fort Smith
FY09
Budget Comparison Summary-General Fund

	Estimated FY08	Budget FY09	Increase (Decrease)	Projected FY10
Revenues				
Intergovernmental	$ 3,017,793	$ 3,968,473	$ 950,680	$ 3,228,389
Taxes and Assessments	29,024,985	29,156,111	131,126	29,819,419
Court Fines and Forfeitures	1,846,100	1,900,000	53,900	1,900,000
Licenses and Permits	1,603,184	1,389,000	(214,184)	1,423,000
Service Charges and Fees	1,220,131	1,239,462	19,331	523,962
Miscellaneous	1,225,484	1,347,814	122,330	1,413,434
Transfers	2,345,610	2,409,650	64,040	2,474,850
Total	$ 40,283,287	$ 41,410,510	$ 1,127,223	40,783,054
Expenditures				
Policy and Administration Services	$ 2,643,396	$ 3,027,307	$ 383,911	$ 3,249,100
Management Services	2,593,356	2,705,451	112,095	2,912,981
Development Services	2,578,878	2,809,211	230,333	2,998,386
Police Services	13,966,195	16,952,020	2,985,825	18,963,630
Fire Services	9,399,776	10,425,510	1,025,734	12,407,850
Operation Services	4,504,992	6,194,575	1,689,583	7,179,508
Non-Departmental	4,846,129	2,672,998	(2,173,131)	2,765,692
Total	$ 40,532,722	$ 44,787,072	$ 4,254,350	$ 50,477,147
Excess (Deficiency) Revenues Over Expenditures	$ (249,435)	$ (3,376,562)	$ (3,127,127)	$ (9,694,093)
Fund Balance, Beginning Of Year	6,959,080	6,709,645	(249,435)	3,333,083
Fund Balance End of Year	$ 6,709,645	$ 3,333,083	$ (3,376,562)	$ (6,361,010)

City of Fort Smith
FY09
Budget Comparison Summary-Street Maintenance Fund

	Estimated FY08	Budget FY09	Increase (Decrease)	Projected FY10
Revenues				
Intergovernmental	$ 3,692,328	$ 3,772,596	$ 80,268	$ 3,772,596
Taxes and Assessments	1,605,600	1,637,700	32,100	1,670,450
Miscellaneous	144,611	150,000	5,389	150,000
Total	$ 5,442,539	$ 5,560,296	$ 117,757	$ 5,593,046
Expenditures				
Policy and Administration Services	$ 167,948	$ 170,473	$ 2,525	$ 189,904
Management Services	398,433	420,142	21,709	445,975
Development Services	71,746	75,603	3,857	79,582
Operation Services	5,240,597	5,972,375	731,778	6,410,152
Non-Departmental	426,821	359,685	(67,136)	453,250
Total	$ 6,305,545	$ 6,998,278	$ 692,733	$ 7,578,863
Excess (Deficiency) Revenues Over Expenditures	$ (863,006)	$ (1,437,982)	$ (574,976)	$ (1,985,817)
Fund Balance, Beginning Of Year	3,327,238	2,464,232	(863,006)	1,026,250
Fund Balance End of Year	$ 2,464,232	$ 1,026,250	$ (1,437,982)	$ (959,567)

City of Fort Smith
FY09
Budget Comparison Summary-Water and Sewer Operating Fund

	Estimated FY08	Budget FY09	Increase (Decrease)	Projected FY10
Revenues				
Services Charges and Fees	$ 36,268,275	$ 38,232,210	$ 1,963,935	$ 41,320,060
Miscellaneous	127,686	140,000	12,314	140,000
Total	$ 36,395,961	$ 38,372,210	$ 1,976,249	$ 41,460,060
Expenses				
Policy and Administration Services	$ 460,679	$ 449,876	$ (10,803)	$ 526,802
Management Services	2,636,899	2,786,819	149,920	2,944,487
Development Services	243,214	261,186	17,972	281,532
Operation Services	32,867,183	33,541,850	674,667	34,168,975
Non-Departmental	666,903	464,550	(202,353)	468,250
Total	$ 36,874,878	$ 37,504,281	$ 629,403	$ 38,390,046
Excess (Deficiency) Revenues Over Expenditures	$ (478,917)	$ 867,929	$ 1,346,846	$ 3,070,014
Working Capital, Beginning Of Year	1,424,460	945,543	(478,917)	1,813,472
Working Capital End of Year	$ 945,543	$ 1,813,472	$ 867,929	$ 4,883,486

City of Fort Smith
FY09
Budget Comparison Summary-Sanitation Operating Fund

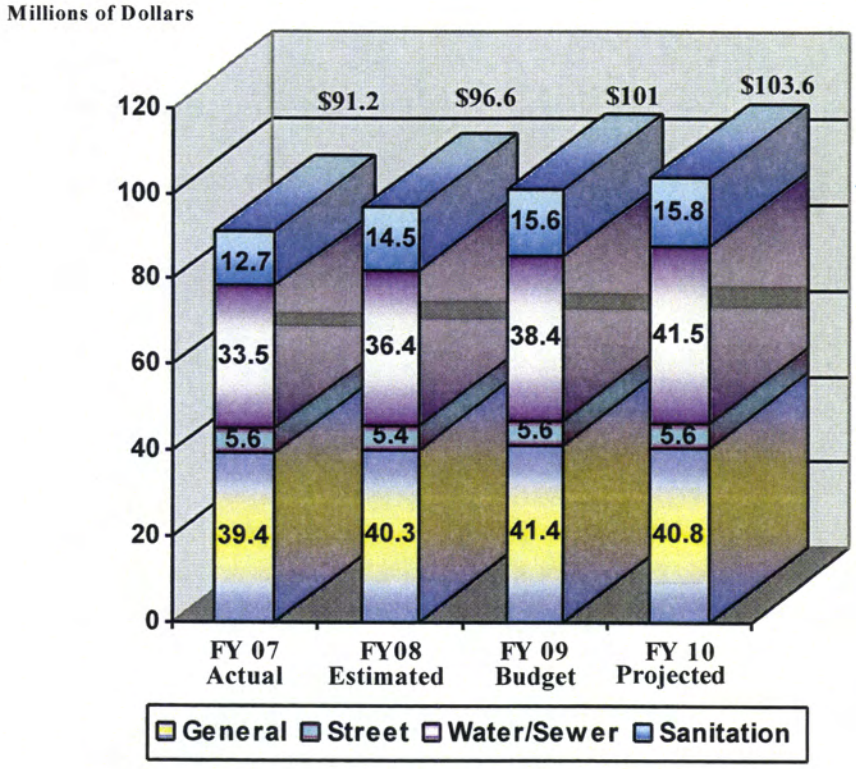
	Estimated FY08	Budget FY09	Increase (Decrease)	Projected FY10
Revenues				
Service Charges and Fees	$ 14,418,507	$ 15,531,200	$ 1,112,693	$ 15,660,000
Miscellaneous	105,986	110,000	4,014	120,000
Total	$ 14,524,493	$ 15,641,200	$ 1,116,707	$ 15,780,000
Expenses				
Policy and Administration Services	$ 217,755	$ 219,104	$ 1,349	$ 246,854
Management Services	767,338	808,888	41,550	859,727
Operation Services	12,545,257	12,639,390	94,133	12,492,970
Non-Departmental	2,103,000	2,169,550	66,550	1,293,250
Total	$ 15,633,350	$ 15,836,932	$ 203,582	$ 14,892,801
Excess (Deficiency) Revenues Over Expenditures	$ (1,108,857)	$ (195,732)	$ 913,125	887,199
Working Capital, Beginning of Year	2,624,084	1,515,227	(1,108,857)	1,319,495
Working Capital End of Year	$ 1,515,227	$ 1,319,495	$ (195,732)	$ 2,206,694

Combined Operating Funds
Statement of Revenue Comparisons

	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected FY10
Intergovernmental	$ 7,417,876	$ 7,345,521	$ 6,710,121	$ 7,741,069	$ 7,000,985
Taxes and Assessments	28,599,166	29,901,230	30,630,585	30,793,811	31,489,869
Court Fines and Forfeitures	2,728,076	1,846,100	1,846,100	1,900,000	1,900,000
Licenses and Permits	1,319,941	1,291,000	1,603,184	1,389,000	1,423,000
Service Charges and Fees	46,900,815	53,806,735	51,906,913	55,002,872	57,504,022
Miscellaneous	1,927,383	1,828,574	1,603,767	1,747,814	1,823,434
Transfers	2,273,439	2,345,610	2,345,610	2,409,650	2,474,850
Total	$ 91,166,696	$ 98,364,770	$ 96,646,280	$ 100,984,216	$ 103,616,160

Combined Operating Funds

Comparison of Total Revenue

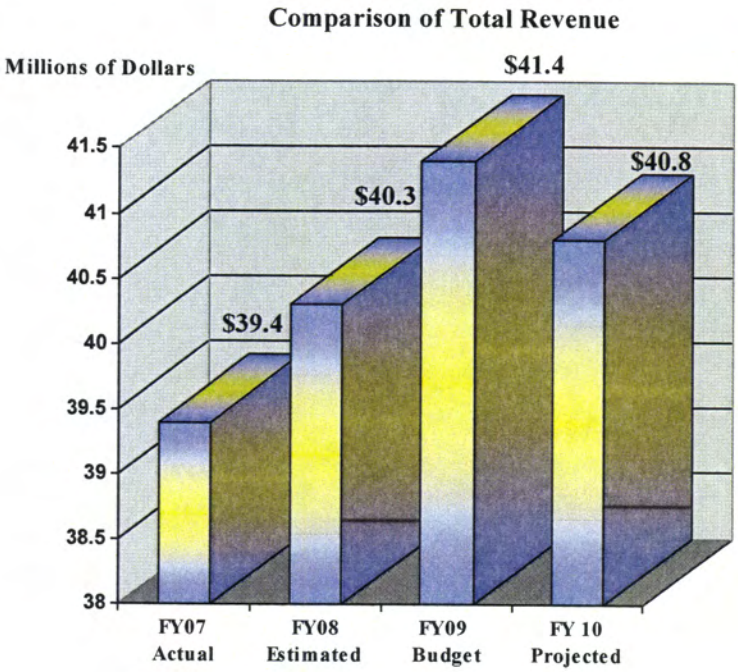


General Fund
Statement of Revenue Comparisons

	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected FY10
Intergovernmental					
State Turnback - General	$ 1,757,224	$ 1,364,500	$ 1,364,500	$ 1,344,489	$ 1,344,489
Transit Reimbursement	1,533,440	2,128,693	1,493,493	2,463,984	1,723,900
Airport Security Reimbursen	191,889	160,000	159,800	160,000	160,000
Federal Funded Fire Improv	52,324	-	-	-	-
State Funded Park Improver	59,856	-	-	-	-
Taxes and Assessments					
Franchise	6,760,463	7,193,800	7,345,540	7,565,900	7,717,200
Ad Valorem	5,138,690	5,400,900	5,400,900	5,508,900	5,619,000
County Sales Tax	15,155,255	15,697,930	16,273,545	16,076,311	16,478,219
Gasoline Tax Refund-Transi	3,143	3,000	5,000	5,000	5,000
Court Fines and Forfeitures	2,728,076	1,846,100	1,846,100	1,900,000	1,900,000
Licenses and Permits					
Privilege	12,565	11,000	21,000	20,000	20,000
Construction	715,524	700,000	958,334	738,000	765,000
Alcohol	492,286	475,000	498,025	506,000	513,000
Other	99,566	105,000	125,825	125,000	125,000
Service Charges and Fees					
Convention Center	624,106	645,000	715,648	720,000	-
Community Center	21,795	25,500	29,548	30,000	30,000
Fire Protection Contracts	72,462	72,460	72,462	72,462	72,462
Port Authority	12,000	12,000	12,000	12,000	12,000
Parks/Swim Pools	124,759	105,000	106,103	105,000	105,000
Oak Cemetery	46,614	50,000	51,700	51,500	51,500
Animal Pound	4,688	4,800	6,012	6,000	6,000
False Alarm Fees	10,656	4,000	6,980	6,000	6,000
Transit System	183,731	202,000	219,678	236,500	241,000
Miscellaneous					
Reimbursement from Airport	3,163	3,164	3,164	3,164	3,164
Interest Earned	325,198	260,000	260,000	280,000	300,000
Sebastian County Participati	569,470	557,990	524,900	583,520	602,350
Reimbursement from Enhanced 9-1-1 Fund	230,000	257,420	257,420	250,730	255,000
Reimbursement from FSPS for SRO's	0	0	0	50,400	52,920
Other	213,925	200,000	180,000	180,000	200,000
Transfers					
Sales Tax Fund	2,049,760	2,111,250	2,111,250	2,164,000	2,218,100
A&P Fund	21,179	21,360	21,360	22,000	22,000
Street Maintenance Fund	67,500	71,000	71,000	74,550	78,250
Water and Sewer Operating Fund	67,500	71,000	71,000	74,550	78,250
Sanitation Operating Fund	67,500	71,000	71,000	74,550	78,250
Total	$ 39,416,307	$ 39,830,867	$ 40,283,287	$ 41,410,510	$ 40,783,054

See pages 166-168 for an explanation of each revenue source.

General Fund



Revenue Comment

Total revenue of the General Fund FY09 Budget is estimated to increase by approximately $1.1 million or 2.8% over FY08 Estimated.

The general turnback from the state was $21.89 per capita for FY07 that included a one time additional distribution of approximately $6.85 per capita; $17 per capita estimated for FY08; and is anticipated to be $16.75 per capita for FY09 and FY10.

The franchise tax rate is 4% assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenue is expected to increase by 4% in FY09. The increase is based upon expected rate increases for the electric and natural gas utilities during 2009.

The property tax assessment for General Fund use remains at 5.0 mills for all four years presented. This is the maximum rate allowed by state statutes. The ad valorem tax revenue is a product of the millage rate assessed upon the real estate and personal property values within the city limits. Projections for FY09 reflect a 2% increase over FY08 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY09 is slightly below the FY08 estimated revenue. The FY08 estimated revenue includes sales taxes applied to the construction activity for storm repairs in Fort Smith during 2008. Since these sales were a product of a disaster, the FY09 budgeted revenue was adjusted to account for this. If the additional funds had not been received during FY08, then the FY09 revenue would reflect a 2.5% increase.

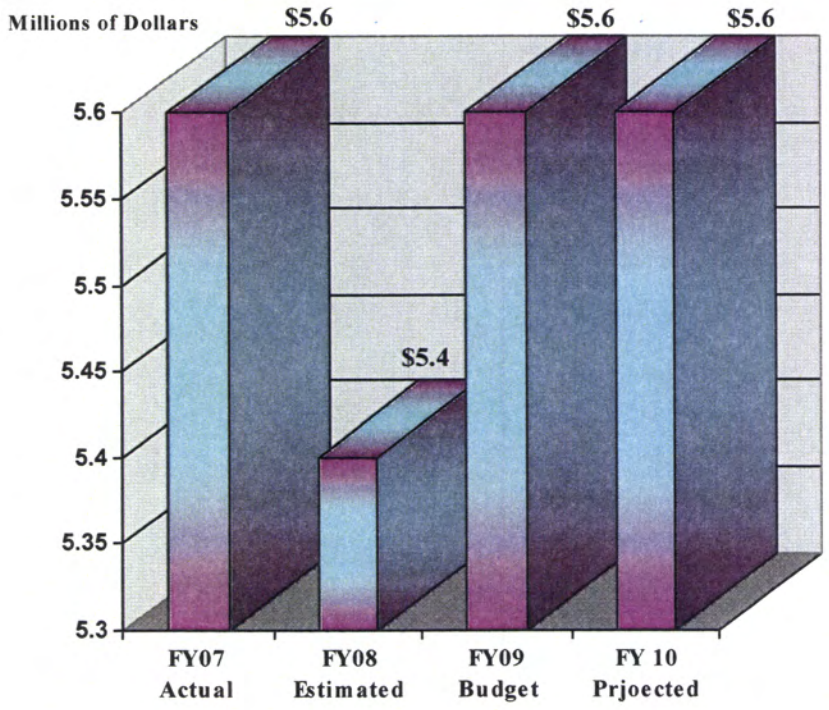
Street Maintenance Fund
Statement of Revenue Comparisons

	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected FY10
Intergovernmental					
State Turnback - Gasoline Tax	$ 3,823,143	$ 3,692,328	$ 3,692,328	$ 3,772,596	$ 3,772,596
Taxes and Assessments					
Ad Valorem	1,541,615	1,605,600	1,605,600	1,637,700	1,670,450
Miscellaneous					
Interest Earned	224,396	235,000	139,611	145,000	145,000
Other	5,415	10,000	5,000	5,000	5,000
Total	$ 5,594,569	$ 5,542,928	$ 5,442,539	$ 5,560,296	$ 5,593,046

See page 168 for an explanation of each revenue source.

Street Maintenance Fund

Comparison of Total Revenue



Revenue Comment

The major revenue source of the Street Maintenance Fund is the gasoline tax turnback from the state. This accounts for an average of 68% of total revenue for the four years presented. The state returns a portion of its levy of motor vehicle fees and gasoline tax to municipalities based upon population. The Arkansas Municipal League provides annual estimates for the per capita allocation to cities. The per capita turnback for the four years presented is the graph is $47.63 for FY07, $46.00 for FY08 estimated, $47.00 for FY09, and $47.00 for FY10.

Ad valorem tax revenue for the Street Maintenance Fund is anticipated to increase approximately 2% in FY09. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes.

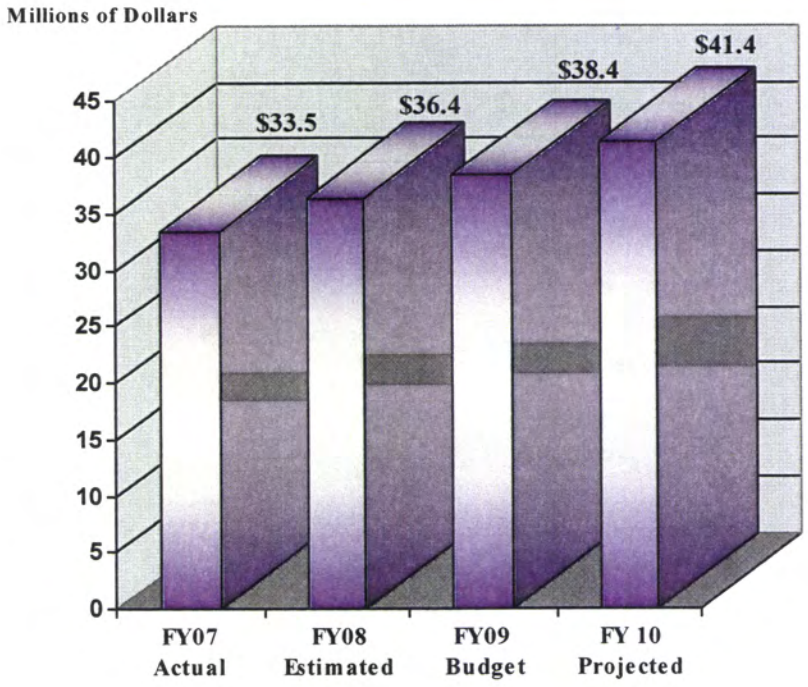
Water and Sewer Operating Fund
Statement of Revenue Comparisons

	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected FY10
Service Charges and Fees					
Water Sales	$ 16,111,651	$ 18,962,900	$ 17,350,025	$ 17,839,600	$ 18,428,300
Monthly Customer Charges	168,988	175,000	182,618	182,000	182,000
Contract Water Sales	5,721,034	6,660,710	6,475,200	6,676,600	6,787,600
Fire Protection	33,599	35,000	33,617	33,700	33,700
Installations - Water Service	174,013	190,000	169,419	180,000	180,000
Sewer Service Charges	10,901,596	11,767,000	11,936,021	13,191,310	15,579,460
Sewer Connection Charges	81,064	80,000	72,453	80,000	80,000
Industrial Waste Monitoring F	46,956	49,000	48,922	49,000	49,000
Miscellaneous					
Interest Earned	59,920	50,000	40,233	50,000	50,000
Other	179,289	150,000	87,453	90,000	90,000
Total	$ 33,478,110	$ 38,119,610	$ 36,395,961	$ 38,372,210	$ 41,460,060

See pages 169-170 for an explanation of each revenue source.

Water and Sewer Operating Fund

Comparison of Total Revenue



Revenue Comment

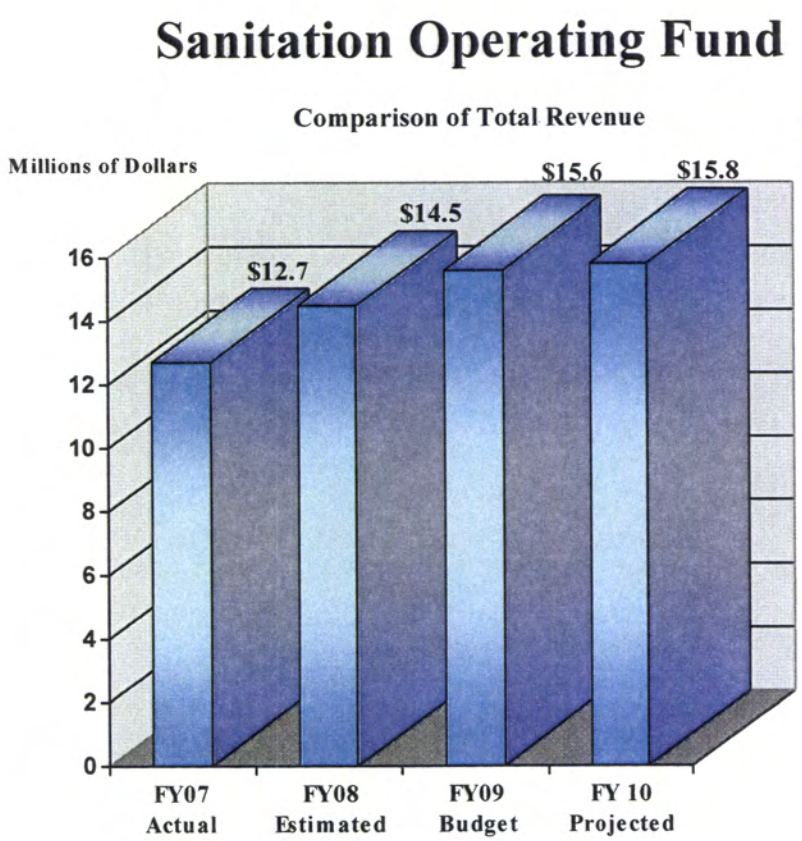
Service charges and fees account for approximately 99% of total revenue for this fund. The FY09 Budget includes the water and sewer rate increases that become effective January 1, 2009. The rates were approved during 2007. The water sales are expected to increase by approximately $700,000 or 3% over the FY08 estimated revenue.

The FY09 Budget also includes a rate increase for sewer charges, both fixed and volume rates that approximates 25% for all users. The FY09 Budget also reflects the loss of over $1 million from the disconnection of the Gerber plant from the city's system.

Sanitation Operating Fund
Statement of Revenue Comparisons

	Actual FY07	Budget FY08	Estimated FY08	Budget FY09	Projected FY10
Service Charges and Fees					
Residential Collections	$ 3,223,317	$ 3,580,000	$ 3,695,725	$ 3,700,000	$ 3,700,000
Commercial Collections	2,266,023	2,625,000	2,503,572	2,510,000	2,535,000
Sanitary Landfill Operations	4,639,624	5,255,765	5,406,895	6,311,200	6,400,000
Roll-Off Collections	2,320,346	3,057,600	2,454,560	2,600,000	2,600,000
Sale of Methane Gas	-	175,000	206,958	250,000	250,000
Recycling Operations	111,793	73,000	150,797	160,000	175,000
Miscellaneous					
Interest Earned	79,944	85,000	79,884	85,000	95,000
Other	36,663	20,000	26,102	25,000	25,000
Total	$ 12,677,710	$ 14,871,365	$ 14,524,493	$ 15,641,200	$ 15,780,000

See page 171 for an explanation of each revenue source.



Revenue Comment

The revenue of the Sanitation Operating Fund is generated from refuse collection and solid waste disposal. The city owns the landfill that accepts waste from the region.

The collection rates and disposal rates were amended during 2007 and remain at that level for FY09. Staff anticipates that landfill revenue will increase by approximately 16.7% in FY09 compared to FY08 estimated. This is based upon an increase in volume as well as a change in the contracts with commercial haulers during FY09.

Distribution of Appropriations to the Operating Funds
FY09 Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 245,080	$ 105,384	$ 19,606	$ 90,680	$ 29,410
4101 Board of Directors	119,520	51,393	9,563	44,222	14,342
4102 City Administrator	737,640	317,185	59,012	272,927	88,516
4111 Economic Development	527,970	527,970	0	0	0
4201 District Court	1,507,140	1,507,140	0	0	0
4202 Prosecutor	191,800	191,800	0	0	0
4203 Public Defender	75,970	75,970	0	0	0
4204 City Attorney	292,800	146,400	73,200	0	73,200
4206 District Court-Seb. Co.	55,200	55,200	0	0	0
4405 Internal Audit	113,640	48,865	9,092	42,047	13,636
Total Policy and Administration Services Division	$ 3,866,760	$ 3,027,307	$ 170,473	$ 449,876	$ 219,104
Management Services Division					
4104 Human Resources	$ 510,860	$ 321,840	$ 35,761	$ 107,281	$ 45,978
4105 City Clerk	346,900	149,166	27,752	128,355	41,627
4301 Finance	1,152,490	495,571	92,199	426,421	138,299
4303 Collections	420,430	180,785	33,634	155,559	50,452
4304 Utility Billing/Cust Service	1,852,570	92,629	92,629	1,389,428	277,884
4306 Purchasing	542,140	233,119	43,371	200,593	65,057
4401 Info. & Tech. Services	1,895,910	1,232,341	94,796	379,182	189,591
Total Management Services Division	$ 6,721,300	$ 2,705,451	$ 420,142	$ 2,786,819	$ 808,888
Development Services Division					
4103 Engineering	$ 1,512,060	$ 1,285,251	$ 75,603	$ 151,206	$ 0
4106 Planning and Zoning	733,200	623,220	0	109,980	0
4108 Building Safety	900,740	900,740	0	0	0
4109 Multi-Cultural	0	0	0	0	0
Total Development Services Division	$ 3,146,000	$ 2,809,211	$ 75,603	$ 261,186	$ 0
Police Services Division					
4701 Administration	$ 874,890	$ 874,890	$ 0	$ 0	$ 0
4702 Support Services	4,048,870	4,048,870	0	0	0
4703 Criminal Investigations	3,110,830	3,110,830	0	0	0
4704 Patrol Operations	8,376,610	8,376,610	0	0	0
4705 Radio Communications	355,760	355,760	0	0	0
4706 Airport Security	185,060	185,060	0	0	0
Total Police Services Division	$ 16,952,020	$ 16,952,020	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY09 Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 1,016,530	$ 1,016,530	$ 0	$ 0	$ 0
4802 Suppression and Rescue	9,408,980	9,408,980	0	0	0
Total Fire Services Division	$ 10,425,510	$ 10,425,510	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 477,560	$ 0	$ 477,560	$ 0	$ 0
5302 Street Construction	1,019,380	0	1,019,380	0	0
5303 Street Drainage	1,128,520	0	1,128,520	0	0
5304 Street Maintenance	992,100	0	992,100	0	0
5401 Traffic Control Operations	695,220	0	695,220	0	0
5402 Signals	303,800	0	303,800	0	0
5403 Street Lighting	925,000	0	925,000	0	0
5404 Sign Shop	143,550	0	143,550	0	0
Total Streets and Traffic Control	$ 5,685,130	$ 0	$ 5,685,130	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,540,040	$ 0	$ 0	$ 1,540,040	$ 0
5601 Water and Wastewater Treatment Administration	215,400	0	0	215,400	0
5603 Sewer Treatment	3,447,860	0	0	3,447,860	0
5604 Water Treatment	3,628,930	0	0	3,628,930	0
5605 Laboratory Services	677,370	0	0	677,370	0
5606 Wastewater Equipment Maintenance	1,184,760	0	0	1,184,760	0
5609 Industrial Waste Monitoring	347,330	0	0	347,330	0
5610 Water Line Maintenance	1,815,520	0	0	1,815,520	0
5611 Sewer Line Maintenance	1,862,600	0	0	1,862,600	0
5613 Metering/Transmission Line Maintenance	1,425,540	0	0	1,425,540	0
5615 Water and Wastewater Line Maintenance Administration	837,380	0	0	837,380	0
5616 Water Stationary Equipment Maintenance	1,109,400	0	0	1,109,400	0
6700 Debt Service	15,449,720	0	0	15,449,720	0
Total Water and Sewer	$ 33,541,850	$ 0	$ 0	$ 33,541,850	$ 0

Distribution of Appropriations to the Operating Funds
FY09 Budget (Continued)

	TOTAL FUNDS	GENERAL FUND	STREET MAINTENANCE FUND	WATER AND SEWER OPERATING FUND	SANITATION OPERATING FUND
Operation Services Division - Parks and Community Services					
6101 Health	$ 152,370	$ 152,370	$ 0	$ 0	$ 0
6201 Parks Maintenance	1,805,880	1,518,635	287,245	0	0
6202 Oak Cemetery	200,080	200,080	0	0	0
6204 Community Centers	202,910	202,910	0	0	0
6205 Aquatics	409,920	409,920	0	0	0
6206 Riverfront	332,500	332,500	0	0	0
Total Parks and Community Services	$ 3,103,660	$ 2,816,415	$ 287,245	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 631,250	$ 0	$ 0	$ 0	$ 631,250
6302 Residential Collection	3,018,950	0	0	0	3,018,950
6303 Commercial Collection	1,453,290	0	0	0	1,453,290
6304 Fleet & Grounds Maintenance	966,460	0	0	0	966,460
6305 Sanitary Landfill	4,221,840	0	0	0	4,221,840
6306 Debt Service	1,072,490	0	0	0	1,072,490
6307 Roll-Off Collection	1,275,110	0	0	0	1,275,110
Total Sanitation	$ 12,639,390	$ 0	$ 0	$ 0	$ 12,639,390
Operation Services Division - Transit					
6550 Public Transit	$ 3,378,160	$ 3,378,160	$ 0	$ 0	$ 0
Total Operation Services Division	$ 58,348,190	$ 6,194,575	$ 5,972,375	$ 33,541,850	$ 12,639,390
Non-Departmental					
6600 Non-Departmental	$ 5,666,783	$ 2,672,998	$ 359,685	$ 464,550	$ 2,169,550
Total Appropriations	$ 105,126,563	$ 44,787,072	$ 6,998,278	$ 37,504,281	$ 15,836,932

Distribution of Appropriations to the Operating Funds
FY10 Projected Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 249,260	$ 107,182	$ 19,941	$ 92,226	$ 29,911
4101 Board of Directors	120,260	51,712	9,621	44,496	14,431
4102 City Administrator	933,570	401,435	74,686	345,421	112,028
4111 Economic Development	495,950	495,950	0	0	0
4201 District Court	1,623,870	1,623,870	0	0	0
4202 Prosecutor	222,730	222,730	0	0	0
4203 Public Defender	83,760	83,760	0	0	0
4204 City Attorney	304,000	152,000	76,000	0	76,000
4206 District Court-Seb. Co.	58,560	58,560	0	0	0
4405 Internal Audit	120,700	51,901	9,656	44,659	14,484
Total Policy and Administration Services Division	$ 4,212,660	$ 3,249,100	$ 189,904	$ 526,802	$ 246,854
Management Services Division					
4104 Human Resources	$ 526,170	$ 331,487	$ 36,832	$ 110,496	$ 47,355
4105 City Clerk	374,110	160,867	29,929	138,421	44,893
4301 Finance	1,199,380	515,733	95,950	443,771	143,926
4303 Collections	434,850	186,986	34,788	160,894	52,182
4304 Utility Billing/Cust Service	1,942,910	97,145	97,145	1,457,183	291,437
4306 Purchasing	568,070	244,270	45,446	210,186	68,168
4401 Info. & Tech. Services	2,117,680	1,376,493	105,885	423,536	211,766
Total Management Services Division	$ 7,163,170	$ 2,912,981	$ 445,975	$ 2,944,487	$ 859,727
Development Services Division					
4103 Engineering	$ 1,591,630	$ 1,352,885	$ 79,582	$ 159,163	$ 0
4106 Planning and Zoning	815,790	693,421	0	122,369	0
4108 Building Safety	952,080	952,080	0	0	0
4109 Multi-Cultural	0	0	0	0	0
Total Development Services Division	$ 3,359,500	$ 2,998,386	$ 79,582	$ 281,532	$ 0
Police Services Division					
4701 Administration	$ 1,024,920	$ 1,024,920	$ 0	$ 0	$ 0
4702 Support Services	4,853,850	4,853,850	0	0	0
4703 Criminal Investigations	3,357,100	3,357,100	0	0	0
4704 Patrol Operations	9,063,920	9,063,920	0	0	0
4705 Radio Communications	460,020	460,020	0	0	0
4706 Airport Security	203,820	203,820	0	0	0
Total Police Services Division	$ 18,963,630	$ 18,963,630	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY10 Projected Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 1,137,090	$ 1,137,090	$ 0	$ 0	$ 0
4802 Suppression and Rescue	11,270,760	11,270,760	0	0	0
Total Fire Services Division	$ 12,407,850	$ 12,407,850	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 482,980	$ 0	$ 482,980	$ 0	$ 0
5302 Street Construction	1,103,410	0	1,103,410	0	0
5303 Street Drainage	1,172,890	0	1,172,890	0	0
5304 Street Maintenance	1,033,290	0	1,033,290	0	0
5401 Traffic Control Operations	715,230	0	715,230	0	0
5402 Signals	356,190	0	356,190	0	0
5403 Street Lighting	1,072,500	0	1,072,500	0	0
5404 Sign Shop	157,920	0	157,920	0	0
Total Streets and Traffic Control	$ 6,094,410	$ 0	$ 6,094,410	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,678,980	$ 0	$ 0	$ 1,678,980	$ 0
5601 Water and Wastewater Treatment Administration	221,230	0	0	221,230	0
5603 Sewer Treatment	3,437,050	0	0	3,437,050	0
5604 Water Treatment	3,738,360	0	0	3,738,360	0
5605 Laboratory Services	683,750	0	0	683,750	0
5606 Wastewater Equipment Maintenance	1,268,140	0	0	1,268,140	0
5609 Industrial Waste Monitoring	346,990	0	0	346,990	0
5610 Water Line Maintenance	1,945,480	0	0	1,945,480	0
5611 Sewer Line Maintenance	1,976,350	0	0	1,976,350	0
5613 Metering/Transmission Line Maintenance	1,643,530	0	0	1,643,530	0
5615 Water and Wastewater Line Maintenance Administration	918,380	0	0	918,380	0
5616 Water Stationary Equipment Maintenance	1,311,880	0	0	1,311,880	0
6700 Debt Service	14,998,855	0	0	14,998,855	0
Total Water and Sewer	$ 34,168,975	$ 0	$ 0	$ 34,168,975	$ 0

Distribution of Appropriations to the Operating Funds
FY10 Projected Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Operation Services Division - Parks and Community Services					
6101 Health	$ 159,350	$ 159,350	$ 0	$ 0	$ 0
6201 Parks Maintenance	2,728,590	2,412,848	315,742	0	0
6202 Oak Cemetery	267,060	267,060	0	0	0
6204 Community Centers	222,720	222,720	0	0	0
6205 Aquatics	219,100	219,100	0	0	0
6206 Riverfront	304,740	304,740	0	0	0
Total Parks and Community Services	$ 3,901,560	$ 3,585,818	$ 315,742	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 587,920	$ 0	$ 0	$ 0	$ 587,920
6302 Residential Collection	2,487,620	0	0	0	2,487,620
6303 Commercial Collection	1,207,180	0	0	0	1,207,180
6304 Fleet & Grounds Maintenance	1,161,060	0	0	0	1,161,060
6305 Sanitary Landfill	4,749,460	0	0	0	4,749,460
6306 Debt Service	1,103,170	0	0	0	1,103,170
6307 Roll-Off Collection	1,196,560	0	0	0	1,196,560
Total Sanitation	$ 12,492,970	$ 0	$ 0	$ 0	$ 12,492,970
Operation Services Division - Transit					
6550 Public Transit	$ 3,593,690	$ 3,593,690	$ 0	$ 0	$ 0
Total Operation Services Division	$ 60,251,605	$ 7,179,508	$ 6,410,152	$ 34,168,975	$ 12,492,970
Non-Departmental					
6600 Non-Departmental	$ 4,980,442	$ 2,765,692	$ 453,250	$ 468,250	$ 1,293,250
Total Appropriations	$ 111,338,857	$ 50,477,147	$ 7,578,863	$ 38,390,046	$ 14,892,801

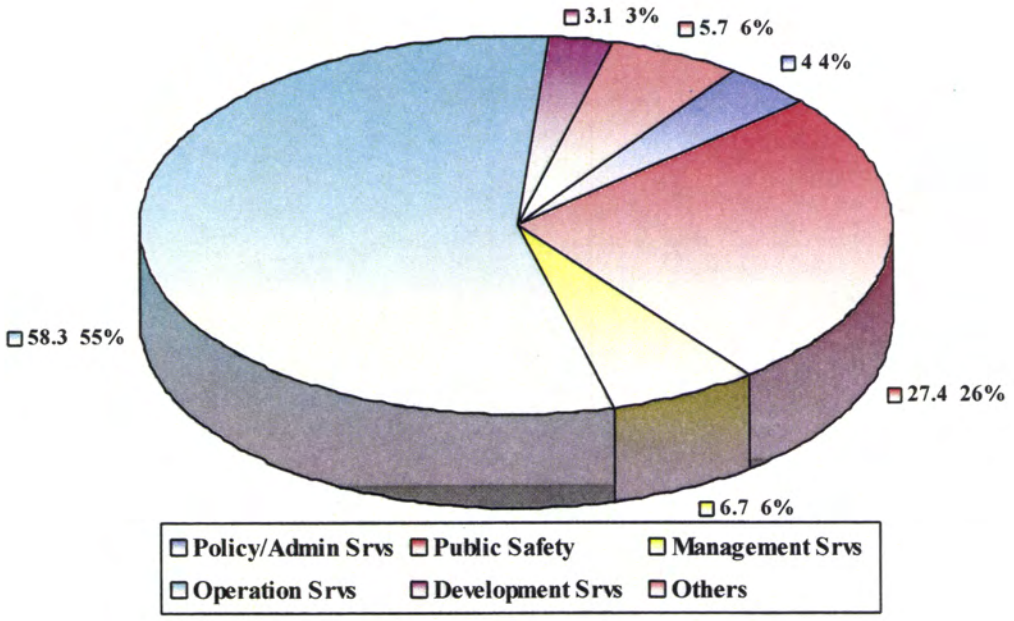
Combined Division Summary
Operating Funds

	Actual FY07	Amended Budget FY08	Estimated FY08	Budget FY09	Projected FY10
By Division Classification					
Policy and Administration Services	$ 3,483,169	$ 3,738,145	$ 3,489,778	$ 3,866,760	$ 4,212,660
Management Services	6,396,575	6,753,530	6,396,026	6,721,300	7,163,170
Development Services	2,786,895	2,992,300	2,893,838	3,146,000	3,359,500
Police Services	13,398,353	15,201,818	13,966,195	16,952,020	18,963,630
Fire Services	9,307,677	10,147,395	9,399,776	10,425,510	12,407,850
Operation Services	51,335,685	57,517,503	55,158,029	58,348,190	60,251,605
Non-Departmental	8,282,169	7,455,364	8,042,853	5,666,783	4,980,442
Budget Appropriations	**$ 94,990,523**	**$ 103,806,055**	**$ 99,346,495**	**$ 105,126,563**	**$ 111,338,857**

2009 Operating Budget

Appropriations by Division Classification

$105,126,563

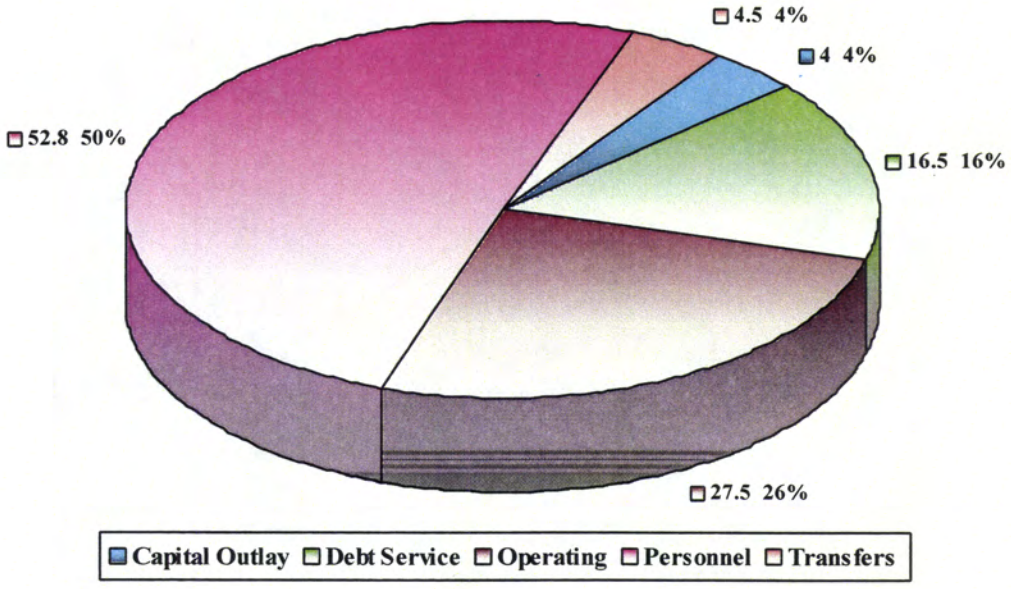


In Millions

Combined Division Summary
Operating Funds

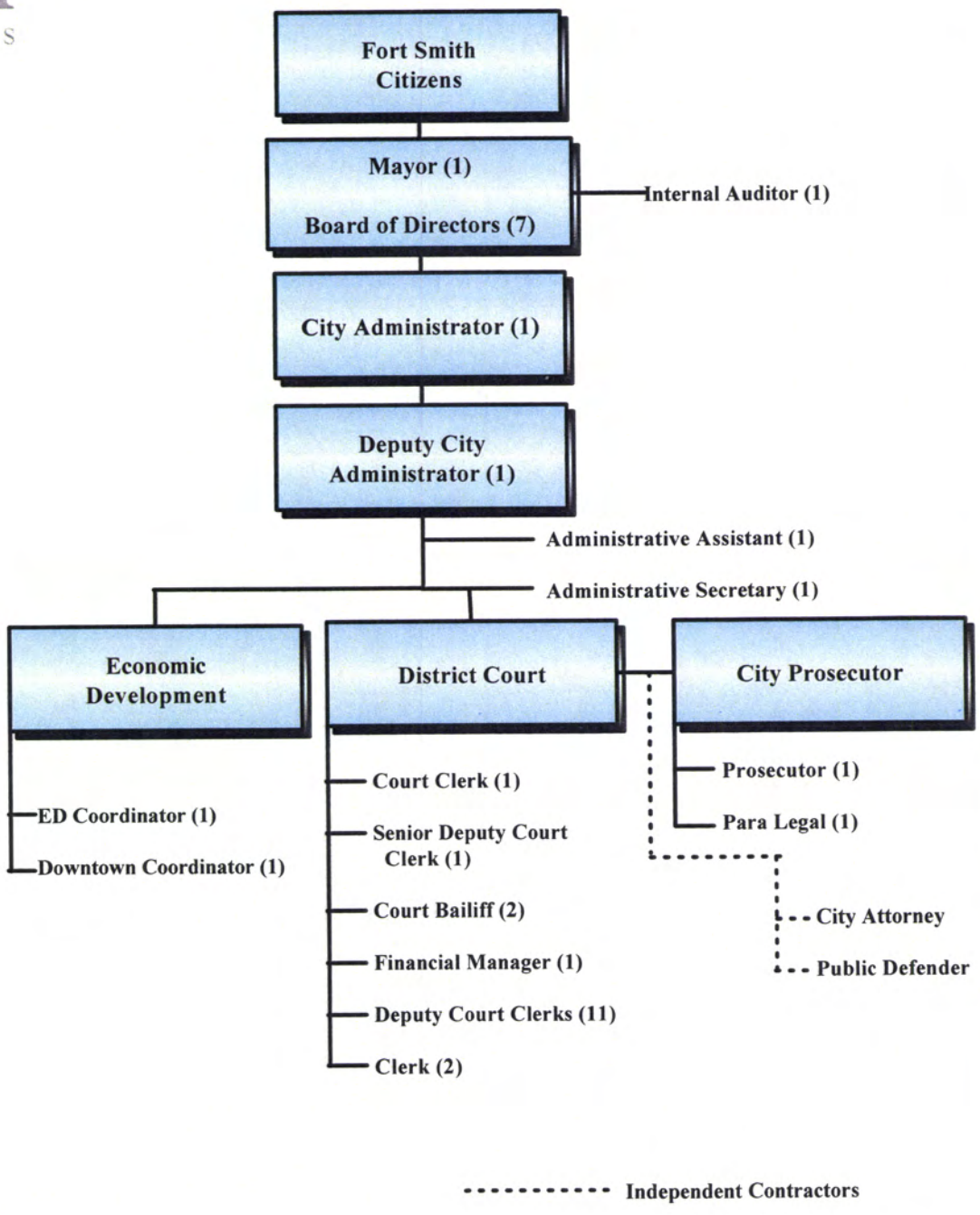
By Expenditure/Expense Classification	Actual FY07	Amended Budget FY08	Estimated FY08	Budget FY09	Projected FY10
Personnel	$ 46,834,913	$ 49,913,090	$ 47,753,377	$ 52,613,620	$ 55,541,920
Operating	24,386,797	28,124,293	24,666,375	27,530,359	30,895,517
Operating Budget	$ 71,221,710	$ 78,037,383	$ 72,419,752	$ 80,143,979	$ 86,437,437
Capital Outlay	4,452,090	4,561,586	3,507,156	3,984,560	5,264,980
Debt Service	14,656,025	16,568,710	16,833,546	16,522,210	16,102,025
Transfers	4,660,695	4,638,376	6,586,041	4,475,814	3,534,415
Budget Appropriations	$ 94,990,520	$ 103,806,055	$ 99,346,495	$ 105,126,563	$ 111,338,857

2009 Operating Budget
Appropriations by Expenditure/Expense Class
$105,126,563



In Millions

Policy and Administration Services



Purpose: To provide and exercise the City's policy-making leadership and to provide administrative, legal, and internal audit expertise to effectively manage the City government.

POLICY/ADMINISTRATION OVERVIEW:

Policy and Administration is comprised of four programs: 4100 Mayor, 4101 Board of Directors , 4102 City Administrator, and 4111 Economic Development. The Mayor serves the City in a leadership and public relations role. The Board of Directors sets policy for the City. The City Administrator manages the operations of the City. Economic Development is involved with developing economic opportunities for Fort Smith, including downtown development.

Budget FY09 is $23,875 or 1.4% less than the Budget FY08. The decrease is due to the elimination of one deputy city administrator position and offset by the 2.5% market adjustment, merit raises, and one-half of the funds needed for the 2nd Street parking lot acquisition and landscaping.

Major priorities planned for 2009 are those outlined in the Budget Message and highlighted as: restore step and merit pay increases; continue the "green initiatives"; continue economic growth and attract higher technological jobs to the region; improve the livability of neighborhoods; and strengthen citizen service and access to city government.

Total personnel for these programs is 14FTE for FY09 which is one less position than FY08.

POLICY & ADMINISTRATION	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 733,865	$ 764,160	$ 750,961	$ 681,730	$ 859,990
Operating Expenditures	539,196	889,925	771,340	864,480	939,050
Operating Budget	$ 1,273,061	$ 1,654,085	$ 1,522,301	$ 1,546,210	$ 1,799,040
Capital Outlay	0	0	0	84,000	0
Budget Appropriation	$ 1,273,061	$ 1,654,085	$ 1,522,301	$ 1,630,210	$ 1,799,040
Authorized Positions	15.00	15.00	15.00	14.00	14.00

In addition to the major priorities highlighted previously the following service objectives have been identified:

POLICY/ADMINISTRATION 2009 SERVICE OBJECTIVES

Mayor:

1. Continue to represent the City of Fort Smith at events occurring in the City and the surrounding areas.
2. Respond in a timely manner to citizen requests for service.
3. Continue to recognize individuals and groups who contribute to the City's progress and growth.
4. Continue to work in the following areas:

   Fort Smith Pride and Keep America Beautiful
   The Good Neighbors Program
   The Youth Volunteers Corps
   Recognition to Patriotic and Historical Events Activities Associated with the Visual and Performing Arts
   Multicultural Center and Programs
   Physical Fitness of the Citizens of Our Community
   Sister Cities Activities

Board and Administration:

1. Improve employee morale and retention by restoring step and merit pay increases and making salaries more competitive with other cities.
2. Continue the "green initiatives" including recycling efforts in all city offices and facilities; paperless communications with the Board, committees and citizens; and less energy consumption by the City.
3. Continue economic growth and develop strategies to attract higher technological jobs to the region.
4. Improve the livability of neighborhoods by enhancing infrastructure and enforcing new and existing neighborhood codes.
5. Continue efforts to strengthen citizen service and citizen access to city government.

Economic Development:

1. Develop and implement aggressive and innovative ideas for communicating with the public about economic development and quality of place related issues, in collaboration with community partners.
2. Act as a resource for other City of Fort Smith departments in proactively reaching out directly to citizens and through media outlets.
3. Direct Citizens Academy classes, scheduling, recruiting members, and communicating with alumni.
4. In collaboration with ITS, continue marketing the city's online presence.
5. Directly engage groups like the Young Emerging Leaders, Leadership Fort Smith, and civic groups to discuss Academies programs, communication initiatives, and economic development issues.

Downtown Development:

1. Continue to work with downtown property owners in the existing CBID as well as the expanded CBID areas to encourage the sale, lease and renovation of their properties. This includes working with the new downtown buisness owners during the permitting process and opening of their businesses in the District.
2. To provide additional development incentives, encourage and work on the State Historic Tax Credit Bill effort for the 2009 Arkansas General Assembly. In addition adding "growth center" language to the CBID current legislation and documents in order to follow additional legislative efforts for grant funding.
3. To increase business owner's revenue, aid the retention of current businesses, and recruit additional business to the district, create additional marketing opportunities to promote the downtown niche with corporate, businesses, retailers, restaurant and pub owners, residential living and downtown events to citizens on a regional and national level. Interstate 40 billboard campaigns will be budgeted for 2009. In addition, provide solid fresh information to the citizens through the downtown web and local advertising as well as support the new initiative of the Fort Smith 411 site with facts on our progress over the last four years.
4. Support the private investors and developers and to raise the bar of appropriate renovations, revise the current design guidelines and maintenance codes for the Garrison Avenue Historic District. Additionally, create a design guideline for the expanded areas of the CBID.
5. Encourage crowds of people to the downtown area as an economic engine, and plan for at least three large scale events in downtown creating additional positive economic impacts on the business in the District. In addition, support and promote the Riverfront Bluesfest and Farmers Market which as mentioned in the TIP report, all provide quality of place for citizens of Fort Smith and the region and to retain and attract tourists and new businesses to the area.
6. Provide a more citizen and tourist friendly environment in downtown, work in partnership with the Parking Authority, City of Fort Smith, and the CBID to develop a plan to improve the parking, public transit, public art and work to seek funding for additional street scape along Garrison, including Towson, and the north/south side streets in the district.

ECONOMIC DEVELOPMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Continue expansion of the Citizens Academy concept by engaging citizens in active experiences about their municipal government.*

   Outcome: 15 citizens graduated from the academy in spring 2008. Recruiting for autumn 2008 is in progress. Nearly 40 applications for all three academies are currently in hand, with many referrals coming from graduates.

2. ***Service Objective:*** *Collaborate with the FSPD, FSFD, and ITS to create user friendly method of applying for any of the three citizens academies using just one application and to create a database of alumni.*

   Outcome: Our office coordinates processing of applications, compiles a database and distributes applications and spreadsheets to the FSPD and FSFD. Work continues on customized web-based software development. Other departments use citizens academy forums for input about issues and our email/mailing list is used to keep alumni informed.

3. ***Service Objective:*** *Proactively communicate with local news organizations about city business in ways that are convenient, concise, and beneficial to members of the media.*

   Outcome: Timely and/or noteworthy items of interest are regularly pitched to media outlets.

4. ***Service Objective:*** *In collaboration with ITS, market the city's online presence.*

   Outcome: Targeting 3 powerful GIS applications: Citizens Compass, commercial property locator, and Request Partner, we regularly post links and explanations to locally oriented online forums and send reminders/updates as part of our regular communications with citizens academy classes and alumni.

5. ***Service Objective:*** *Strengthen our relationship with IEC to provide resources for the programs visibility.*

   Outcome: IEC's monitoring and peer program currently exceeds the capacity of the executive director. More than 400 clients are on the books.

DOWNTOWN DEVELOPMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Work the Downtown property owners to encourage the renovation, leasing or sale of empty buildings. Create a system in partnership with the Preserve America Program to provide information on vacant properties through a web based search for potential outside investors.*

   Outcome: To date, we have had 10 businesses locate to Downtown, 7 new renovation projects on Historic buildings, and so far, 3 properties have been sold. Currently 1 demolition project of a dilapidated building is underway. An existing contract on a large parcel of property has not been counted as of yet. The Go Downtown web site has been upgraded and is now ready to list and provide photos of properties for sale and lease. The Preserve America selected buildings are up for survey in the next 2 weeks.

2. ***Service Objective:*** *Plan for additional blocks of the Street Scape program within the CBID to follow and/or encourage private investment.*

   Outcome: To date 4.5 additional blocks of streetscape have been completed or will be completd by year end. This includes the 300-400 block on Garrison, 800-900 blocks along Garrison and also the 9th street project from Garrision to Rogers. At this time, we are very close to achieving the expansion area and then work will also be planned for Towson.

3. ***Service Objective:*** *Research opportunities to enhance the Garrison Avenue Bridge entryway from I40 to Downtown Fort Smith with creative lighting on the bridge. Develop a "wow" effect for tourists and citizens alike.*

   Outcome: Discussion began with OG&E on evaluating costs of several different options. Due to current budget constraints, we will continue to gain support from the private sector. The 1950's ferris wheel at the Park at West End has become the icon for advertising campaigns on a regional level. We have encouraged the Park at West End new managers to keep the park open more regularly and allow the ferris wheel to spin frequently creating the wow effect as you come over the bridge. As more funding becomes available, other options for the bridge will be discussed.

4. ***Service Objective:*** *Continue to develop an educational program for downtown business owners and include local non-profits from the District to teach new and innovative ways of building their customer base on a regional level.*

   Outcome: At this time, we are still working with IEC and Main Street Arkansas to determine the best fit for our training programs. Due to the expansion efforts we have contacted all the property owners in the new expanded district and discussed ways to improve their business, how to market the building for sale, and renovation opportunities.

5. ***Service Objective:*** *Create an advertising program which will market the Downtown area on a regional level. This should include the web, informational brochures and outdoor advertising along I40 approximately 30 miles out. We should also look at a televison campaign within a four state area.*

   Outcome: To date, we have completed a three month campaign with eFortSmith as well as used the Times Record and their new insert "Life in Sebastian County". Research is currently being done on outdoor advertising as well as television. The web has been completely revamped and is receiving over 50% of its traffic from the top search engines of Google, Yahoo, and AOL. The brochures are being distributed at over 300 per month at various retailers, restaurants, and hotels.

6. ***Service Objective:*** *In partnership with the Parking Authority, CBID and various City departments, create a development plan for the downtown area to enhance parking options for additional space to be utilized by downtown events, parks and merchants as well as the new Downtown Transit Trolley.*

   Outcome: We are currently working on a project to increase parking in the area of 10th and Garrison on a small scale. In addition, an option of property available for sale is being discussed by the CBID for purchase, demolition and parking lot finish out in the 2nd street and B area. This would benefit the Glass Pavilion, downtown events, area businesses and the West End Loft residents. Additional areas for parking are being discussed by the Parking Authority.

7. ***Service Objective:*** *Continue to market the Downtown Transit Trolley by adding Trolley Stop signs as well as "You are Here" signs to help move citizens throughout the district.*

   Outcome: The "You are Here" signs have been researched and were found to be too costly. The Downtown brochures and and the Trolley brochures are working well. Currently the Downtown Trolley has one of the largest ridership numbers. It is currently an on call service that may move into a fixed route serving the downtown area including the expansion up Towson to Dodson.

8. ***Service Objective:*** *Plan for at least 2 large scale events in the downtown area to encourage crowds of people to the district which will create additional business for the local merchants and business owners.*

   Outcome: Two downtown events were added this year, the Harley Rally and Ricky Scaggs. Including Bluesfest weekend, and the 4th of July event, these were definitely economic engines for many of our downtown businesses. Many have reported triple days, "best weekend since we have been open", are some of the positive comments. Also questions like "what's next on the event schedule" have been routine among the property and business owners. We are also working with the downtown restaurant owners to encourage and assist on additional smaller scaled events held offsite, either on City parking lots or on the downtown city parks.

9. ***Service Objective:*** *Continue to build the downtown Farmer's Market. Research different types of permanent open shelters for the 2nd and Garrison parking lot to be used to enhance the market and other outdoor downtown events.*

   Outcome: To date we are just now hitting the peak season for the Farmer's Market on 2nd and Garrison. The crowds have doubled in size and we have more regional vendors. A pea sheller has been purchased to benefit the market and additional recyclable brown bags are being used. The open shelters are still being researched but if installed, would allow for parking and also additional shade for events and the market. Budget constraints will determine the outcome of when these can be installed.

LEGAL DEPARTMENT OVERVIEW:

The Legal Department contains five programs: 4201 District Court, 4202 Prosecutor, 4203 Public Defender, 4204 City Attorney and 4206 District Court-State Division. The District Court is responsible for the adjudication of all traffic, criminal and civil cases filed in the City. Additionally, a clerk provides services for state division cases for Sebastian County. The City staffs its own prosecutor's office with a Prosecutor and a paralegal. Prosecution services were formerly provided by a local law firm.

City Attorney services are provided by a local firm selected through the professional services review. The Public Defender is accounted for by Sebastian County and the funding provided in the 2009 Budget represents the City's share of costs for the year.

The 2009 Budget is $148,600 or 7.5% more than the 2008 Budget. The increase is due to the planned pay increases.

Total Legal Department personnel total 20FTE which is equivalent to the prior year.

LEGAL DEPARTMENT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 1,696,468	$ 1,608,910	$ 1,576,030	$ 1,758,210	$ 1,888,630
Operating Expenditures	472,833	365,400	288,176	364,700	404,290
Operating Budget	$ 2,169,301	$ 1,974,310	$ 1,864,206	$ 2,122,910	$ 2,292,920
Capital Outlay	7,564	0	0	0	0
Budget Appropriation	$ 2,176,865	$ 1,974,310	$ 1,864,206	$ 2,122,910	$ 2,292,920
Authorized Positions	20.00	20.00	20.00	20.00	21.00

LEGAL DEPARTMENT 2009 SERVICE OBJECTIVES

District Court:

1. Cross training of court's support personnel to ensure efficient and high quality service to patrons of the court. The court will continue to emphasize education and the development of the Court's personnel in areas of procedure, professional skills and statutory basis for the Court's operations. The Court will also work toward certification through state training and the Arkansas City and District Court Clerk's Association.
2. Court will increase revenue by: use of a collection service to collect outstanding delinquent balances, cooperative efforts with the Police and Sheriff's Departments to increase number of contempt warrants being served, placing holds on income tax refunds to be applied to balances due to the Court and withholding from Prisoner Inmate Commissary Accounts to be applied to balances due to the Court.
3. Work toward completion of the Court's Procedural Manual. Task descriptions will serve as a standardized guide of court procedures. The task descriptions will provide a detailed description and explanation of each task performed by all deputy clerk positions to provide procedural consistency and to aid with the training of court staff. The drafting of the task descriptions portion of the manual is expected to continue through 2010.
4. Increase technology and automation by use of the City's electronic imaging system, creating an automated forfeiture system, modify the collection receipt program to exempt Court from maintaining duplicate copies of receipts, upgrade drivers license suspension program; create a check writing program to expedite preparation of restitution child support and refund payments; enhance the visual appearance of the Court's web site. Implement the use of a smart board to allow evidence to be seen by all parties involved in the case, as well as arrest/booking videos. This will also allow the City to permanently store and print drawings presented during the trial, such as accident scenes, etc.

5. Improve services by restructuring the court's operating systems as allowed by the new courts facility, reorganize job duty assignments, establish a courtroom in the detention center, adjust judicial schedules to accommodate a third judge, prepare for the establishment of an "environmental court" if necessary to accommodate the city-wide efforts of Neighborhood Services, and implement a records retention schedule for the court staff to ensure all documents are scanned in a timely manner.

City Prosecutor:

1. To introduce and establish a pre-trial appearance date for defendants and defense attorneys.
2. Computerize the tracking system for all appeals and the court dispositions.
3. Aid Neighborhood Services and other City offices in the filing of charges and the writing of ordinances.
4. Teaching and assist law enforcement.

DISTRICT COURT
2008 SERVICE OBJECTIVE AND OUTCOMES

1. ***Service Objective:*** *Continue cross training of the Courts support personnel.*

   Outcome: Two of the deputy clerk I's have been cross trained in all four of the Deputy 1 positions. Four Deputy Clerk II's have been trained in four of the Court's core positions. One file clerk has been trained in both file clerk positions.

2. ***Service Objective:*** *The Court will increase revenue by: use of a collection agency, efforts with the Police Department, withholding funds from state income tax refunds, withholding from prisoner commissary accounts.*

   Outcome: Through the first six months of the year, $312,869 fines/costs were referred to a collection agency. $86,557 has been collected with $12,258 in commissions being paid to the agency. This program has generated $729,374 since the program began in 2003. Through June, a total of 4,196 warrants were issued with 2,950 of those warrants being served by law enforcement or satisfied payment to District Court. Through June, $18,246 has been collected through the tax intercept program, with a total of $49,790 having been collected since the 2004 inception. Through June, $7,645 has been withheld from prisoner commissary accounts. A total of $35,875 has been collected since the 2005 inception.

3. ***Service Objective:*** *Work toward the completion of the task descriptions for each task performed by a Deputy Clerk.*

   Outcome: Task descriptions have been written for FOI requests, appeal procedures, and expungement procedures. The offense code listings were updated to create consistency between the city and state divisions of the court. A procedure for the Arkansas Residential Tenant Act was written by this court and shared with the Administrative Office of the courts and all district courts in Arkansas.

4. ***Service Objective:*** *Increase court technology and automation.*

   Outcome: As of March, the courts computerized records are available to the public on the courts website. Electronic document imaging system is set up and scanning was started in July 2008. Imaged documents are available for public access as of July. An online payment program was found to be cost prohibitive, so this project has been placed on hold until legislation allows transaction fees to be charged to the defendant. Payment plan schedules and community service assignment forms were completed in April, payment receipts were completed in May and counseling letters and after court editing reports were completed in June.

CITY PROSECUTOR
2008 SERVICE OBJECTIVE AND OUTCOMES

1. ***Service Objective:*** *Prosecution of City cases.*

   Outcome: Goal accomplished, with staff hired.

2. ***Service Objective:*** *Tracking system for all appeals and the court disposition.*

   Outcome: System was put in place to follow appeals and track them until the judgement is satifisfied.

3. ***Service Objective:*** *Aid Neighborhood Services and other City offices in the filing of charges.*

   Outcome: We have the Criminal Summons Affidavit on the computer available for City departments. Our office aided in writing new ordinances for City officials.

4. ***Service Objective:*** Teaching and assisting law enforcement.

   Outcome: Taught classes for officer certification, attended meetings to aid officers in landlord issues and pawn shop issues. Assisted officers with questions concerning statutes and case law.

DISTRICT COURT
SERVICE MEASURES/PERFORMANCE INDICATORS
FOR 2009

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Criminal Cases Filed	15,422	181,000	16,350	16,500
Traffic Cases Filed	22,973	22,500	26,140	26,500
Civil Cases Filed	1,189	1,400	1,700	1,900
Small Claims Cases Filed	390	400	370	400
Warrants Issued	8,335	9,000	8,400	9,000
Fine/Costs/Fees Assessed **	$ 5,098,633	$ 5,348,890	$ 5,495,460	$ 5,309,300
Community Service Participants	1,389	1,905	1,430	1,600

WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Criminal Cases Disposed	12,503	14,500	14,000	14,000
Traffic Cases Disposed	19,206	19,500	22,760	22,500
Civil Judgments Issued	1,599	1,650	1,250	1,400
Small Claims Judgments Issued	276	300	270	270
Warrants Disposed	5,983	6,500	5,950	5,900
Fine/Costs/Fees Collected	$ 4,121,462	$ 4,202,400	$ 4,521,070	$ 4,266,870
City's General Fund Share of Collections	$ 1,998,448	$ 1,846,100	$ 1,871,470	$ 1,934,960
8 Hr. Days- Community Svc.Labor	11,766	12,000	11,000	11,800
Labor Equivalent to FTE's.	45	46	42	45
Monetary Equivalent of Labor	$ 764,789	$ 780,000	$ 720,500	$ 770,000

** Figures based on calculations by Finance using prior three years figures.

REVENUE TO CITY AFTER EXPENSES

	ACTUAL FY05	ACTUAL FY06	ACTUAL FY07
City's Share of Revenue	$ 2,064,231	$ 2,005,735	$ 1,998,448
City's Share of Court's Expenses	$ 778,728	$ 894,504	$ 1,068,244
City's Actual Revenue	$ 1,285,503	$ 1,111,231	$ 930,204
Revenue Combined with Labor from the Community Service Program	$ 2,082,772	$ 1,881,330	$ 1,694,993

INTERNAL AUDIT OVERVIEW:

The purpose of this program is to review internal control procedures, assist with the annual external audit examination and provide performance audits of various procedures and departments.

The FY09 Budget is $3,890 or 3.5% more than the FY08 Budget. The increase is related to the wage adjustments.

INTERNAL AUDIT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 87,281	$ 88,300	$ 90,905	$ 94,870	$ 98,930
Operating Expenditures	6,020	21,450	12,364	18,770	21,770
Operating Budget	$ 93,301	$ 109,750	$ 103,269	$ 113,640	$ 120,700
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 93,301	$ 109,750	$ 103,269	$ 113,640	$ 120,700
Authorized Positions	1.00	1.00	1.00	1.00	1.00

INTERNAL AUDIT 2009 SERVICE OBJECTIVES

1. Assist departments with required audit procedures for outside regulating entities.
2. Perform cash and payroll audits as well as special projects as considered necessary for management and the Board of Directors.
3. Perform performance audits as considered necessary.
4. Continue to provide an independent perspective, objective assurance and available consulting activity designed to add value and improve the City's operations.
5. Aid the City to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

INTERNAL AUDIT 2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** Perform audits based on risk assessments performed during 2007.

   Outcome: Risk assessment performed during 2007 did not present obvious areas of high risk upon which performance audits were necessary.

2. ***Service Objective:*** Produce an audit committee charter along with a code of ethics for the City.

   Outcome: To be completed prior to the end of 2008.

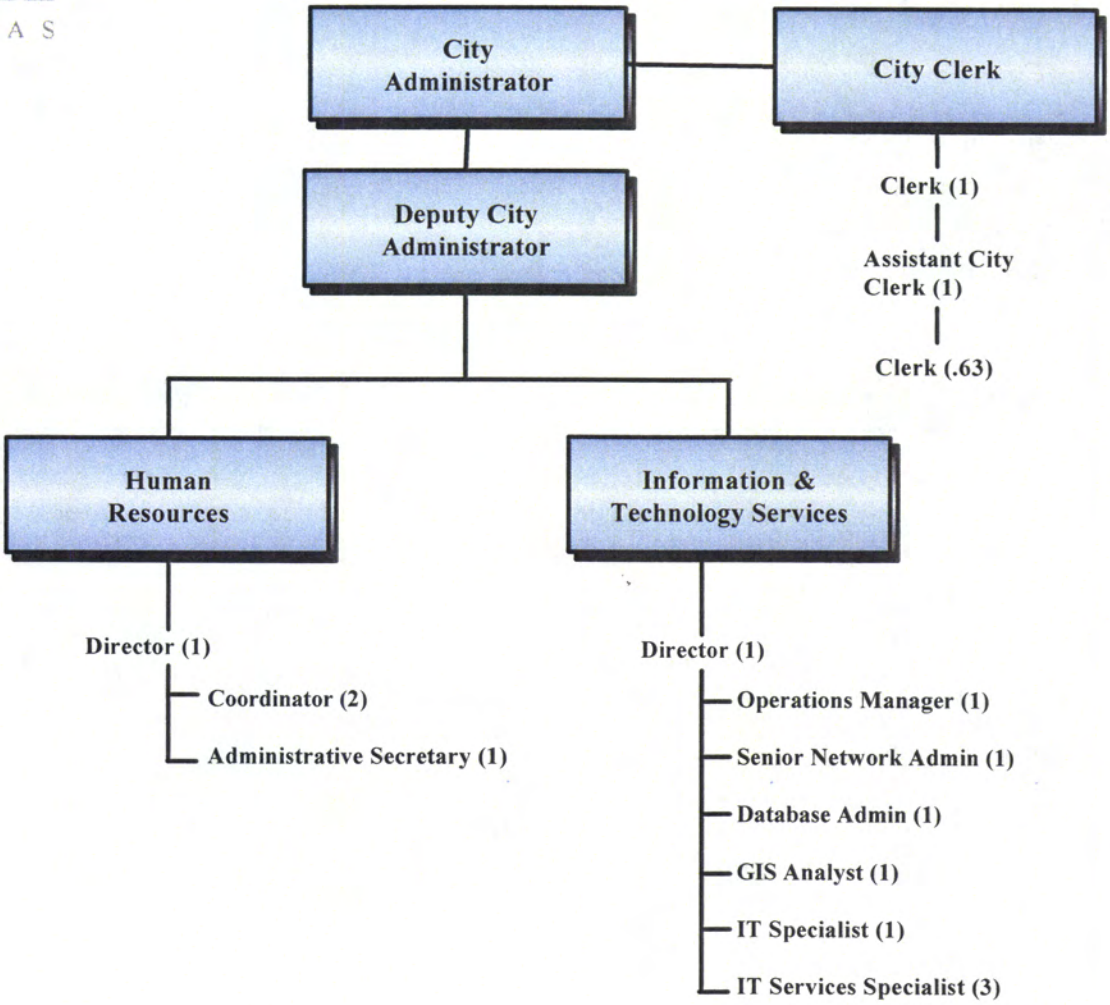
3. ***Service Objective:*** Assist departments with required audit procedures for outside entities.

   Outcome: Goal achieved- this is on going.

4. ***Service Objective:*** Perform cash and payroll audits as well as special projects considered necessary for management and Board of Directors.

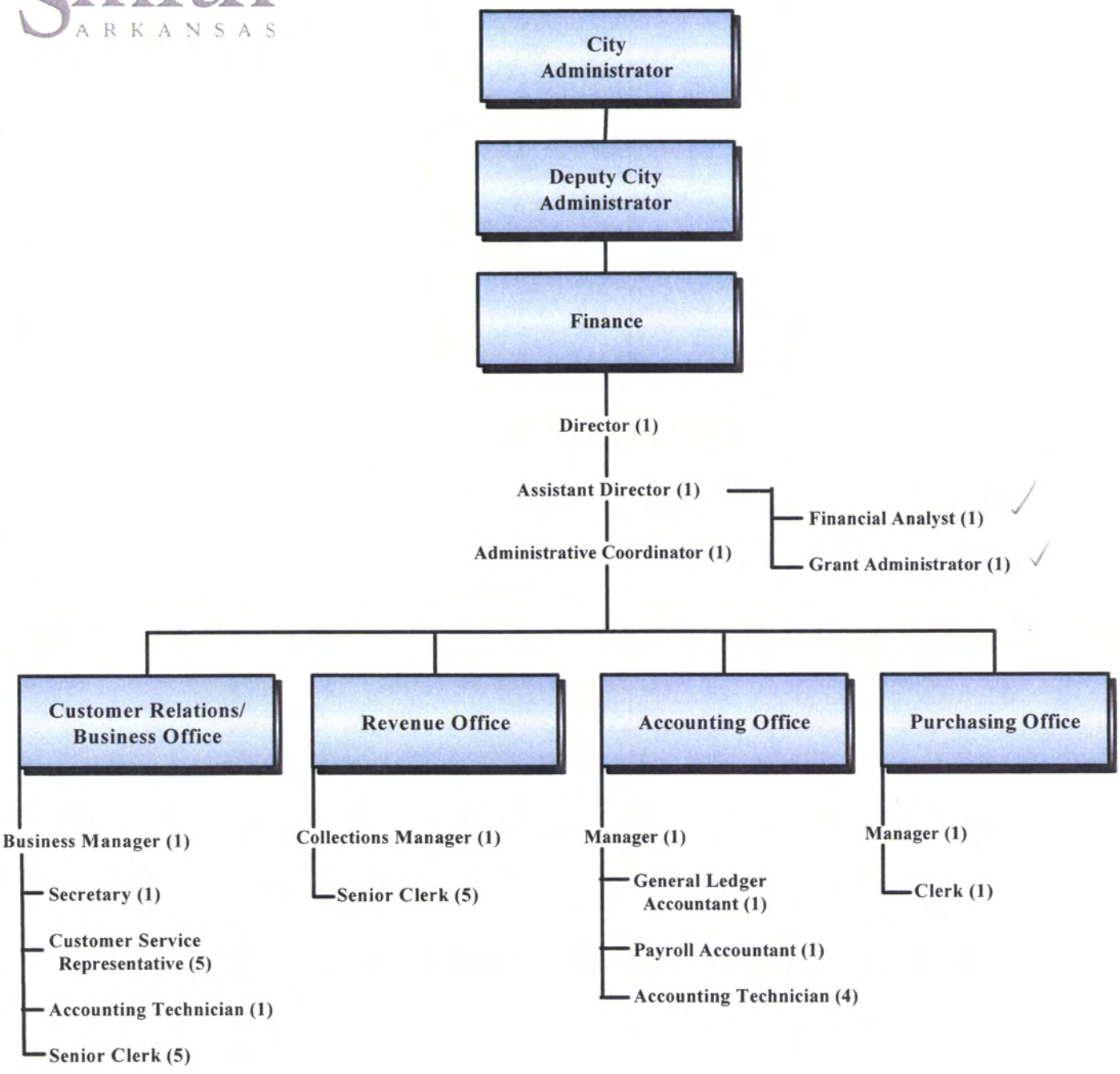
   Outcome: Goal achieved, this is on going. Special projects are requiring a large part of the internal audit staff's time.

Management Services



Purpose: To provide and exercise the administrative expertise necessary to support the service delivery and decision making activities for City operations.

Management Services



Purpose: To provide and exercise the administrative expertise necessary to support the service delivery and decision making activities for City operations.

HUMAN RESOURCES OVERVIEW:

The Human Resources department processes personnel applications; manages the employee insurance and workers' compensation benefit plans and risk management programs; manages and provides training and safety programs; and coordinates civil service policy and administration.

The FY09 Budget is $30,140 or 5.6% less than the FY08 Budget. The decrease is due to the completion of the time and attendance project. The decrease is offset by the additional salary costs for planned pay adjustments.

Total Human Resource Department personnel is 4.0FTE. There is no change in the level of positions for 2009.

HUMAN RESOURCES	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 358,347	$ 368,420	$ 387,904	$ 400,110	$ 417,170
Operating Expenditures	118,301	172,580	157,526	110,750	109,000
Operating Budget	$ 476,648	$ 541,000	$ 545,430	$ 510,860	$ 526,170
Capital Outlay	0	0	30,000	0	0
Budget Appropriation	$ 476,648	$ 541,000	$ 575,430	$ 510,860	$ 526,170
Authorized Positions	4.00	4.00	4.00	4.00	4.00

HUMAN RESOURCES DEPARTMENT 2009 SERVICE OBJECTIVES

1. Maintain and administer a fair and competitive wage and compensation system.
2. Update and revise employee policies and procedures manual.
3. Manage the medical insurance benefit program to provide quality health care at an affordable cost to City employees and their families.
4. Continue to manage a cost effective workers' compensation program.
5. Review the possible alternatives for implementing an electronic performance appraisal system.
6. Work with IT to set up an intranet for city employees.

HUMAN RESOURCES
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Maintain and administer a fair and competitive wage and compensation system.*

   Outcome: This is an on going process. Based on our annual salary survey, the City is very competitive with our peers.

2. ***Service Objective:*** *Update and revise employee policies and procedures manual.*

   Outcome: This is an on going process. The revised handbook is in the beginning stages.

3. ***Service Objective:*** *Manage the medical insurance benefit program to provide quality healthcare at an affordable fair cost to the City's employees and families.*

   Outcome: This is an on going process. Based on our 2008 projection for cost, we are on budget.

4. ***Service Objective:*** *Review the possible alternatives for implementing an electronic time and attendance system.*

   Outcome: The selection of a system and implementation is complete.

5. ***Service Objective:*** Review the possibility for implementing an electronic performance *appraisal system.*

   Outcome: This was placed on hold for 2008.

HUMAN RESOURCES
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Employees governed by personnel policies and procedures	901.16	899.16	899.16	898.16
Civil Service Commission Meetings	6	6	8	6
Civil Service applicant tests administered	6	6	9	6

CITY CLERK DEPARTMENT OVERVIEW:

The City Clerk office maintains all official records of the city; responds to citizen requests; receives candidate and initiative petitions and coordinates city elections; coordinates the agenda process for the Board of Directors meetingsd and records the proceedings of said meetings; provides assistance to departments in researching state laws provides guidance to departments in drafting of resolutions and ordinances; codifies and publishes city ordinances oversees operation of the city's cable access channel to keep citizens informed on local government servives and community events; performs other duties/responsibilities as directed by the City Administrator, Mayor and Board of Directors. The primary purpose of this department is to 1) deliver quality essential services in a cost effective, timely manner and 2) help make City government more accessible by keeping citizens better informed of the effectivness of City services.

The FY09 Budget is $7,950 or 2.3% more than FY08 Budget. The increase is attributable to the salary adjustments.

The department continues with 2.63FTE positions during 2009.

CITY CLERK	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 167,869	$ 185,900	$ 189,255	$ 236,450	$ 217,210
Operating Expenditures	78,961	153,050	91,603	110,450	156,900
Operating Budget	$ 246,830	$ 338,950	$ 280,858	$ 346,900	$ 374,110
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 246,830	$ 338,950	$ 280,858	$ 346,900	$ 374,110
Authorized Positions	2.63	2.63	2.63	2.63	2.63

CITY CLERK 2009 SERVICE OBJECTIVES

1. Provide diverse administrative services to support the public, Mayor, Board of Directors, Administration, and staff.
2. Provide prompt processing of official documents, legal publications, codification of ordinances.
3. Provide up to date information on department's web page.
4. In cooperation with the City's "green initiative", the number of manual packets prepared weekly for the Board of Directors meetings will be significantly reduced as well as other documents that are accessible online.
5. Provide training opportunities to staff to continually increase knowledge and skill for benefit of staff and citizen customers.
6. Expand programming on Government Access Channel 5.

CITY CLERK
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Provide diverse administrative services to support the public, Mayor, Board of Directors, Administration, and staff.*

   Outcome: Staff is accessible at all times.

2. ***Service Objective:*** *Provide prompt processing of official documents, legal publications, codification of ordinances.*

   Outcome: All resolutions and ordinances are presented to the Mayor for signature within 24 hours, of the meeting at which they were adopted, and any agreements or contracts for the Mayor's signature may be presented on a daily basis as such are received from respective department.

3. ***Service Objective:*** *Provide up to date information on department's web page.*

   Outcome: Packet information for the Board meetings, including agendas, staff briefings, minutes, meeting summary, and audio recording of all regular meetings are made available on website by the City Clerk's office. Information and services regarding the City Clerk's office and staff bios are also available on the web-site.

4. ***Service Objective:*** *Conduct 2008 municipal elections in compliance with city and state codes.*

Outcome: A special election to elect City Directors in Wards 1 and 2, and a primary election was held to elect a director for Ward 3.

5. ***Service Objective:*** Provide informative programming on City Access Channel 5.

Outcome: An average of 100 announcements air continually providing information on City services and events, and promoting the events of community organizations. The following videos have aired during the year: Fort Smith Administrative & Legislative Process, City of Good Neighbors, and The Greater Fort Smith Region.

CITY CLERK
2008 PERFORMANCE MEASURE STATISTICS

Ordinances published within two weeks of adoption by the Board of Directors.	100%
Draft minutes of Board of Directors meetings prepared within four (4) days.	100%
Meeting Agenda packets available to City officials within 4 days of meeting	100%
Meeting agenda packets and audio recordings posted on website	100%
Response to FOIA requests within 3 days	100%
Response to citizen requests within 3 days	100%
Government Access Channel 5 announcements received/airing	100%
Municipal Code of Ordinances semiannual updates	100%
Documet imaging of records (a daily process)	100%
Updated 12 minute video entitled, "Fort Smith's Administrative & Legislative Process"	100%
Issuance of Oak Cemetery Deeds (12 issued as of 7/31/08)	100%

CITY CLERK
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Sets of Board Minutes approved as written	30	35	35	32
Code of Ordinances Updates	2	2	2	2
Government Channel Announcements (average per week)	100	100	100	120
Document Imaging (average documents per week)	500	600	600	700

CITY CLERK
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Board Meetings attended (voting sessions)	30	35	35	35
Agendas prepared	46	50	50	50
Ordinances and Resolutions Adopted	314	320	320	320
Minutes Prepared	30	35	35	35
Action Center Contacts	1,700	1,800	1,850	1,850
Coordinate Elections	2	3	2	2
Permanent Records Retention	29,000	30,000	31,000	32,000
Government Channel Announcements	200	250	250	300
Staff Hours for Government Channel Productions	1,040	1,040	1,040	1,040
* Government Channel Total Cablecast Hours	8,760	8,760	8,760	8,760

* Provided free service as part of the franchise agreement with the TV Cable Company (currently Cox Communications Inc.). The cablecast hours indicate 24 hours per day, 365 days a year.

FINANCE DEPARTMENT OVERVIEW:

The Finance Department contains five programs: 4301 Finance Administration, 4303 Collections, 4304 Utility Billing/ Customer Service, 4306 Purchasing and 6921 Parking Facilities (operations only). The Finance Department provide support services to the entire organization, including: budget compilation, development, and monitoring; grant and intergovernmental revenue administration; business registration administration; alcoholic beverage tax and fee billing collection and monitoring; property and equipment risk management and loss control; banking relations; investments of funds on hand; debt service analysis and bond payments; utility billing and related customer service; purchasing management; parking facilities operations; and, financial reporting.

The FY09 Budget is $263,541 or 6.1% less than FY08 Budget. The difference is due to the parking deck repairs made in FY08 and no such capital costs of that magnitude for FY09. The decrease is offset by the salary adjustments for FY09.

Total FY09 Finance Department personnel is 33FTE which is consistent with the FY08 level.

FINANCE	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 1,986,819	$ 2,052,650	$ 2,069,292	$ 2,202,610	$ 2,305,350
Operating Expenditures	1,700,165	1,890,861	1,807,402	1,810,040	2,023,330
Operating Budget	$ 3,686,984	$ 3,943,511	$ 3,876,694	$ 4,012,650	$ 4,328,680
Capital Outlay	38,140	351,680	208,446	19,000	19,000
Budget Appropriation	$ 3,725,124	$ 4,295,191	$ 4,085,140	$ 4,031,650	$ 4,347,680
Authorized Positions	33.00	33.00	33.00	33.00	33.00

FINANCE DEPARTMENT 2009 SERVICE OBJECTIVES

1. Review all financial systems for needed enhancements and intergrate more automated processing for departmental financial interaction.
2. Coordinate and assess plans implemented to address the City's major risks as identified in the August 2007 risk assessment program. The fifth through eighth risks will be reviewed and plans for implementation will be made during 2009.
3. Continue training the management team about fiduciary responsibiliies and their role in internal controls. Extend the training to all personnel and coordinate with Human Resources a method to introduce the code of business conduct policy and fraud policy to all employees.
4. Monitor the online payment procedures for effectiveness and implement enhanced attributes as available.
5. Implement an electronic format for the 2010 budget process including departmental worksheets.
6. Update all financial processes and internal controls in accordance with the planned COSO model adapted for the City.

FINANCE DEPARTMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *In cooperation with the Planning and Utilities departments, implement a streamlined application process and subsequent permit and license review for water and sewer taps, building permits, and business registrations.*

   Outcome: The preliminary efforts to work with the Planning department to streamline the building permits process began during FY08. Adjustments to current computer systems will be implemented during FY09 to meet this goal.

2. ***Service Objective:*** *Coordinate and assess plans implemented to address the City's major risks as identified during the August 2007 risk assessment program.*

   Outcome: This objective has been placed on hold until the City Administrator wants to review and continue the process.

3. ***Service Objective:*** *Introduce a plan for training the management team about fraud and the value of the code of business conduct and an ethics program.*

   Outcome: Fiduciary training sessions were conducted on August 27, 2008 for the executive management team and for August 28, 2008 for additional management personnel.

4. ***Service Objective:*** Monitor the online payment procedures for effectiveness and implement *enhanced attributes as available.*

   Outcome: The security system for the online payment process has been enhanced during 2008. The monitoring of the system is an ongoing process.

5. ***Service Objective:*** *Revise the purchasing policies to meet actual procedures followed and strengthen the purchasing policies regarding related vendor involvement with equipment specifications.*

   Outcome: Preliminary work was begun earlier this year but the actual revisions have not been implemented. It is expected that this objective may be met by the end of the third quarter of 2009.

6. ***Service Objective:*** *Coordinate efforts of the committee formed to propose a new results-oriented model for outside agency funding with the 2009 Budget process.*

   Outcome: Finance personnel are currently working with the Economic Development Coordinator to implement this model for the 2010 budget process.

FINANCE DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
CAFR Prepared	1	1	1	1
Budgets Prepared	1	1	1	1
City's Bond Rating-				
Revenue	A-	A-	A	A
Sales Tax	AA-	AA-	AA	AA
Bond Issues	8	10	12	12
Debt Management	$262M	$300M	$359M	$375M
Interim Reports	148	160	160	160
Investments Managed	$177M	$200M	$205M	$195M
Funds Maintained	35	34	34	34
Bank Accounts Managed	10	10	10	10
Revenue/Exp Accounts	3,495	4,560	4,657	5,670
A/P Checks Issued	13,900	14,000	13,500	14,000
1099 Forms Issued	227	220	200	220
Purchase Orders	1,582	1,700	1,512	2,088
Formal Bids Awarded	62	40	46	52
Payroll Checks Issued	6,976	6,303	6,378	1,000
Payroll Direct Deposits	16,428	17,175	17,004	22,671
W-2 Forms Issued	1,035	1,050	1,040	1,060
401(a) Loans Processed	115	170	150	170
Utility Accounts Billed/Month	32,138	32,500	32,500	32,590
Utility Deposits	4,500	4,500	4,800	4,800
Utility Payments	362,000	362,000	362,500	362,500
License Registration	5,282	5,460	5,479	5,620
Alcohol Licenses	231	242	239	249
Value of Fixed Assets	$439M	$500M	$485M	$500M

INFORMATION AND TECHNOLOGY SERVICES (ITS) DEPARTMENT OVERVIEW:

The ITS Department provides network computer services and support to the City departments. ITS also maintains the City's GIS system.

The FY09 Budget is $166,460 or 8.1% less than FY08 Budget. The decrease is due to reducing costs associated with using consultants to assist with computer needs, a reduction in computer equipment replacements for the City, and an overall decrease in many of the operating accounts. ITS was again very helpful in reducing their budget for FY09.

The ITS Department continues with 9.0FTE.

INFORMATION & TECHNOLOGY/GIS	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 646,506	$ 683,490	$ 677,729	$ 715,790	$ 800,890
Operating Expenditures	1,425,484	1,378,880	1,154,522	1,180,120	1,316,790
Operating Budget	$ 2,071,990	$ 2,062,370	$ 1,832,251	$ 1,895,910	$ 2,117,680
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 2,071,990	$ 2,062,370	$ 1,832,251	$ 1,895,910	$ 2,117,680
Authorized Positions	9	9	9	9	9

INFORMATION & TECHNOLOGY DEPARTMENT 2009 SERVICE OBJECTIVES

1. Provide timely and effective support of personal computers, related peripherals and communication technology to Administration, and staff of the City.
2. Provide technical assistance, leadership and project management services to departments as needed.
3. Review existing telephony infrastructure and develop a plan to reduce costs through the review of billing and line types and converting from analog to digital. Consider converting from plain old telephone service line to Plexar and discontinue lines and equipment no longer being used. Update IP Telephony server software to maintain support and a high degree of uptime for critical voice services.
4. Continue to promote the RequestPartner web portal in a effort to advance technology based interaction between citizens and the City.
5. Continue to provide GIS support to the Fort Smith Regional Chamber of Commerce, allowing them to pursure their economic development goals using GIS and mapping technology.
6. Implement methods to enhance inter-departmental communications using remote voice and video equipment. This will also help reduce travel related costs such as fuel and travel time.
7. Continue consolidating hardware and "virtualizing" servers to help decrease ITS power requirements and support costs.

INFORMATION & TECHNOLOGY DEPARTMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Provide timely and effective support of personal computers, related periphals and communication technology to the Adminstration and staff of the City.*

   Outcome: The backlog of support requests/trouble tickets has consistently been held to less than 10 at any given time. This is a vast improvement on what was consistently 50 or more requests at any given time in the queue.

2. ***Service Objective:*** *Provide technical assistance, leadership and when requested, project management services to departments wishing to implement new technologies to enhance their business practices.*

   Outcome: ITS assisted Human Resources with implementation of eTime Time Tracking application, Planning with implementation of BluePrince Permitting and Inspection software, assumed a project management role in the development of the online Exotic Pet Registry Database and development of an online application for the Citizens Academy, development of the online newspaper article database all as requested by Administration.

3. ***Service Objective:*** *Complete deployment of Microsoft Office 2007 across to all departments.*

   Outcome: *Service objective accomplished.*

4. ***Service Objective:*** *Implement Distributed File System (DFS) technology to provide location transparency to ensure data availability in the face of system failure or heavy user loads by allowing disk shares in multiple locations.*

   Outcome: *Service objective accomplished.*

5. ***Service Objective:*** *Promote RequestPartner webportal to promote technology based interaction between citizens and the City.*

   Outcome: In progress. IT Director appears regularly on KWHN morning shot to promote the use of RequestPartnet application. Additionally, IT has partnered with Economic Development to begin an advertising campaign using online media, city vehicle bumper stickers, flyers and even public appearances.

6. ***Service Objective:*** *Deploy infrastrucuture stabilization measures to increase the redundancy of core city services such as phone and data connectivity with the city data center at ITS. Also provide larger capacity for backup storage to increase recovery time in case of failure.*

   Outcome: ITS has deployed a single redundant core switch replacing many smaller switches which were all single points of failure, adding crucial core redundancy insuring maximum uptime for critical city services. ITS has deployed a disk to disk to tape (D2D2T) backup storage array which allows ITS to quickly backup and restore city servers in the event of data loss. This affords the ability to return data to usable state with minimal end user interruption, and also reduces the City's reliance on magnetic tape backups which are prone to failure.

7. ***Service Objective:*** *Encourage and promote environmentally conscious behavior.*

   Outcome: ITS began implementing virtualization of its servers, eliminating 24 physical servers with the first stage. ITS routinely recycles printer cartridges from the many laser printers used throughout the City. All desktop and laptop computers purchased from Dell are registered as EPEAT (Electronic Products Environmental Assessment Tool). ITS has recommended to all users for their computers when not used for a period greater thasn two hours, to use sleep mode.

8. ***Service Objective:*** *Shape the overall competence of the ITS department whereby many of the projects requiring outside consulting services can be accomplished within the department.*

   Outcome: In fiscal years 2005-2007 over $232,000 was spent on outside contractors and consultants to assist ITS. To date in 2008, $1,039 has been spent on outside contractors and consultants. This is due in large part to investing in training and professional development for ITS staff. The total cost of the training for staff during 2008 is between $35,000 and $40,000 for nine persons. The investment in 2008 will continue to pay dividends for many years in not only staff efficiencies but also retention.

9. ***Service Objective:*** *Develop, deploy and maintain a web based GIS application for representing the most current state of the Capital Improvements Program.*

   Outcome: In progress. The web enables CIP application is in beta testing stage and will be at final release by the end of October.

10. ***Service Objective:*** *Develop, deploy and maintain a web based GIS application for representing the most current state of the system.*

    Outcome: Completed. The web enabled water/wastewater application is in its final release and currently in use internally by Utiities.

11. ***Service Objective:*** *Continue to provide timely maintenance to critical GIS data and support to those City departments which maintain department level GIS and related information.*

    Outcome: Proceeding as planned. GIS data is maintained in a daily udpate capacity.

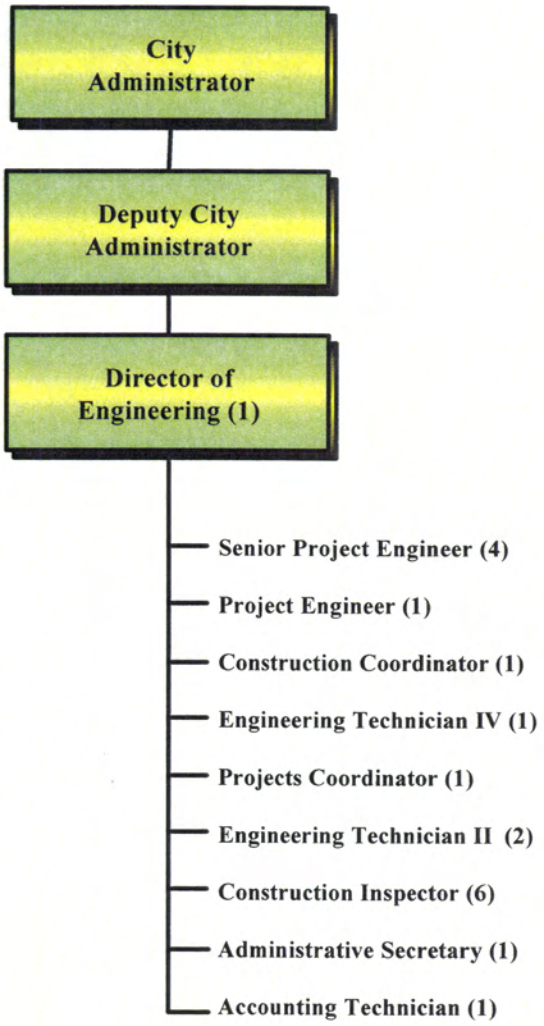
12. ***Service Objective:*** *Continue to provide support to organizations outside the city which utilize GIS technology.*

    Outcome: We continue to maintain the Economic Development properties online GIS database which is updated regularly via partnerships with the FS Regional Chamber of Commerce and various real estate and development firms. ITS was recently engaged by FCRA to develop an additional GIS website/database which will store and disseminate information about properties specific to the Chaffee Crossing area. ITS also continues to provide assistance to various Sebastian County offices as they pursue advancements in technology.

13. ***Service Objective:*** *Test and deploy new GIS server based technology which will leverage the new network capabilities deployed by the ITS Department.*

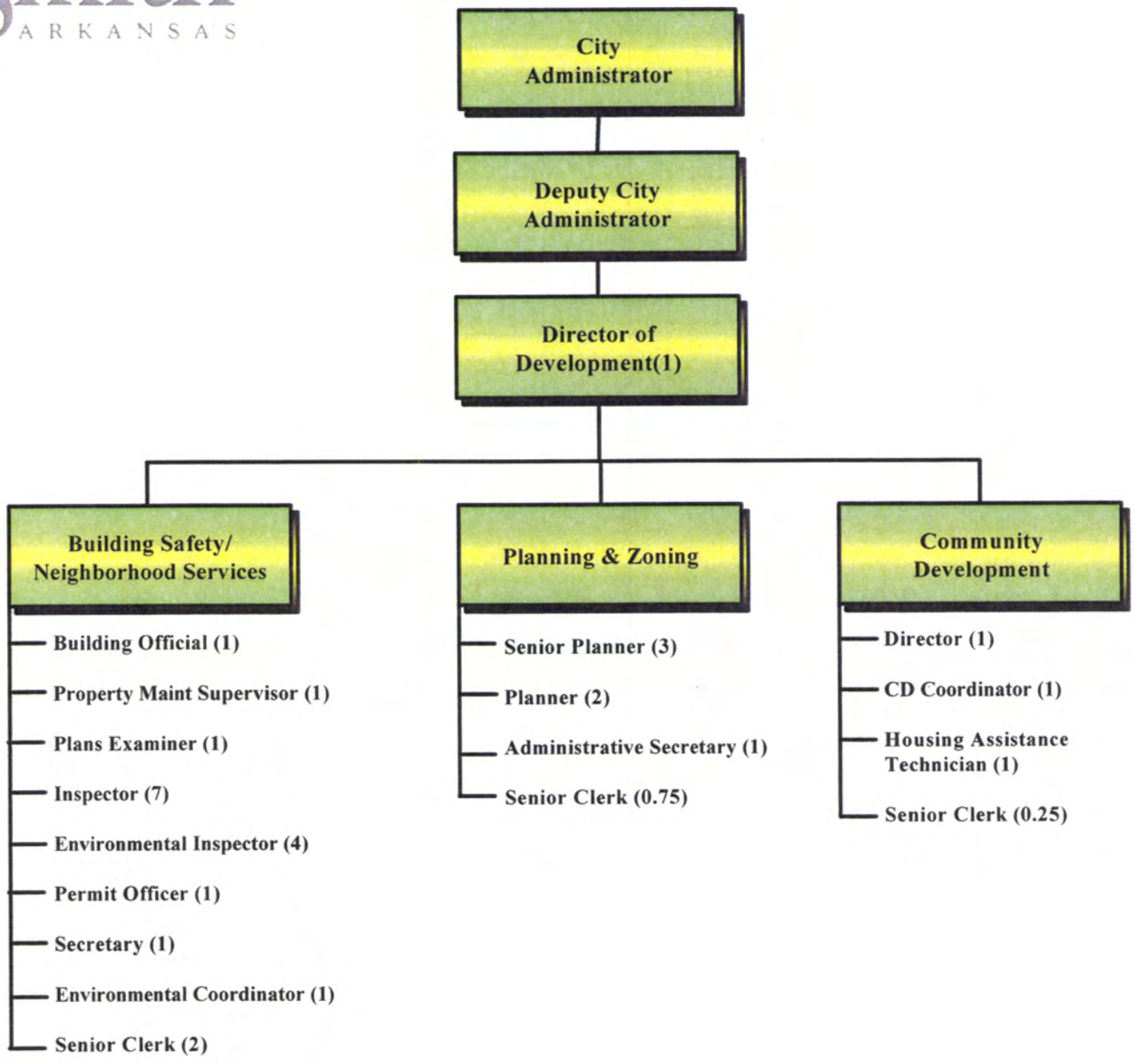
    Outcome: ITS/GIS recently deployed the latest GIS server technology which will enhance the ability to create a regional GIS effort and data sharing. GIS also participated in a national beta testing program which was a partnersip between ESRI and Google to mapping applications such as Google Earth. Fort Smith was chosen to participate due to our commitment to use the latest GIS technology and reputation as providers of accurate and up to date information. Fort Smith was also chosen to receive a Special Achievement in GIS (SAG) Award from 100,000 sites around the word for our work.

Development Services



Purpose: To guide and provide for the planned and orderly growth and development of Fort Smith including the City's infrastructure. This division is also responsible for code enforcement and cleanup of unsightly property.

Development Services



Purpose: To guide and provide for the planned and orderly growth and development of Fort Smith including the City's infrastructure. This division is also responsible for code enforcement and cleanup of unsightly property.

ENGINEERING DEPARTMENT OVERVIEW:

The Engineering Department is responsible for the design and inspection of the City's sales tax CIP for streets and drainage. This Department also reviews plans for other City infrastructure projects including the sidewalk program.

The major priority for this Department is to prepare current year projects for design and construction within a reasonable time frame and manage construction of all street and drainage projects in process.

The FY09 Budget is $81,730 or 5.7% more than the FY08 Budget authorization. The increase is a result of salary adjustments.

The Engineering Department has 19.0FTE positions for FY09 which is the same level as FY08.

ENGINEERING	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 1,210,851	$ 1,327,630	$ 1,335,042	$ 1,413,360	$ 1,490,930
Operating Expenditures	61,507	102,700	69,873	98,700	100,700
Operating Budget	$ 1,272,358	$ 1,430,330	$ 1,404,915	$ 1,512,060	$ 1,591,630
Capital Outlay	34,407	0	30,000	0	0
Budget Appropriation	$ 1,306,765	$ 1,430,330	$ 1,434,915	$ 1,512,060	$ 1,591,630
Authorized Positions	19.00	19.00	19.00	19.00	19.00

ENGINEERING DEPARTMENT 2009 SERVICE OBJECTIVES

1. Improve citizen service by increasing public information meetings during design and conducting post construction survey of citizens adjacent to city construction sites.
2. Encourage economic development and enhance traffic flow by contracting and completing thoroughfare projects as follows:
   - Chad Colley Extension from Roberts Blvd. south 1,500 feet in 2009.
   - Massard Road Extension from Chad Colley Blvd. east 800 feet in 2009.
   - Jenny Lind Road (Dallas to Dodson) in 2008-2009.
   - Texas Road widening (South of Cavanaugh) in 2009
   - Jenny Lind Road (Zero to Cavanaugh) in 2008-2010.
3. Implement special projects which evolve during the year.

ENGINEERING DEPARTMENT 2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Improve citizen service by increasing public information meetings during design and conducting post construction survey of citizens adjacent to city construction sites.*

   Outcome: A citizen survey was developed in conjunction with UALR Institute for Economic Development, and was used on the recently completed section of Albert Pike. The survey found that the majority of residents were pleased with the outcome of the project. This same type of survey will be utilitized on other major street projects when construction is completed. Public information meetings will be held on the Jenny Lind project.

2. ***Service Objective:*** *Encourage economic development and enhance traffic flow by contracting and completing throroughfare projects for; Kelley Highway bridge over I-540, and the Chad Colley extension from Massard to Rye Hill Road, Jenny Lind Road (Dallas to Dodson), Texas Road widening (South of Cavanaugh), Jenny Lind Road (Zero to Cavanaugh).*

   Outcome: Construction is ongoing on Kelley Highway Bridge, with a scheduled completion date of October 2008. Construction contract is ongoing with a completion date of September 2008 on the Chad Colley Extension; construction is ongoing on the Jenny Lind Road, with a scheduled completion date of March 2009, the design of the Texas Road widening is generally completed, pending completion of the ROW acquistion, construction will begin in January 2009; Jenny Lind Road (Zero to Cavanaugh),conceptual plans for this project have been submitted and anticipated start of the construction for this section of Jenny Lind is fall 2010.

3. ***Service Objective:*** *Support the "green initiative" by providing urban aesthetics along the Jenny Lind project between Zero and Cavanaugh and addressing neighborhood erosions and drainage concerns.*

   Outcome: Conceptual plans for this section identify a landscaped median where feasible, and several drainage projects have been completed addressing neighborhood concerns.

4. ***Service Objective:*** *Implement special projects which evolve during the year.*

   Outcome: Several projects added include: drainage improvements associated with the Mars facility; Massard Street Extension associated with Pradco; Chad Colley street associated with Umarex; drainage improvements- Towson at Carmart and 9th and Garrison.

2008 PERFORMANCE MEASURES

Building Permit Site Plan Reviews	105
Subdivision Plat Reviews	99
Construction Plan Reviews	41
Miscellaneous Reviews (Rezoning, conditional use, street/alley closures)	69
Floodplain Development Permits Issued	14
Grading Permits	10
Lane Miles of Street Resurfaced	29.4
Miles of Sidewalk Built/Reconstructed	0.6

2008 OUTCOME MEASURES

Percent of Time Staff Provided Review Comments Within Allotted Time Frame	93%

DEVELOPMENT DEPARTMENT OVERVIEW:

The Development Department includes four programs: 4106 Planning and Zoning, 4107 Community Development Block Grant, 4108 Building Safety, and 6900 Neighborhood Services. Each program is described as follows:

4106-

This program manages City land-use ordinances, policies and procedures governing all development within the City and its growth area; provides professional services and advice to the Board of Directors, Planning Commission, committees, and other City divisions involved in development review; manages the Historic District Commission, responds to public inquiries and reviews building permits each year to ensure compliance of federal and state laws as well as local ordinances; processes all property activity and complaints; performs field analysis; makes recommendations; and issues violation notices when necessary.

4107-

This program is responsible for administering the costs and charges related to the planning and implementation of community development projects funded in whole or in part by the Community Development Block Grant (CDBG) and HOME Grant Programs. Administration activities include providing general project management, annual planning ensuring compliance with Fair Housing Standards and Environmental Review as well as other statutory requirements. Program activities include responsibility for the rehabilitation of privately owned residential properties for low and moderate households and other programs to help provide affordable housing. The program also seeks and administers grants for economic development programs and state and federal grant programs,

4108-

The purpose of this program is to protect the public's life, health, and welfare in the building environment. The department issues permits for buildings and structures and inspects buildings, structures and property for safety and health and code compliance. Permits are issued and inspections are made to the construction, enlargement, alteration, repairs on, the moving of, demolition, occupancy or change of occupancy of a building or structure and for the installment, enlargement, alteration, repair, removal, conversion of electrical, gas, mechanical, and plumbing systems as well as the erection or replacement of signs, driveways and swimming pools. Drawings with construction details and specifications are submitted for review to obtain permits for construction. Properties and buildings are inspected and codes are enforced to ensure safe and healthy conditions.

6900-

The purpose of this division is to protect the public's life, health, and welfare by enforcing the requirements of Ordinance No. 3105 on all developed properties in the City. The division inspects properties for overgrown and unkempt, vegetation trash and abandoned vehicles to ensure safe and healthy conditions. The work includes having the properties cleared by supervising contractors that mow and clean the properties.

This Department has 30FTE positions planned for 2009 which is the same as 2008.

The FY09 Budget is $176,338 or 7.3% more than the FY08 Budget. The increase is attributable to the planned salary adjustments.

DEVELOPMENT DEPARTMENT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 1,838,782	$ 1,845,242	$ 1,845,242	$ 2,044,070	$ 2,143,100
Operating Expenditures	431,166	582,210	463,617	539,720	616,900
Operating Budget	$ 2,269,948	$ 2,427,452	$ 2,308,859	$ 2,583,790	$ 2,760,000
Capital Outlay	61,625	0	0	20,000	21,000
Budget Appropriation	$ 2,331,573	$ 2,427,452	$ 2,308,859	$ 2,603,790	$ 2,781,000
Authorized Positions	30.00	30.00	30.00	30.00	30.00

DEVELOPMENT DEPARTMENT 2009 SERVICE OBJECTIVES

1. Continue to develop and improve our neighborhood programs to improve the quality of life. Staff will continue tc expand the City of Good Neighbors program by soliciting additional partnerships with churches, civic groups, neighborhood associations, and local businesses. We will also continue implementation and citizen awareness of the city-wide Property Maintenance Code and other neighborhood related codes and ordinances.
2. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME and other housing programs. Staff will focus on the objectives of the Five Year Consolidated Plan which guides the community development expenditures for fiscal years 2005-2009. Hearings for updating the plan will begin in 2009.
3. Coordinate with other departments to develop corridor plans to improve the function and aesthetics of the city's commercial corridors and implement the Unified Development Ordinance.
4. Strengthen customer service through regular neighborhood and stakeholder meetings to discuss neighborhood and development issues. Numerous programs will occur during 2009 including the property maintenance code parking ordinances and the Unified Development Ordinance.
5. Examine and implement as many technological improvements as possible in the inspections and permitting divsions. This will include an analysis of wireless internet on all vehicles, online permitting for simple permits and scanning historical data.
6. Research green building and development ordinances and begin discussions with the development and construction community about possible implementation of green codes and standards.

DEVELOPMENT DEPARTMENT 2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Develop and improve neighborhood program with implementation of plans and programs to improve the quality of life. Continue to expand the City of Good Neighbors program by soliciting additional community partnerships with churches, civic groups, neighborhood associations and local businesses. We will also continue implementation and citizen awareness of the citywide Property Maintenance Code.*

   Outcome: Organized and coordinated the annual Good Neighbors Day and assisted seven property owners with a variety of home improvement projects including, painting, yard cleanup, tree and graffiti removal. Approximately 50 volunteers participated in the event. This year we collaborated with many local businesses and civic groups like WalMart and the Kiwanis. Due to the collaboration with WalMart, they donated volunteer time and funds to support some of the projects. Additionally, $3,000 was donated to the Parks Department through their volunteer program because of their employee's participation in the Good Neighbor Program. The Good Neighbor's program was expanded this year to include year round graffiti removal. Ordinances were developed concerning vehicle parking in residential neighborhoods to strengthen their appearance. An education program was begun to inform citizens about the overcrowding requirements of the Property Maintenance Code. Meetings have been held with three neighborhood associations to discuss the application of the property maintenance code and other neighborhood related ordinances.

2. ***Service Objective:*** *Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME and other housing programs. Primary focus will be the objectives of the Five Year Consolidated Plan for the years 2005-2009.*

   Outcome: The Community Development Division continued to follow the goals and objectives established in the 5 year Consolidated Plan. The City of Fort Smith was awarded $834,191 in CDBG and $472,797 in HOME Investment Partnership Act funds, which represents the fifth annual reduction in allocation amounts. The funds are being used to rehabilitate and/or perform emergency repairs to single family homes. Additionally, the Bost Inc. South 74th location will have new lighting installed, Harbor House will have the electrical wiring brought up to code and Howard and Pike Elementary Schools will purchase new playground equipment. Also included is funding for the Fort Smith Housing Authority to continue with infrastructure improvement on Phase 2 of the Northpointe Project which will construct new affordable single family homes and duplex rental homes, funds for the Arkansas Valley Habitat for Humanity to extend public sewer main to support construction of new houses, and funds for CSCDC to continue the single family down payment assistance program for purchase by qualified beneficiaries. Additionally, other nonprofit agencies are being funded in the public service category to assist with medical, dental, utilities, rent/mortgage payment assistance, prescriptions, transportation, baby items, case management for the homeless, purchase of a computer, and provide respite care vouchers.

3. ***Service Objective:*** *Coordinate with other departments to develop corridor plans to improve the function and aesthetics of the city's commercial corridors and implement the Unified Development Ordinance.*

   Outcome: Working with the developers and the director of FCRA to discuss a plan for the Massard Road and Zero corridor and intersection. We have given some preliminary review of the Kelley Highway corridor for future consideration. The Planning Commission is near its completion of the Unified Development Ordinance, a final draft was produced during 2008 for pubic review. The development community and the Planning Commission have come to an agreement on all but two issues. We plan to provide the draft to the Board for discussion with adoption and implementation prior to the end of 2008.

4. ***Service Objective:*** *Strengthen customer service through regular neighborhood and stakeholders meetings to discuss neighborhood and development issues. Customer service will also be improved by providing employee education and training opportunities.*

   Outcome: The Planning Department provided citizen education by participating in the Greater Fort Smith Association of Home Builders Home Show and UA Fort Smith's "City Night". Booths staffed by Planning, Building Safety and Neighborhood Services were set up at each event where information on planning and zoning, ordinances affecting neighborhoods, and building codes were distributed. A computer was also used to demonstrate to citizens the content on the City's web site. Meetings of the Greater Homebuilders Assn. and the Western Arkansas AIA are regularly attended as well as meetings of the Board of Realtors, River Valley Landlord's Assn., Leadership Fort Smith, and the Citizens Academy. There have been several meetings with neighborhood associations, radio talk shows and television news stories related to many issues. These meetings allowed us to have excellent dialogue with those interested in what we do. Customer service was improved by putting the business registration application online. Citizens can now complete the application on line, print it and submit in person or by mail. The Women and Minority Owned Business Directory application is now online as well as the actual directory. A new software program to consolidate all divisions with a single software package and allow all desktops to access database information on properties. This should help out future goals of doing more online permitting and remote retrieval of information by city staff.

5. ***Service Objective:*** *Support other departments with development reviews and construction management.*

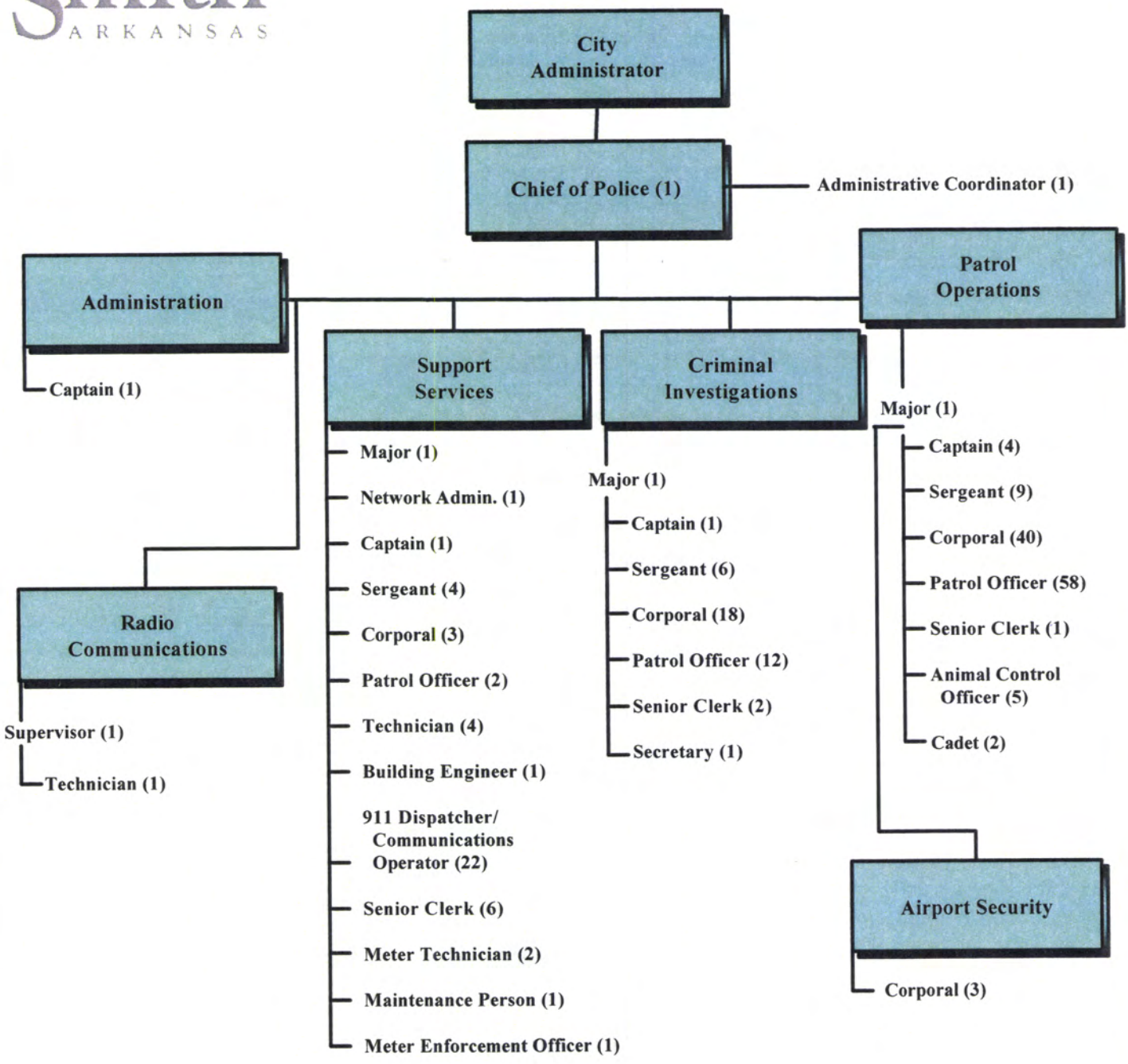
   Outcome: We assisted with contracts for the design and construction for the parking garage. We facilitated and assisted with the reviews of numerous private developments as indicated on our Service Measures report.

DEVELOPMENT DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Master Land Use Plan Amendments	14	5	8	10
Rezoning Cases	45	35	35	35
Home Occupation Applications	16	25	25	28
Conditional Use Applications	33	35	36	36
Zoning Ordinance Variances	46	50	52	55
Subdivision Variances	2	4	2	3
Administrative Plats	65	65	65	65
Subdivisions	20	20	20	20
Administrative/Subdivision Plats Reviewed	117	110	110	120
Street/Alley/Easement Closings	10	10	10	10
Business Registration Applications	876	750	1,218	1,000
Residential Accessory Use Applications	94	90	140	140
Sign Permits Reviewed	227	280	290	290
Zoning/Subdivision Ordinance Amendments	14	5	3	4
Planning Commission, Board of Director, and Special Meetings	76	80	76	80
Planning Commission Agendas Prepared	12	12	12	12
Public Hearings/Meetings	22	14	20	14
CDBG & HOME Applications	26	45	18	45
Fair Housing Activities	2	2	1	1
Sub-Recipient Monitoring	18	20	22	20
Contract Administration	69	23	55	60
Housing Rehab Projects	9	6	6	6
Rehab Full/Emergency Apps	60	0	66	60
Emergency Housing Rehab	60	0	60	54
Home Projects	9	9	9	9
Agency Rehab Projects	1	7	2	3
Public Service Projects	13	9	12	11
Homeless Projects	2	2	1	2
Neighborhood Development Projects	4	4	3	4
Good Neighbors Day Projects	10	15	20	25
Historic District Meetings	22	24	24	24
Certificates of Appropriateness				
Category I	*	*	*	*
Category II	4	N/A	N/A	N/A
Category III	33	N/A	N/A	N/A

Certificates of Appropriateness (after 8/07)	14	40	40	40
Substandard Building Complaints Worked	45	55	55	55
Substandard Buildings Demolished by City	8	20	20	20
Substandard Buildings Demolished or Repaired by Property Owners	8	35	35	35
Environmental Complaints Received	7,412	8,500	8,500	8,500
Warnings Issued	6,589	7,500	7,500	7,500
Properties Cleared by Contractor	704	650	650	6,500
Commercial, Industrial, Multifamily Plans Submitted and Reviewed for Permits	306	450	450	450
Residential Plans Submitted and Reviewed for Permits	529	650	650	650
Inspections Requested and Conducted	13,640	14,500	14,500	14,500
Total Building Permits	2,579	2,700	6,500	2,700
Significant Permit Categories				
New Single Family	240	220	220	220
New Multifamily	72	30	30	30
New Commercial & Industrial	42	55	55	55
Residential Additions/Alterations	1,351	1,400	4,900	1,400
Commercial/Industrial Additions & Alterations	292	360	460	360

Police Services



Purpose: To provide competent, professional and responsible law enforcement services in a rapid and efficient manner.

POLICE DEPARTMENT OVERVIEW:

The Police Department includes eight programs: 4701 Administration, 4702 Support Services, 4703 Criminal Investigations, 4704 Patrol, 4705 Radio Communication, 4706 Airport Security, 6911 Police Grant and 6920 Public Parking Enforcement. These programs provide intelligence unit services, public affairs, internal affairs, information desk, central records training, 911 communications, facilities management, evidence, vice/narcotics, juvenile services, investigation, identification, troop services, traffic enforcement, crime prevention, animal control, City radio communications, airport security, downtown parking meter collection and enforcement, and public parking deck and lot enforcement.

The FY09 Budget is $1.76 million or 11.4% more than the FY08 Budget. The increase is due to the salary adjustments for market and merit as well as the adjustment to lower the number of steps for patrol officers. The operating costs include a large increase in computer equipment, software, and maintenance in FY09 as compared to FY08.

The Police Department has 214FTE positions for FY09 which is the same as FY08.

POLICE DEPARTMENT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 10,896,863	$ 11,839,500	$ 11,061,287	$ 13,102,980	$ 13,866,660
Operating Expenditures	2,599,865	3,380,962	2,818,675	3,780,380	4,648,210
Operating Budget	$ 13,496,728	$ 15,220,462	$ 13,879,962	$ 16,883,360	$ 18,514,870
Capital Outlay	99,104	227,766	245,492	321,000	737,270
Budget Appropriation	$ 13,595,832	$ 15,448,228	$ 14,125,454	$ 17,204,360	$ 19,252,140
Authorized Positions	214.00	214.00	214.00	214.00	214.00

POLICE DEPARTMENT 2009 SERVICE OBJECTIVES

ADMINISTRATION DIVISION

Facilitate maintenance of staffing levels in all areas of Department through improved recruitment, hiring, and retention practices. Contribute to "green" and other cost saving initiatives in coordination with City efforts, especially in areas of energy consumption. Continue interaction with City government to enhance communication and sharing of information.

SUPPORT SERVICES

As part of our ongoing technology upgrades, this division will be implementing Automatic Vehicle Locator (AVL) technology. This will work in conjunction with our existing mobile data terminals. AVL will display not only information regarding where our police units are located within the city, but we will be able to automatically populate 911 calls and dispatch the closest unit, thereby increasing service levels and decreasing response times. In addition, it will assist supervisors in a number of ways including managing critical incidents and increasing police services to the community. Software purchases and installation will begin in the first quarter with full implementation by the end of the third quarter of 2009.

CRIMINAL INVESTIGATIONS

Members of the narcotics unit will partner with Crime Stoppers and the media to establish a methamphetemine manufacturer/dealer hotline for citizen reporting. An online form will also be added to the FSPD web page for citizens to make these reports if they wish. Officers will work with advertisers to launch a public awareness campaign through the use of billboards throughout the city.

PATROL DIVISION

Improve our relationship with the community through interaction, participation and improved visibility. This will help to further our ongoing commitment to improve customer service and increased support and cooperation from the community at large.

POLICE DEPARTMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

Administration Division

Service Objective: *Assess staffing levels relative to police services provided in all divisions of the Fort Smith Police Department. This will be accomplished through the critical review of historical data and current personnel assignments. The data will be collected and reviewed by the second quarter. In the third and fourth quarters organizational adjustments may be implemented based on the need for changes.*

Outcome: Data was gathered during the first two quarters of 2008 from various sources. These sources include the departments data management system (ICIS), payroll records, and statistics specifically generated for staffing analysis. Using the data gathered, and a formula developed by the International Association of Chiefs of Police, an analysis of the department's Patrol Unit was completed. Further analysis and interpretation, which is to be completed in the third quarter, will yield results for other departmental units. The findings can then be implemented as needed in the fourth quarter.

Service Division

Service Objective: *As part of an organizational analysis, a review of the department's existing beat boundaries will be conducted. Factors will be considered such as population, density and growth, geographical boundaries, available personnel, calls for service, call types, and response times. The data should be evaluated by the second quarter.*

Outcome: *A determination was made that the current beat alignments is sufficient. Upon analysis it appears that any issues that arose from a percieved beat misalignment could be more readily addressed by manpower additions. In addition to this, round table discussions which included various members of the supervisory staff, determined that the alignment was satisfactory.*

Criminal Investigations Division

Service Objective: *Members of the CID will partner with local buisnesses dealing with scrap iron to share information concerning copper thefts. Information sharing should lead to more cases being cleared through arrests.*

Outcome: Members of the Property Crimes Task Force have contacted each of the scrap iron dealers and have developed a good rapprt with them. They are now reporting suspicious loads of metals and the results have created more arrests locally.

Patrol Division

Service Objective: *Conduct graffiti awareness training for educators in the Fort Smith Public Schools. This training will be coordinated through the school's safety officer. Educators will be informed of the types of markings to be looking for that could indicate participation in city-wide graffiti incidences.*

Outcome: The COPS Unit has been conducting informal sessions with school personnel and working in conjunction with the School Safety and Security Officer. Some classes have already been presented by the COPS Unit. The Street Crimes Unit has also been working with the faculty and staff and have scheduled classes to be conducted with them beginning July 28th, coinciding with the beginning of the school year. This has been a coordinated effort between the two units, each with its own areas of expertise.

SERVICE MEASURES/PERFORMANCE INDICATORS

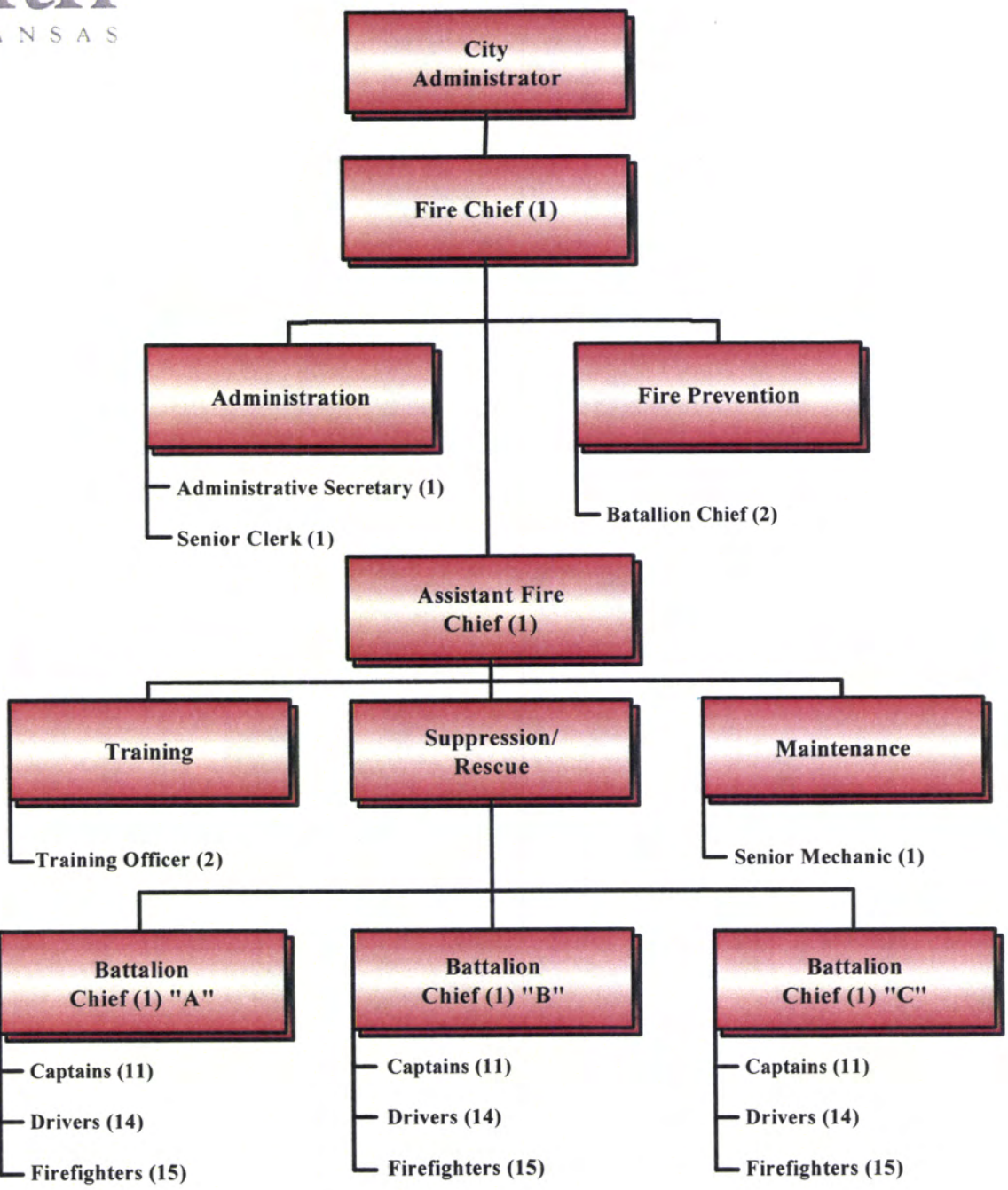
	ACTUAL FY06	ACTUAL FY07	ESTIMATED FY08	ACTUAL FY08 THRU 11/30/2008
Community Relations-				
PCR Programs Performed	342	296	175	150
PCR Program Attendance	13,464	18,443	7,600	6,536
Crime Stopper Calls	237	326	270	282
Training-				
In Service/Officers	2,749	1,244	1,395	1,319
In Service/Hours	18,117	8,435	1,585	14,873
Schools and Seminars/Officers	125	167	274	162
Schools and Seminars/Hours	4,520	6,222	4,120	2,634

WORKLOAD/DEMAND STATISTICS

	ACTUAL FY06	ACTUAL FY07	ESTIMATED FY08	ACTUAL FY08 THRU 11/30/2008
Murder-Manslaughter-				
Reported	10	5	0	1
Cleared	9	5	0	1
Rape-				
Reported	81	76	84	89
Cleared	70	67	72	72
Robbery-				
Reported	128	142	108	102
Cleared	93	141	96	85
Battery-				
Reported	2,779	2,776	2,268	2,256
Cleared	1,945	2,122	1,644	1,574
Burglary-				
Reported	1,110	1,051	888	982
Cleared	434	329	336	312
Larceny-				
Reported	4,174	4,219	3,180	3,341
Cleared	1,083	1,298	1,080	1,031
Vehicle Theft-				
Reported	343	331	216	239
Cleared	323	317	192	189
Arrests-				
Adults	8,258	9,713	10,212	9,038
Juvenile	811	1,121	1,356	1,130
Calls for Assistance-				
Total Calls	78,343	78,034	74,832	69,826
Burglar Alarms	5,535	5,244	6,612	6,057
Actual Alarm Responses	4,299	3,734	4,356	3,980
Animal Control-				
Complaints Received	9,816	9,308	9,700	8,794
Animals Captured	3,269	3,301	3,365	2,973
Animal Bites Investigated	112	74	65	65
Parking Meter Collections	$ 73,196	$ 78,813	$ 61,030	$ 73,662
Overtime Parking Tickets Issued	1,732	3,887	1,800	2,812
Overtime Ticket Collections	$ 8,938	$ 20,035	$ 9,238	$ 13,347

N/A- Not Available

Fire Services



Purpose: To provide timely, effective, and efficient rescue, emergency & medical fire protection, suppression, prevention, and investigative services to the citizens of Fort Smith.

FIRE DEPARTMENT OVERVIEW:

The Mission of the Fort Smith Fire Department is to serve the community by protecting lives, property, and the environment in a safe, efficient and professional manner.

The Purpose of the Fort Smith Fire Department is to provide timely, effective and efficient fire protection, supression prevention, education and investigation services to the citizens of Fort Smith.

The Fire Department consists of two programs: 4801 Administration, Prevention and Training and 4802 Suppression. The 4801 program includes management of all fire services for the City, code enforcement, investigations, construction reviews, fire prevention education, inspections, and training. The training is certified through the Arkansas State Fire Academy. Program 4802 responds to all emergencies that may occur within the City of Fort Smith. These emergencies may include fire suppression, emergency medical, rescue operations and hazardous materials releases. This program also assists citizens with fire protection and prevention problems and fire pre-plans of commercial businesses for familiarization in the event of an emergency. They are also responsible for routine maintenance and testing fire hydrants in conjunction with regular daily schedule of building, grounds, and equipment maintenance.

The FY09 Budget is $283,638 or 2.8% more than FY08 Budget. The increase is attributable to market pay adjustments and the replacement for a pumper ($450,000) in capital which had to be removed from the FY08 budget.

The major priority for the Department is to begin preparations, inspections and maintenance of the Chaffee annexed property and to continue increasing our ability to service a six county area in the event of a chemical or bio-terrorism activity by securing federal grants for that purpose.

The total personnel of the Fire Department remains at 132FTE for FY09 of which 129FTE are uniformed personnel.

FIRE DEPARTMENT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 8,564,750	$ 9,016,680	$ 8,516,824	$ 9,130,800	$ 9,619,800
Operating Expenditures	643,085	1,105,192	855,952	814,710	984,050
Operating Budget	$ 9,207,835	$ 10,121,872	$ 9,372,776	$ 9,945,510	$ 10,603,850
Capital Outlay	105,364	20,000	27,000	480,000	1,804,000
Budget Appropriation	$ 9,313,199	$ 10,141,872	$ 9,399,776	$ 10,425,510	$ 12,407,850
Authorized Positions	132.00	132.00	132.00	132.00	132.00

FIRE DEPARTMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Seek federal monies for equipment, training, and additional employees.*

   Outcome: To date we have received $56,000 for equipment.

2. ***Service Objective:*** Relocate the building site for the next fire station at Chaffee Crossing.

   Outcome: Another site has been selected and the transfer will occur this year.

3. ***Service Objective:*** *To continue our fire educational program to reduce civilian injuries and deaths.*

   Outcome: Educational programs have reached civilians as follows: literature for 10,500 children, 1,219 station tours, 2,400 fire safety house, for a total of 13,519 citizen contacts, to date there have been 2 civilian fire deaths and 4 civilian injuries due to fires.

4. ***Service Objective:*** *Continue to be a regional provider in relation to bomb response, haz-mat and terrorism.*

   Outcome: Department has handled 11 eleven responses to date outside the city limits.

5. ***Service Objective:*** *Continue to maintain ISO Class II fire rating.*

   Outcome: This objective is monitored on a continuing basis, such as annexation, water supply, a timely response, training, personnel and equipment.

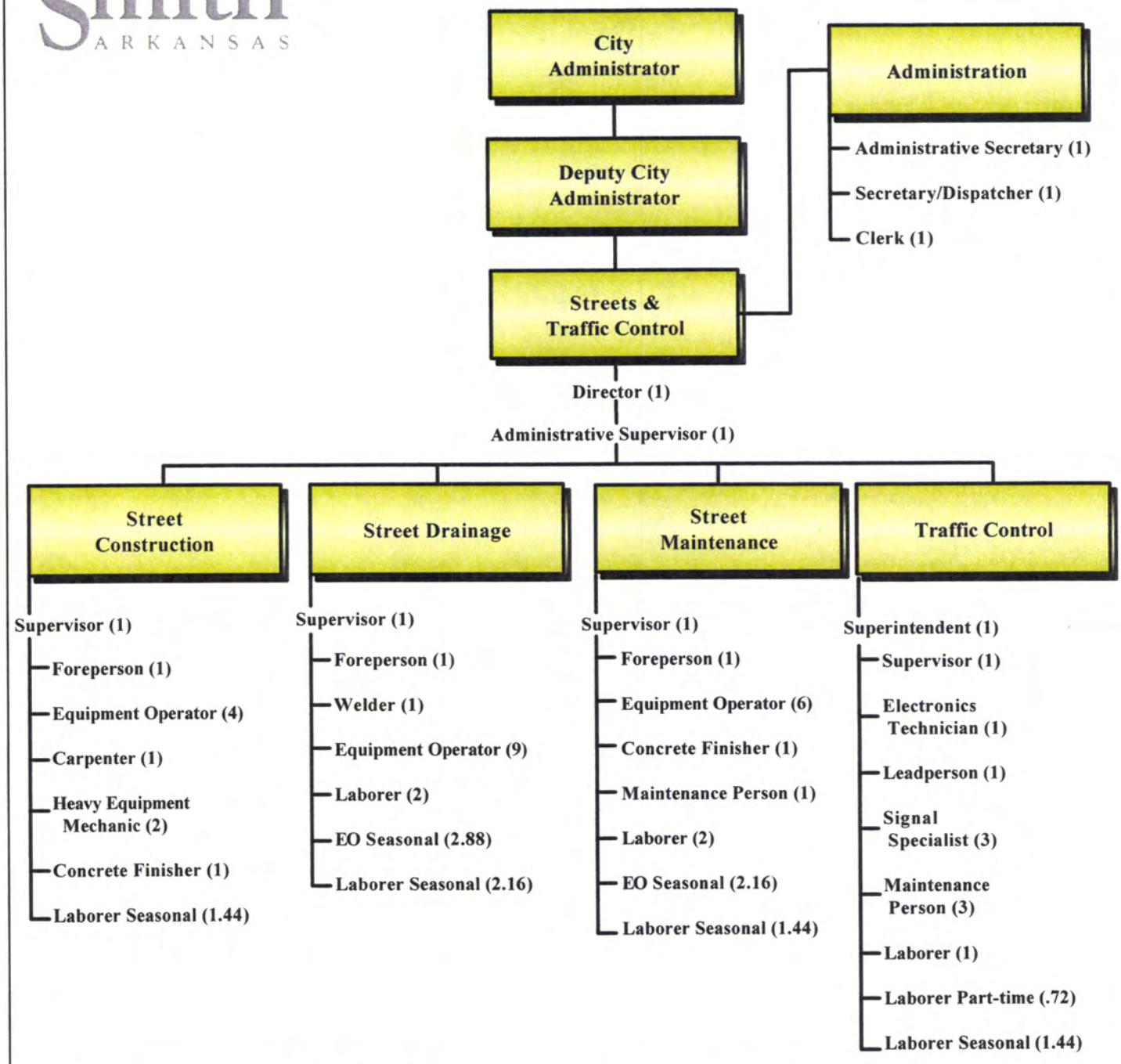
FIRE DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY07	BUDGET FY08	ACTUAL THRU 11/30/2008	BUDGET FY09
Alarm Responses	7,619	7,200	7,492	7,800
Total Fire Dollar Loss	$ 2,764,125	$ 3,500,000	$ 299,815	$ 3,500,000
Number of Fires-				
Commercial	18	20	19	20
Residential	121	125	125	125
Arson Cases-				
Dollar Loss	$ 257,800	$ 275,000	$ 181,250	$ 300,000
Cases	20	20	10	20
Cases Cleared	5	10	0	10

FIRE DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY05	ACTUAL FY06	ACTUAL FY07	ACTUAL FY08 thru 11/30/2008
Alarm Statistics:				
Fire-				
Structure	203	200	198	183
Vehicle Fires	95	87	99	85
Brush, Grass, Leaves	113	138	94	117
Trash, Rubbish	86	68	64	55
Explosions, No After Fire	0	0	0	1
Outside Spill with Fire	0	2	0	0
Other Fires	7	12	11	18
Rescue and Emergency-				
Overpressure Rupture	5	8	11	6
Emergency Medical Call	4,827	4,973	5,209	5,033
Locked In, Trapped	0	0	1	2
Search	1	1	1	4
Extrication	4	5	7	11
Rescue, Not Classified	7	8	14	43
Spill, Leak- No Fire	101	99	97	86
Electrical/Hazardous Response-				
Power Line Down	78	69	46	163
Arching Electric Equipment	87	84	66	112
Chemical Spill	1	2	2	1
Hazardous Condition	18	17	12	12
Smoke Removal	29	23	15	17
Other Responses:				
Animal/Rescue	2	5	1	8
Assist Police	19	14	14	24
Unauthorized Burning	178	184	109	124
Other Service Calls	283	295	394	191
Smoke Scare	153	198	129	121
Steam, Gas Mistaken for Smoke	29	29	24	24
Malicious False Alarm	7	4	1	7
Bomb Scare	11	14	5	13
Alarm Malfunction	324	300	361	310
Unintentional False	334	274	334	300
Other	169	180	247	221
Controlled Burn	5	9	6	6
Bomb Removal	15	7	11	17
Haz-Mat Investigation	10	10	3	5
Water Rescue	2	5	5	12
Construction Plan Reviews	168	186	170	341
Citizens Reached in Education Programs	15,232	15,604	17,577	16,791
New Business Occupation Fire and Life Safety Inspections	529	681	580	675
Fire Safety Surveys Performed	4,800	4,800	4,800	4,800
Fire Hydrants Maintained	6,916	6,950	6,950	6,950

Operation Services Streets and Traffic Control



Purpose: To respond with efficient maintenance as emergency situations demand, and to routinely maintain streets, alleys, traffic control devices, storm drains, dedicated drainage easements and related facilities, plus order new street lights and coordinate with electric utility companies concerning street light maintenance.

STREETS AND TRAFFIC CONTROL DEPARTMENT OVERVIEW:

The Streets and Traffic Control Department is made up of eight programs: 5101 Administration, 5302 Street Construction, 5303 Street Drainage, 5304 Street Maintenance, 5401 Traffic Control Operations, 5402 Traffic Signals, 5403 Street Lighting, and 5405 Sign Shop. The Department is responsible for performing minor street construction projects, constructing curbs and gutters, maintaining the City's drainage system including road ditches, retention ponds, creeks and inlet streams, maintaining and upgrading all traffic control devices, and providing and installing high visibility street signage.

The Department's major priority for 2009 is to provide the highest level of safety for the City's street, drainage and traffic control systems. The Department immediately responds to hazardous situations so that dangerous consequences are eliminated.

Total personnel for the Department in FY09 is 64.24FTE which is consistent with FY08.

The FY09 Budget is $150,879 or 2.7% more than the FY08 Budget. The increase is attributable to the wage adjustments.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 2,595,235	$ 2,879,460	$ 2,670,284	$ 3,039,060	$ 3,090,250
Operating Expenditures	1,949,950	2,599,791	2,268,777	2,591,070	2,949,160
Operating Budget	$ 4,545,185	$ 5,479,251	$ 4,939,061	$ 5,630,130	$ 6,039,410
Capital Outlay	42,793	55,000	55,000	55,000	55,000
Budget Appropriation	$ 4,587,978	$ 5,534,251	$ 4,994,061	$ 5,685,130	$ 6,094,410
Authorized Positions	64.24	64.24	64.24	64.24	64.24

STREETS AND TRAFFIC CONTROL DEPARTMENT 2009 SERVICE OBJECTIVES

1. Reduce the potential for property damage from flooding by regularly clearing debris from ditches and channels.
2. Insure the safety of the traveling public by repairing and/or replacing traffic signs and traffic signals in a timely manner. Also, perform preventative maintenance on all signal lights by replacing as technology advances.
3. Maintain the appearance of public property by mowing detention ponds, levees and city owned property.
4. Continue to respond to citizens' request for service in a timely, effective and efficient manner.

STREETS AND TRAFFIC CONTROL DEPARTMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Control flooding in the city by constantly working to keep creeks and ditches flowing.*

   Outcome: Respond to citizen's request for drainage improvements and/or repairs. Perform routine inspections on major storm water channels.

2. ***Service Objective:*** *Providing and maintaining the most up to date traffic control equipment.*

   Outcome: The Rogers Avenue traffic signal improvements project included various traffic signal improvements at twenty (20) intersections with a new traffic signal configuration (flashing yellow light- the first in the state). Upgrade existing equipment to five (5) or six (6) intersections. Also adding battery backups to traffic signals. Reduced the OG&E bill for traffic signals between $5,000 to $6,000 per month by installing twenty six (26) LED traffic signal lamps.

3. ***Service Objective:*** *Keep the city streets smooth and free of debris.*

   Outcome: Sweep the city streets on a regular basis, patching potholes within one day of receipt of complaint, and sealing cracks in the streets as necessary.

4. ***Service Objective:*** *Being receptive to requests from citizens and utilizing all avenues of communication currently available to us. Our policy is to personally handle each and every call that comes in to our department, responding if it is our area or directing the call to the property department for service if necessary.*

   Outcome: Continue to respond to citizens request for traffic control, street and drainage maintenance in a timely, effective and efficient manner.

Input Measures:

Number of Traffic Signals	142
Miles of city streets	500
Miles of major storm water channel	47
Square mileage within Fort Smith	72
Output Measures:	
Traffic Studies Completed	285
Blocks of Street Overlaid	29
Curb Miles of Streets Swept	5,857
Tons of Asphalt Used for Potholes and Utility Cuts	445
Miles of Street Cracks Sealed	7
Linear Feet of Storm Water Channel Re-Graded	11,800
Number of 33 Gallon Trash Bags of Litter Removed from City Rights-of-Way	1,480
Gallons of Insecticide Sprayed	1,680
Locations Treated with Larvicide	41
Street Lights Now in Rights-of-Way	6,029
Number of Traffic Signal Maintenance	138
Number of School Flasher Maintenance	53
Number Responded to Traffic Signal Trouble	1,297
Number Responded to Street Sign Problems	2,527
Linear Feet of Sludge Removal in Concrete Drainage Ditches	6,825
Linear Feet of Cleaning and Grading Roadside Ditches	14,550
Linear Feet of Cleaning Debris from Creek Beds	9,400
Number of Constructed Drainage Inlets	29

Linear Feet of Curb and Gutter Replacement	379
Tons of Asphalt Grindings Placed in Alleys	2,012
Tons of SB2 Placed in Alleys	2,850
Linear Feet of Sidewalks Constructed	104
Square Feet of Concrete Slab Replaced	15,220
Cubic Yards of Concrete for Utility Street Cuts, Driveway Crossings and Sidewalk Repairs	622

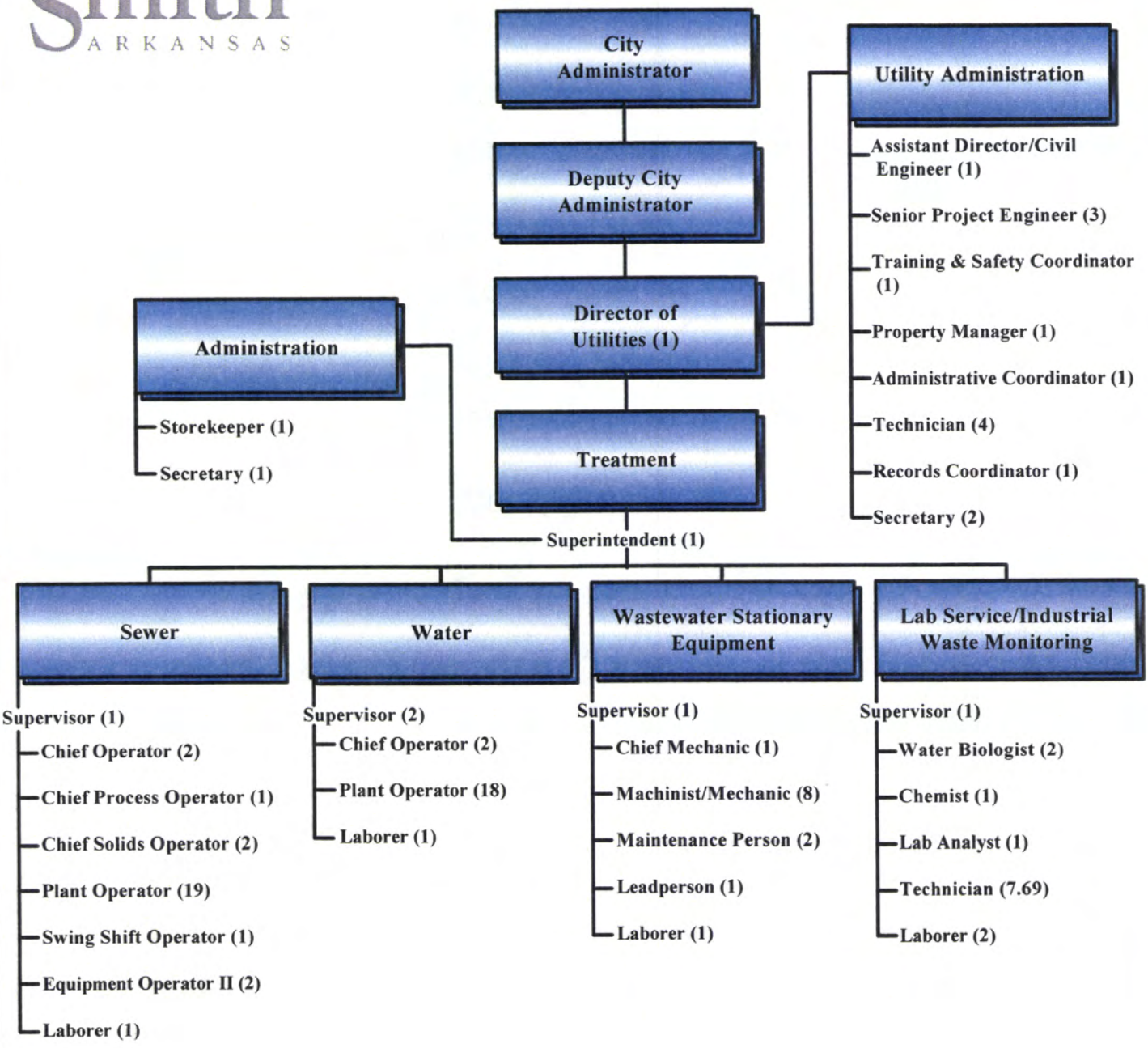
Outcome Measures:

Number of Traffic Accidents	3,457
Percent of Pot Holes Filled Within 1 Working Day	99
Hours of Lost Time Due to On the Job Injuries	27.25
Traffic Signal Outages (other than power failure or traffic accident)	46

Efficiency Measures:

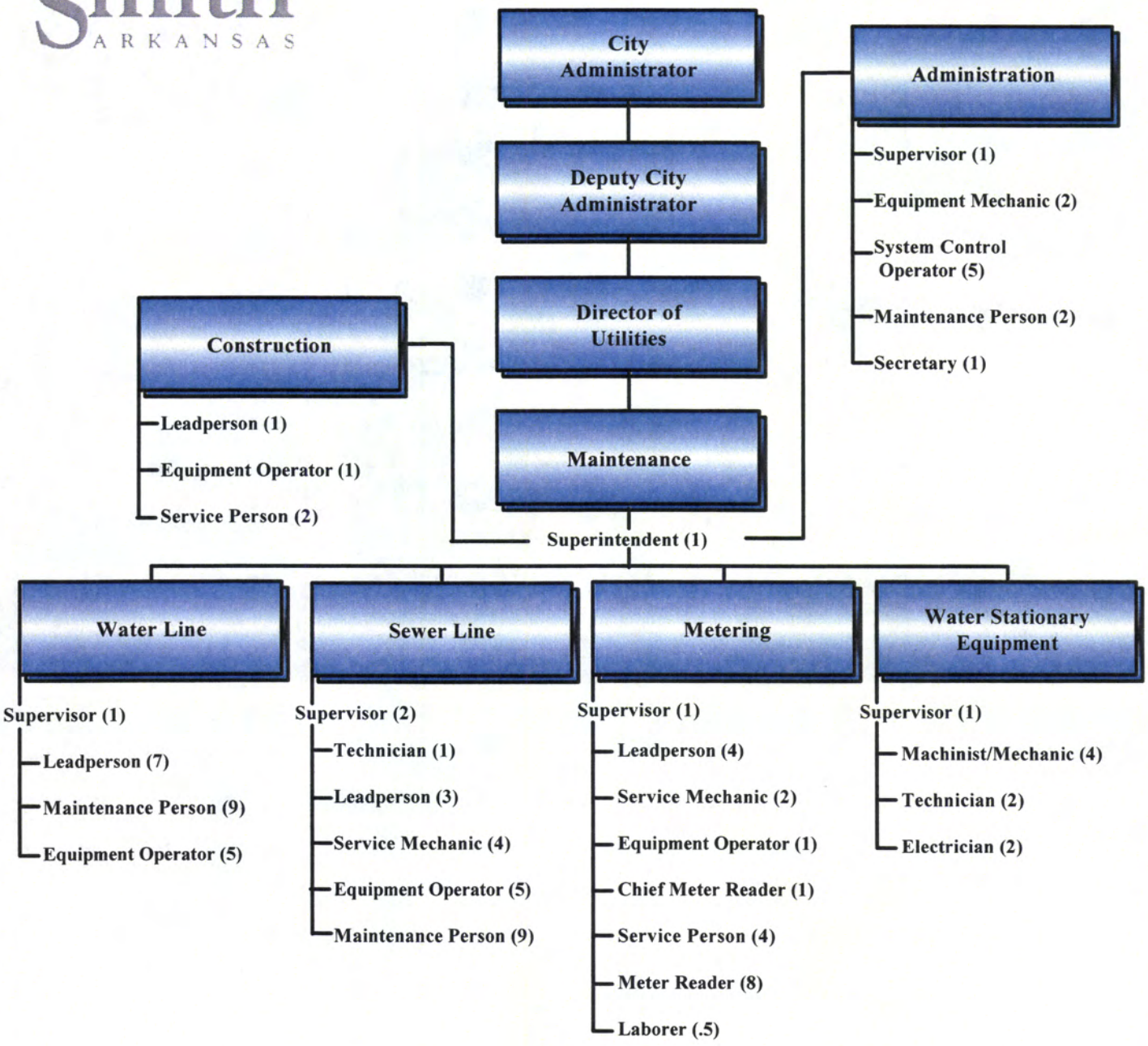
OG&E costs per signalized intersection: $130 per month for incandescent lights and $40 per month for LED.
Cost of mosquito spraying is $74.50 per hour.

Operation Services
Water and Sewer



Purpose: To provide complete water and sewer utility services in an efficient manner, at a competitive cost while constantly improving the level of service for Fort Smith citizens, businesses, industry and the surrounding region.

Operation Services
Water and Sewer



Purpose: To provide complete water and sewer utility services in an efficient manner, at a competitive cost while constantly improving the level of service for Fort Smith citizens, businesses, industry and the surrounding region.

WATER AND SEWER DEPARTMENT OVERVIEW:

The Water and Sewer Department is comprised of 15 programs which provide operational administration, construction management, water treatment, sewer treatment, transmission line maintenance, metering, equipment and plant maintenance, laboratory and monitoring services, transmission line construction, and debt service for revenue bonds.

The FY09 Budget is $316,842 million or 0.9% more than the FY08 Budget. The increase is related to salary adjustments and is offset by reductions in capital asset acquistion.

Total positions for the Department are 191.19FTE which is the same as the FY08 Budget.

WATER AND SEWER OPERATING FUND	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenses	$ 9,282,092	$ 10,086,280	$ 9,729,111	$ 10,567,860	$ 10,949,730
Operating Expenses	20,265,680	23,064,140	23,003,930	23,182,860	23,409,095
Operating Budget	$ 29,547,772	$ 33,150,420	$ 32,733,041	$ 33,750,720	$ 34,358,825
Capital Outlay	158,433	413,458	410,611	130,000	191,250
Budget Appropriation	$ 29,706,205	$ 33,563,878	$ 33,143,652	$ 33,880,720	$ 34,550,075
Authorized Positions	191.19	191.19	191.19	191.19	191.19

WATER AND SEWER DEPARTMENT 2009 SERVICE OBJECTIVES

1. Improve citizen service by strengthening relationships with citizens, soliciting feedback from residents and businesses adjacent to city construction sites, and providing online access to service objectives.
   - Develop presentations by program operation areas related to department's services and functions for the city's web site.
2. Encourange economic development by working with partners to implement the Tipping Point report, educate the community about the report, update the downtown master plan, expand existing businesses, strengthen ties with the Northwest Arkansas Council, establish the curb appeal in Fort Smith to promote economic development and improve recreation opportunities including the replacement of Andrews field.
3. Insist on innovation and improved uses of technology to better utilize public resources for serving the community. Prepare and begin implementation of a technology plan.
4. Plan for water and sewer extensions to support growth and better serve neighborhoods. Replace all two-inch neighborhood water lines by 2020.
   - Update master plan for southern growth area to include improvements planned in Chaffee Crossing and new Mountainburg water transmission line river crossing.

WATER AND SEWER DEPARTMENT 2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Improve citizen service by strengthening relationships with citizens, soliciting feedback from residents and business adjacent to city construction sites, and providing online access to service requests.*

   Outcome: Citizen survey form for use with upcoming sewer and water projects is being developed. Department is participating in the city's web based Request Partner customer service program.

2. ***Service Objective:*** *Work internally with the department engaged in the process of determining priorities and implementation of the Tipping Report, downtown master plan and to improve recreation opportunities including the replacement of Andrews Field.*

   Outcome: Identified supplemental funding for utility extensions to serve Andrews Field.

3. ***Service Objective:*** *Insist on innovation and improved uses of technology to better utilize public resources for serving the community. Prepare and begin implementation of a technology plan.*

   Outcome: Online record mapping system is currently undergoing in house use and evaluation in preparation for roll out to the public.

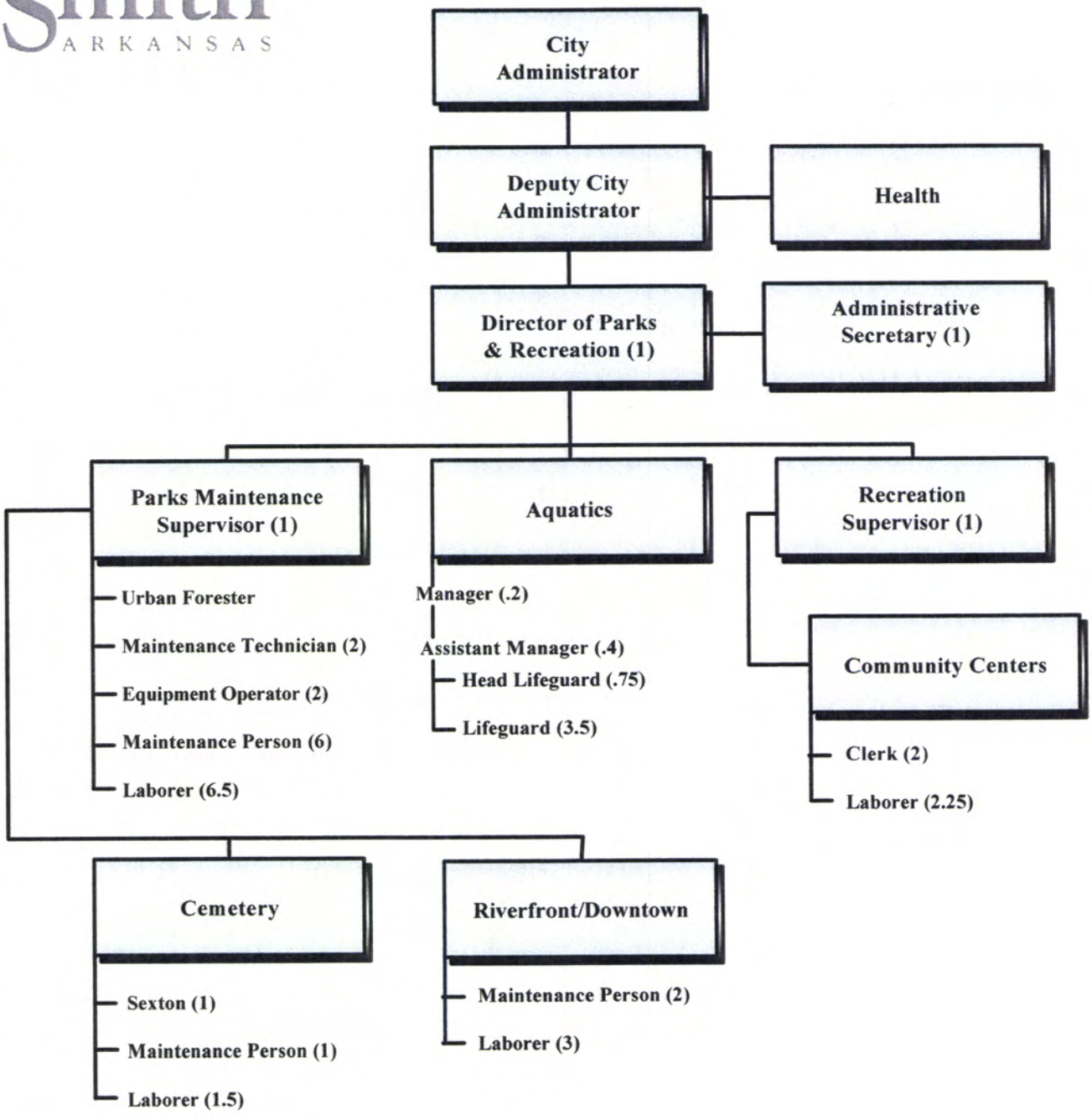
4. ***Service Objective:*** *Plan for water and sewer extensions to support growth and better serve neighborhoods. Replace all two-inch neighborhood water lines by 2020.*

   Outcome: Water projects for improved service and new development in the southern service area are nearing construction. Engineering design agreement for southern growth area master planning update and sewer service extentions are ready for award. The construction and design of neighborhood water line projects is underway.

WATER AND SEWER DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Water Service Line Installations	465	440	400	408
Sewer Service Line Installations	97	105	66	68
Sewer Service Line Replacements	325	406	294	300
Water Line Replacements	2,727 LF	2,400 LF	3,623 LF	3,695 LF
Sewer Line Replacements	6,289 LF	5,660 LF	8,000 LF	8,160 LF
Water System Work Orders	28,946	15,580	33,578	34,250
Sewer System Work Orders	3,187	4,270	3,288	3,344
Sewer Lines Cleaned	334,420 LF	392,294 LF	344,246 LF	351,130 LF
Sewer Lines TV Inspected	66,602 LF	64,328 LF	76,830 LF	78,366 LF
Locate Tickets Completed	8,053	17,910	8,080	8,242

Operation Services
Parks and Recreation



Purpose: To provide quality parks, recreation, and leisure services for the diverse regional community.

PARKS AND RECREATION OVERVIEW:

The Parks and Recreation Department includes six programs: 6101 Health, 6201 Parks Maintenance, 6202 Oak Cemetery, 6204 Community Centers, 6205 Aquatics, and 6206 River Park/Downtown Maintenance. The functions of the Department include maintenance and beautification of 25 City parks and medians with a total park acreage of 273.21, operation of the Creekmore community center and Elm Grove community center, management of 30.27 acre Oak Cemetery which is on the register of national historic places, manages and operates a swimming pool, a splash pad and three wading pools, manages the River Park facilities, Garrison Avenue streetscape and downtown parking areas and operates the Creekmore Train.

The FY09 Budget is $244,169 million or 8.5% more than FY08. The increase is due to the inclusion of a portion of the capital asset requests for FY09 as well as pay adjustments.

The Department has 38.10FTE positions allocated for FY09 which was the same in FY08.

PARKS & RECREATION	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 1,309,765	$ 1,451,350	$ 1,345,797	$ 1,519,990	$ 1,623,460
Operating Expenditures	1,108,814	1,362,859	988,053	1,229,670	1,398,100
Operating Budget	$ 2,418,579	$ 2,814,209	$ 2,333,850	$ 2,749,660	$ 3,021,560
Capital Outlay	2,773,279	45,282	39,729	354,000	880,000
Budget Appropriation	$ 5,191,858	$ 2,859,491	$ 2,373,579	$ 3,103,660	$ 3,901,560
Authorized Positions	36.10	38.10	38.10	38.10	38.10

PARKS AND RECREATION DEPARTMENT 2009 SERVICE OBJECTIVES

1. Improve employee morale and retention by restoring step and merit pay increases and making salaries more competetive with other cities.
2. Continue the green initiatives including recycling efforts in all city offices and facilities; paperless communications with the Board, committees, and citizens, and less energy consumption by the City.
3. Continue economic growth and develop strategies to attract higher technological jobs to the region.
4. Improve the liveability of neighborhoods by enhancing infrastructure and enforcing new and existing neighborhood goals.
5. Continue efforts to strengthen citizen service and citizen access to city government.

PARKS AND RECREATION DEPARTMENT
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Improve citizen service by strengthening relationships with citizens, soliciting feedback from residents and businesses adajacent to city construction sites, and providing online access to service requests.*

   Outcome: Public meetings were held to gain input from citizens concerning neighborhood park development, trails and greenways development, and the use of an outdoor recreation grant that is being submitted. The Parks and Recreation Director, Recreation Supervisor, and Urban Forester spoke to civic organizations and on the radio to inform the public about the park and recreation projects and recreational activities. The staff along with the Parks and Recreation Commission is creating strategic plans to provide recreation services and acquiring and developing new neighborhood parks.

2. ***Service Objective:*** *Encourage economic development by working with partners to implement the Tipping Report, educate the community about the report, update the downtown master plan, expand businesses, strengthen ties with the Northwest Arkansas Council, establish a curb appeal in Fort Smith to promote economic development and improve recreation opportunities, including the replacement of Andrews Field.*

   Outcome: Negotiations are in process with property owners along the River West Trail for easements along the river from River Park to P Street. Funding was not approved for the Old Railroad Trail. More than 25 events were produced yielding regional attendance, in turn generating a significant economic impact for the city. Funding was not approved for the Riverfront Master Plan. Over 300 trees were planted in various parks and medians, 200 of the trees were planted at Carol Ann Cross Park to reforest the hillside. Progress is being made in working with the Akansas Department of Parks and Tourism regarding the conversion of the property known as Andrews Field.

3. ***Service Objective:*** *Insist on innovation and improved uses of technology to better utilize public resources for serving the community. Prepare and begin implementation of a technology plan.*

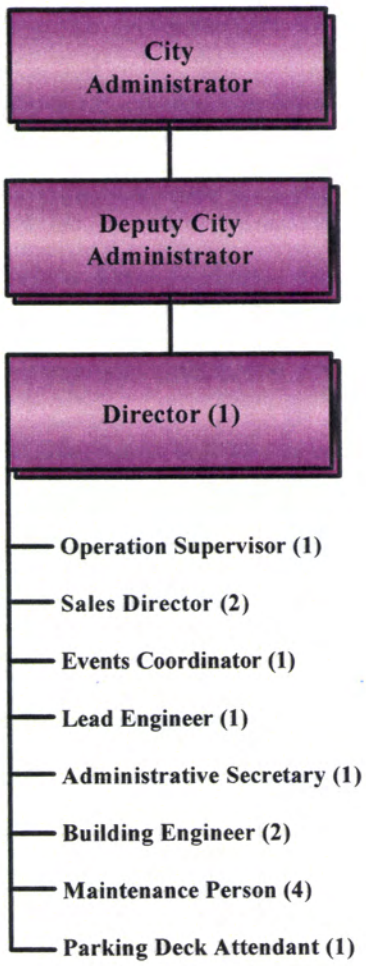
   Outcome: The website has been updated in a new program allowing staff to make changes to text and photos, to keep the site current. The reservation system calendar is now available for viewing to the public through the parks website. Citizens can view dates at all facilities and make requests via email for facilities. Deposits for facility rental are being processed through the Data-Tronics system in a paperless method that gets the deposit back to the citizen sooner. The tree inventory is being completed and placed on the website. The tree list is also available on the web. Parks and Recreation Commission and Oak Cemetery Commission information is sent out via email to reduce the waste of paper.

PARKS AND RECREATION DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	BUDGET FY08	FY08 thru 10/31/2008	BUDGET FY09
Flowerbed Square Footage	90,242	93,000	93,000	93,000
Median Flowerbeds Maintained	143	165	165	165
Median Square Footage	260,045	328,000	328,000	330,000
Medians Maintained	47	50	50	60
Trees Planted	115	200	300	120
Street Easements Maintained-Miles	*	*	3.43	4.94
Park Acres Maintained	273.21	273.21	273.21	279.01
Park Flowerbeds Maintained	84	90	90	90
Parks	25	25	25	27
Trails	2	2	2	5
Miles	3.90	3.90	3.90	6.20
Train Revenue	$11,146	$11,500	$11,131	$11,500
Train Riders	44,584	46,000	44,524	46,000
Cemetery Deeds Sold	40	40	25	40
Cemetery Interments	53	50	53	50
Cemetery Revenue	$46,614	$50,000	$39,749	$50,000
Community Center Bookings	633	775	530	775
Community Center Patrons	31,650	40,000	29,150	40,000
Community Center Revenue	$25,740	$25,500	$29,625	$40,000
Number of Community Centers	1	2	2	2
Aquatic Admissions	33,370	32,000	32,270	32,000
Aquatic days of Operations	91	90	83	90
Aquatic Revenue	$51,496	$65,000	$63,544	$65,000
Number of Swimming Pools	1	1	1	1
Number of Wading Pools	3	3	3	3
Splashpad	1	1	1	1
Riverpark Bookings	438	650	375	650
Riverpark Patrons	95,770	95,000	56,250	95,000
RiverPark Revenue	$47,610	$35,000	$46,720	$35,000
Number of Facilities	3	3	3	3
Total Events	76	80	65	80
Total Events and Patrons	99,260	100,000	85,000	100,000
Private Events	32	30	28	30
Private Event Patrons	62,900	65,000	58,000	40,000
Parks and Recreation Events	44	50	26	50
Parks and Recreation Events Patron	62,900	70,000	55,000	60,000

* Data not available

Operation Services
Convention Center



Purpose: **To operate the Convention Center facility in an effort to promote tourism and produce an economic impact for the City.**

CONVENTION CENTER OVERVIEW:

The Convention Center is responsible for operating the facility. The personnel are charged with booking conventions, trade shows, theater performances and other events in an effort to maximize the use of the facility. The facility has a 1,331 seat theater and 40,000 square feet of exhibition space plus meeting rooms. The entire facility encompasses 145,000 square feet of space on an 18 acre campus. The parking deck position is also a responsibility of the department.

The FY09 Budget for the Convention Center is $203,920 or 12.5% more than the FY08 Budget. This increase is due to wage adjustments as well as expected increases in operating costs such as utilities.

The Convention Center has 14FTE positions for FY09 which is consistent with FY08.

CONVENTION CENTER	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 704,597	$ 759,950	$ 773,038	$ 813,930	$ 861,150
Operating Expenditures	769,691	712,550	946,368	869,300	763,830
Operating Budget	$ 1,474,288	$ 1,472,500	$ 1,719,406	$ 1,683,230	$ 1,624,980
Capital Outlay	404,668	154,310	93,940	147,500	0
Budget Appropriation	$ 1,878,956	$ 1,626,810	$ 1,813,346	$ 1,830,730	$ 1,624,980
Authorized Positions	14.00	14.00	14.00	14.00	14.00

CONVENTION CENTER 2009 SERVICE OBJECTIVES

1. Maximize revenue potential of the Fort Smith Convention Center by continuing to increase the number of new accounts, while maintaining current client base.
2. Building upon and expanding a diverse client/customer base that will optimize the versatility of the Fort Smith Convention Center.
3. Provide customers/clients with a positive and above satisfactory experience through consistent and expedient high level service, from all members of the Fort Smith Convention Center staff.
4. Improve environmental performance by optimizing recycling and "green" purchasing.
5. Maximize advertising dollars by co-op advertising and tradeshow participation with the A&P Commission.

CONVENTION CENTER
2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Maximize revenue potential by increasing the number of new accounts and maintaining current client base.*

   Outcome: Thirty-seven new accounts have been added through November 2008.

2. ***Service Objective:*** *Make a minimum of 90 contacts per week with local, state, regional or national organizations.*

   Outcome: Goal Achieved.

3. ***Service Objective:*** *Conduct a minimum of 22 site tours each month.*

   Outcome: Goal achieved, 573 people took site tours to date.

4. ***Service Objective:*** *Exhibiting in four annual convention tradeshows per year.*

   Outcome: Goal achieved.

5. ***Service Objective:*** *Track leads from various tradeshows to ensure quality leads and profitable to attend.*

   Outcome: All tradeshows have yielded quality leads.

6. ***Service Objective:*** *Minimum of 40 follow-up contacts a week to build relationships to secure future bookings.*

   Outcome: Goal achieved.

7. ***Service Objective:*** *Hold pre and post conference meetings with all meeting planners to determine level of customer satisfaction.*

   Outcome: We continue to receive positive feedback from customers on facility and staff.

8. ***Service Objective:*** *Establish a diverse client/customer base to optimize the versatility of the center and river park facilities.*

   Outcome: 14 large center programs have been held to through the month of November 28 exhibits and/or tradeshows have been held through November, 2 additional exhibits/tradeshows are booked for the December. 14 state convention/meeting events have been held through November with 2 contracted for December. Hosted 24 regional/national convention/meetings through November with booked events in December, we will exceed goal. 48 local events were held through November, and 8 additional events have been contracted for the remainder of 2008 which exceeds our goal. 37 theater events were held through November, with 4 additional booked through the end of the year, also exceeding our goal.

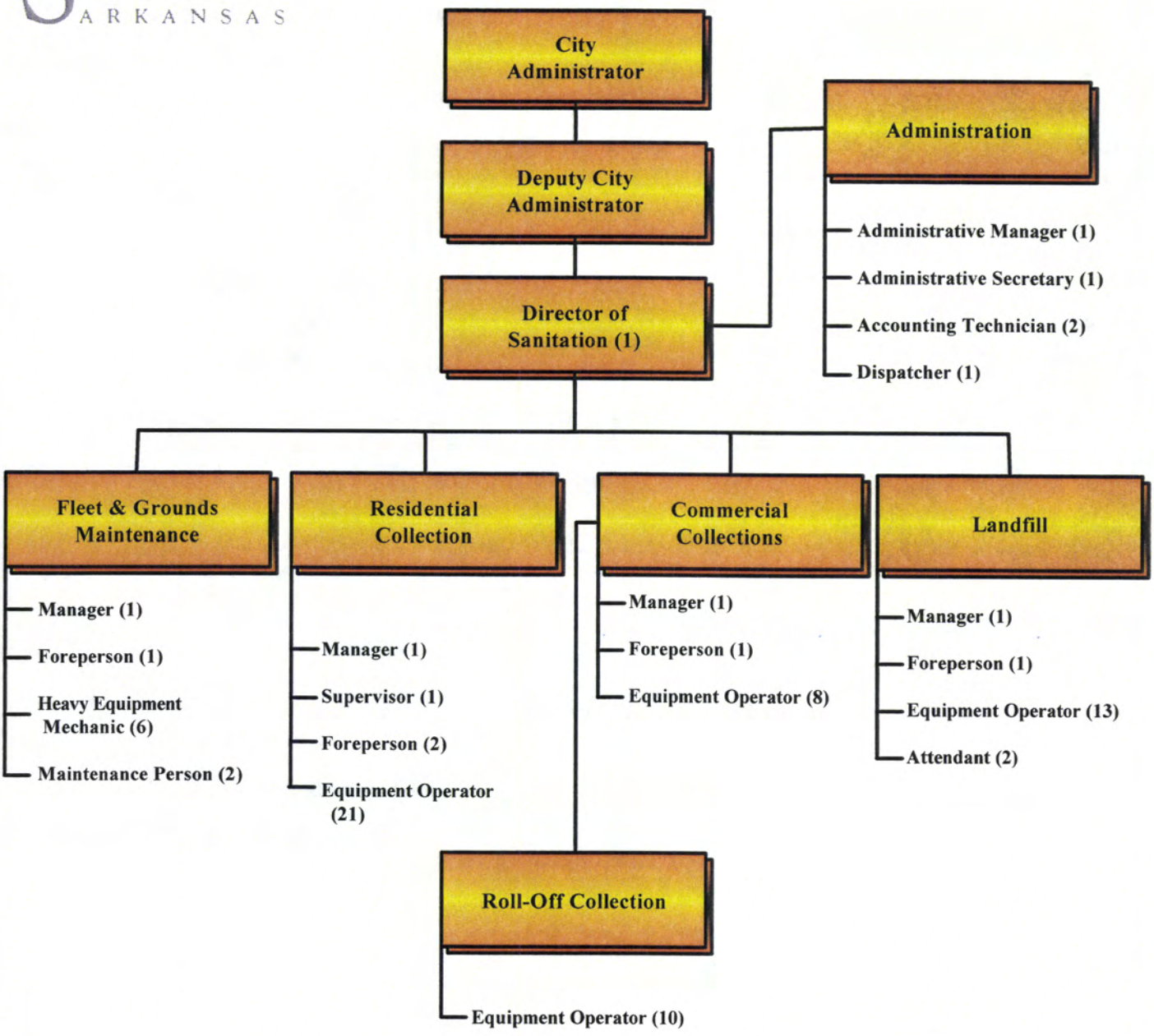
9. ***Service Objective:*** *Achieve client/customer experience and level of satisfaction through the delivery of consistent, quality client/customer service.*

   Outcome: Cleanliness issues are resolved immediately, and a follow up system is maintained for issues and maintenance. All repairs are completed within 72 hours of report unless work has to be done by an outside vendor which was the case on the hail damage.

10. ***Service Objective:*** *Maximize advertising dollars by coop advertising and tradeshow participation with A&P Commission.*

    Outcome: Convention Center staff and CVB staff attended several events together to date and have participated in coop advertising in 3 publications.

Operation Services
Sanitation



Purpose: **To collect and dispose the City and region's solid waste in a safe, efficient, environmentally sound and legal manner.**

SANITATION DEPARTMENT OVERVIEW:

The Sanitation Department is comprised of seven programs: 6301 Administration, 6302 Residential Collection, 6303 Commercial Collection, 6304 Fleet Maintenance, 6305 Sanitary Landfill, 6306 Debt Service and 6307 Roll-Off Collection. The Department manages and coordinates the solid waste collection and disposal system within the Solid Waste Management District. The Department manages the recycling program, coordinates construction of Sebastian County landfill expansions, provides pick-up service for residential, commercial, and industrial accounts for solid waste and recyclables and provides for disposal of solid waste.

The FY09 Budget is $364,514 or 3% more than the FY08 Budget. The increase is attributable to the planned pay adjustments which was offset by a decrease in capital outlay as the department is allocating depreciation for replacement of equipment into a sinking fund once again.

The Sanitation Department has 78FTE positions for FY09, which is consistent with FY08.

SANITATION DEPARTMENT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenses	$ 4,561,759	$ 4,827,510	$ 4,792,204	$ 5,021,960	$ 5,396,870
Operating Expenses	4,397,161	5,203,210	5,555,282	6,190,830	6,686,100
Operating Budget	$ 8,958,920	$ 10,030,720	$ 10,347,486	$ 11,212,790	$ 12,082,970
Capital Outlay	794,252	2,244,156	2,068,157	1,426,600	410,000
Budget Appropriation	$ 9,753,172	$ 12,274,876	$ 12,415,643	$ 12,639,390	$ 12,492,970
Authorized Positions	78.00	78.00	78.00	78.00	78.00

SANITATION DEPARTMENT 2009 SERVICE OBJECTIVES

1. Continue expansion of the automated refuse collection program.
2. Construct a new Transfer Station/Citizen Convenience Center at the landfill.
3. Excavate area for construction of Phase 5, continue to prepare area for Class 4 construction and to construct a new Transfer Station if budget allows.

SANITATION DEPARTMENT 2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Increase awareness and participation in waste reduction, diversion, and recycling by commercial businesses.*

   Outcome: Department personnel have presented recycling information to over 800 individuals through recycling presentations and landfill tours. We have also increased our marketing efforts by upgrading our website, brochures, and vehicles and equipment signage.

2. ***Service Objective:*** *Implement an interoffice recycling program for all City departments and locations.*

   Outcome: A recycling collection vehicle was acquired in 2006 from grant funds and collection staff has been identified. We are currently updating/creating educational material and expect implementation to begin in fall 2008.

3. ***Service Objective:*** *Continue expansion of the Automated Refuse Collection Program.*

   Outcome: The Automated Refuse Collection Program expansion for 2008 began in April for about 4,000 customers in a number of neighborhoods around the city. The total customer base currently receiving automated refuse collection is 12,000 or 57% of households since the program began in 2006.

4. ***Service Objective:*** *Construct a new Transfer Station/Citizen Convenience Center at the landfill.*

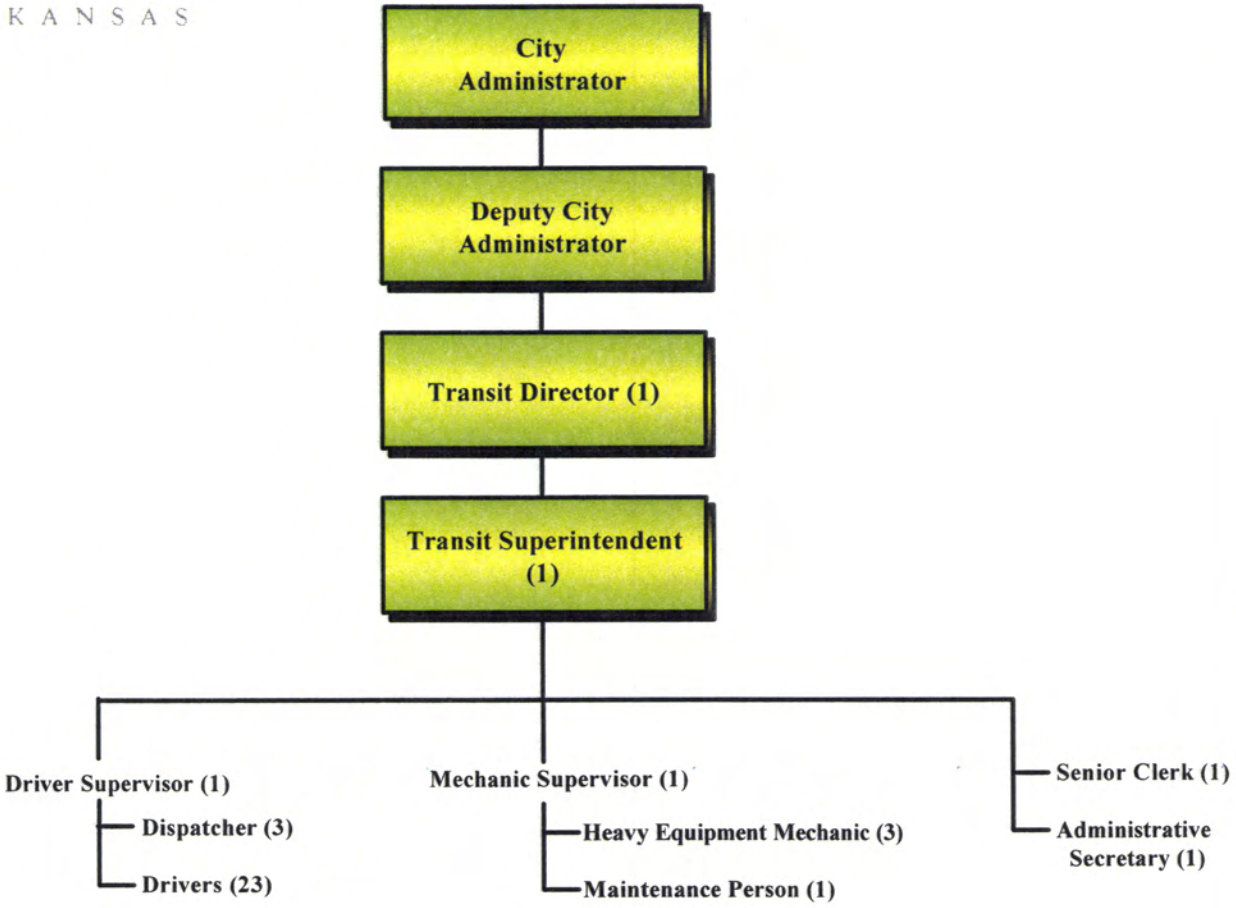
Outcome: Transfer station/convenience center had been delayed due to budget constraints.

SANITATION DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Residential Accounts			
Total Residential Accounts	25,925	20,660 *	20,867
Monthly Charge Per Residence	$ 14.38	$ 14	$ 14
Number of Requests for Dial-A-Truck	5,500	5,325	5,400
Tons of Residential Refuse Collected Per Year	22,835	21,950	22,170
Tons of Residential Refuse Collected Per Day Per Route	90	84	85
Tons of Residential Recycled Material Collected Per Year	3,200	2,850	3,000
Tons of Residential Recycled Material Collected Per Day Per Route	15	11	11
Commercial Container Accounts:			
Number of 2yd Containers Emptied Per Week	1,350	1,547	1,650
Number of 4yd Containers Emptied Per Week	1,025	532	600
Number of 6yd Containers Emptied Per Week	480	406	450
Number of 8yd Containers Emptied Per Week	725	780	850
Total Number of Containers Emptied Per Week	3,580	3,265	3,550
Total Number of Tons Collected Per Week	528	501	519
Number of 2yd Containers Emptied Per Year	70,200	80,444	85,800
Number of 4yd Containers Emptied Per Year	53,300	27,664	31,200
Number of 6yd Containers Emptied Per Year	24,960	21,112	23,400
Number of 8yd Containers Emptied Per Year	3,770	40,560	44,200
Total Number of Containers Emptied Per Year	186,160	169,780	184,600
Total Number of Tons From Commericial Collection Per Year	27,456	26,075	27,000
Industrial Roll-Off Accounts:			
Hauls Per Week	245	215	250
Total Number of Hauls Per Year	12,740	11,180	13,000
Tons Collected Per Week	971	1,011	1,050
Landfill Operations			
Tons Disposed at Landfill Per Year	310,000	315,000	310,000

* Prior years contained residential collections accounts seviced by a third party within Fort Smith.

Operation Services
Public Transit



Purpose: To provide for the operations of the City's transit system to meet citizen transportation needs.

TRANSIT DEPARTMENT OVERVIEW:

The Transit Department program is responsible for the operation of the City's bus system to provide transportation for its citizens. The Department currently operates 19 buses on fixed routes and by demand response.

The FY09 Budget is $12,066 or 0.4% more than FY08. The increase is a result of the planned pay adjustments offset by a decrease in capital for FY09.

The total personnel in the Department is allocated at 37FTE for FY09 which is consistent with the prior year.

TRANSIT DEPARTMENT	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 1,580,657	$ 1,634,680	$ 1,604,755	$ 1,726,840	$ 1,868,220
Operating Expenditures	461,113	494,440	544,228	556,360	560,010
Operating Budget	$ 2,041,770	$ 2,129,120	$ 2,148,983	$ 2,283,200	$ 2,428,230
Capital Outlay	186,479	1,236,974	207,409	1,094,960	1,165,460
Budget Appropriation	$ 2,228,249	$ 3,366,094	$ 2,356,392	$ 3,378,160	$ 3,593,690
Authorized Positions	37.00	37.00	37.00	37.00	37.00

TRANSIT DEPARTMENT 2009 SERVICE OBJECTIVES

1. Work with the Bi-State MPO, AHTD and a local university to identify a mobility manager capable of disseminating the AVL program and coordinating local transportation services among the River Valley Transportation Providers.
2. Work with the Fort Smith Police and Fire Departments, Sebastian County Sheriff's Department and the Federal Transit Administration on converting incidental office space at the Transit Facility to an Emergency Operations Center.
3. Install a fuel tank and automated pumps at the transit facility to reduce fuel costs for the transit and Police Department.

TRANSIT DEPARTMENT 2008 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Work with the River Valley Transportation Providers to improve transportation during second shift hours.*

   Outcome: The department assisted the Bi-State MPO in submitting a 2009 grant application to fund a regional transportation project to coordinate existing resources for the expansion of transportation services.

2. ***Service Objective:*** *Work with CBID to promote the downtown trolley as a business attraction.*

   Outcome: Staff continues to work with the downtown coordinator to promote the shuttle service. The downtown shuttle now serves as the department's top performing route and the driver reports tourists are frequently asking for information about downtown restaurants and businesses.

3. ***Service Objective:*** *Work with Arkansas Highway and Transportation Department on an automated vehicle locator program to track common passenger transportation routes, operating times, service gaps and redundancies among the River Valley Transportation Providers.*

   Outcome: The AHTD has received approximately twenty (20) portable GPS devices with memory capability to loan to Fort Smith Transit to track the movement of transportation vehicles within the region.

TRANSIT DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY07	BUDGET FY08	ESTIMATED FY08	BUDGET FY09
Efficiency Measures:				
Cost Per Passenger	$11.74	$12.13	$11.85	$12.74
Cost Per Revenue Hour	$55.67	$53.14	$51.62	$55.73
Cost Per Revenue Mile	$4.19	$3.93	$3.92	$4.15
Performance Measures:				
Total Passenger Trips	173,917	170,000	202,158	215,736
Total Revenue Miles	487,642	484,919	483,560	484,000
Total Revenue Hours	36,673	37,000	34,760	35,000
Fare Revenue	$151,506	$152,000	$169,430	$178,000
Fixed Route Service				
Total Fixed Route Trips	142,479	137,000	162,737	175,667
Half Fare Passenger Trips	25,631	25,000	28,358	29,775
Mixed Service Trips (Fixed & Demand)	2,026	4,500	60	0
Downtown Shuttle (Started 2/2007)	15,739	12,000	27,120	28,000
Monthly Pass Trips	13,242	15,000	15,262	17,000
Fixed Route Transfers	53,719	56,000	57,248	60,500
Demand Response Service				
Demand Response Transfers	23,583	21,000	27,486	29,124
Avg. Scheduled Demand Res. Trips-Mthly	1,964	2,200	22,983	2,481
Total Subscription (routine) Trips Mthly.	1,650	1,500	1,924	2,038
Total Number of Senior Citizens Serviced on Demand Response	2,358	2,000	2,748	2,912
Total No Shows	597	1,200	916	1,000
Total Cancellations	2,337	6,500	5,870	5,500
Demand Response Transfers	5,846	6,100	230	0
Special Services				
Transit Assistance Programs Trips-Fixed and Demand	4,167	1,400	1,224	1,300
Charter/Shuttle Passengers	7,855	12,000	11,935	10,944
DHS Passenger Trips (Fixed and Demand)	2,834	2,000	3,000	3,200
Accident Summary				
Total Minor Accidents (including no fault)	17	0	2	0
Total Preventable (at fault) Minor Accidents	5	0	3	0
Total Major Accidents (Disabling Damage)	1	0	1	0
Maintenance Performance				
Total Number of Preventive Maintenance Inspections	136	210	75	150
Total Major Mechanical System Failures	40	4	14	20
Total Road Calls	11	15	1	15
Drug and Alcohol Prevention				
Total Pre-Employment Drug Tests	10	10	0	0
Total Random Drug and Alcohol Tests	14	8	10	18
Total Random Alcohol Tests	3	4	2	4
Total Reasonable Suspicion Drug and Alcohol Tests	1	0	0	0
Total Post Accident Drug & Alcohol Tests	2	0	2	0
Total Positive Drug or Alcohol Tests	1	0	0	0

NON-DEPARTMENTAL

NON-DEPARTMENTAL	ACTUAL FY 07	BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenditures	4,395,536	4,579,810	3,874,250	3,791,648	3,980,442
Operating Budget	$ 4,395,536	$ 4,579,810	$ 3,874,250	$ 3,791,648	$ 3,980,442
Capital Outlay	2,510,345	2,875,554	4,168,603	1,875,135	1,000,000
Budget Appropriation	$ 6,905,881	$ 7,455,364	$ 8,042,853	$ 5,666,783	$ 4,980,442
Authorized Positions	0.00	0.00	0.00	0.00	0.00

The Non-Departmental budget contains funds for a variety of activities and programs which are not related to any one of the traditional departmental programs. Funds are provided for outside agencies which provide services to the community.

Funds are also budgeted for transfers for capital improvements, the parking programs and the cleanup of unsightly property. The County Sales Tax commitments for the public library, senior citizen services, downtown redevelopment/riverfront improvements and the water and sewer capital improvements are budgeted in this program.

The Non-Departmental budget is allocated among the four operating funds as listed on the following two pages.

GENERAL FUND

Outside Agency Funding-Contractual Services		
Fort Smith Museum of History - Operating Expenses	$ 20,000	
Lincoln Youth Service Center	13,000	
Lincoln Childcare Center	12,600	
Fort Smith Art Center-Utilities	7,000	
Fort Smith Heritage Foundation - Clayton House Utilities	4,500	
Sebastian County Girls Softball League, Inc. - Utilities	6,500	
The Fort Smith Symphony	12,000	
Western Arkansas Ballet	6,600	
Fort Smith Chorale	6,500	
Crisis Center for Women	10,000	
Fort Smith Boys Club - Utilities	30,000	
Girls Inc.- Utilities	25,000	
Fort Smith Little Theatre - Utilities	7,000	
Gregory Kistler Treatment Center for Children-Utilities	7,500	
Children's Emergency Shelter	10,000	
Fountain of Youth Adult Day Care- Utilities and Equipment	10,000	
Hannah House	7,500	
Westark RSVP	5,000	
The First Tee, Inc.-Utilities	7,000	
Next Step Day Room	20,000	
Sub-Total	227,700	
Settlement of Litigation	40,000	
Legal Services-Special	50,000	
Port Authority Insurance	3,250	
Fort Smith Museum of History - Utilities	20,000	
SRCA, Inc. Social Services	263,000	
Youth Volunteer Program	10,000	
WAPDD Annual Dues	20,860	
Transit Charters	25,000	
Transfer to Cleanup/Demolition	90,000	
Transfer to Parking Authority Fund	250,000	
Property Insurance Deductible	15,000	
Fort Chaffee Redevelopment Authority	31,000	
Fort Smith Public Library-6% County Sales Tax Allocation	964,579	
Fort Smith Public Library- Additional Funds	150,000	
Area Agency on Aging	130,000	
Project Compassion	10,000	
Downtown Development	265,609	
Mayor's 4th of July Celebration	32,000	
Robotics Competition at UAFS	25,000	
City/Chamber/UAFS Initiative	50,000	
Sub-Total		2,672,998

STREET MAINTENANCE FUND

50/50 Sidewalk Repair Program	$ 15,000	
DRIPP	20,000	
Sinking Account	235,135	
Property Insurance Deductible	15,000	
Transfer to General Fund	74,550	
Sub-Total		359,685

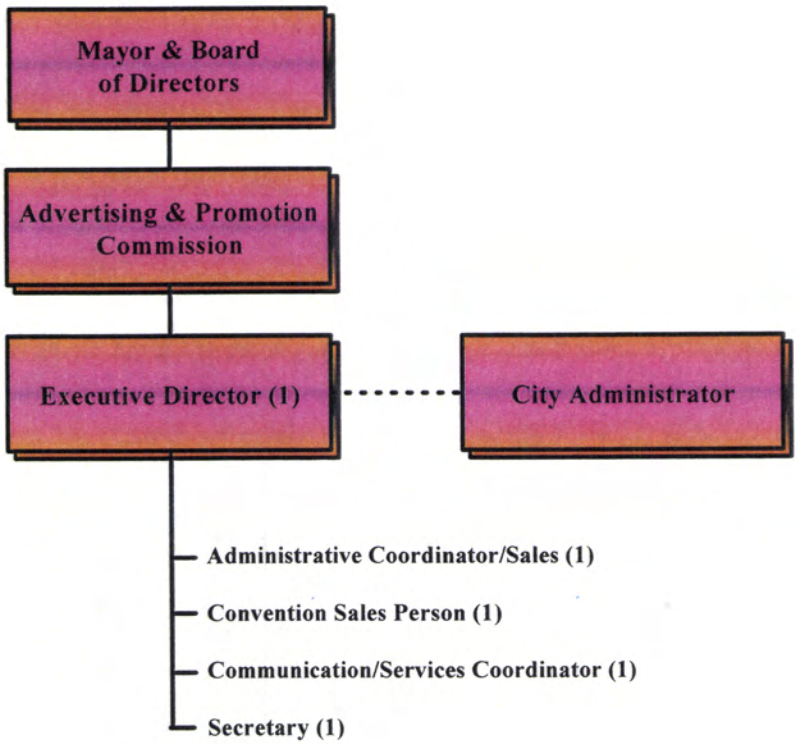
WATER AND SEWER OPERATING FUND

South Sebastian County Water Users Association Payment	360,000	
Property Insurance Deductible	30,000	
Transfer to General Fund	74,550	
		464,550

SANITATION OPERATING FUND

Transfer to Sanitation Sinking Account/Landfill Const. Fund	1,990,000	
Transfer to Cleanup/Demolition Fund	90,000	
Transfer to General Fund	74,550	
Property Insurance Deductible	15,000	
Sub-Total		2,169,550
GRAND TOTAL		$ 5,666,783

Non-Departmental
Convention and Visitors Bureau



Purpose: To improve the economy of the community and the local hospitality industry by attracting visitors, meetings, conventions and events to the City.

CONVENTION AND VISITORS BUREAU OVERVIEW:

The Convention and Visitors Bureau serves under the direction of the City's Advertising & Promotion Commission. The Commission includes two members of the governing body of the City and five citizens associated with the tourism industry such as hotel managers and restaurant operators. The City assesses a 3% occupancy tax on hotels and motels within the City. The rate was 2% until September 15, 2001. The Bureau is charged with the promotion of tourism activities in the City.

The FY09 Budget is $42,313 or 4.6% more than FY08 Budget. The increase is attributable to pay adjustments and special events participation.

The authorized positions for FY09 total 5.0FTE which is the same as FY08.

CONVENTION & VISITORS BUREAU	ACTUAL FY 07	AMENDED BUDGET FY 08	ESTIMATED FY 08	BUDGET FY 09	BUDGET FY 10
Personnel Expenditures	$ 281,741	$ 319,730	$ 310,829	$ 325,428	$ 332,890
Operating Expenditures	409,310	603,630	573,263	640,245	590,040
Operating Budget	$ 691,051	$ 923,360	$ 884,092	$ 965,673	$ 922,930
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 691,051	$ 923,360	$ 884,092	$ 965,673	$ 922,930
Authorized Positions	5.00	5.00	5.00	5.00	5.00

CONVENTION AND VISITORS BUREAU 2009 SERVICE OBJECTIVES

1. Continue to maximize transient guest tax receipts through aggressively marketing the Fort Smith area's hospitality, facilities and attractions to convention/event, corporate and leisure markets.
2. Continue to develop and maintain a database of planners in the convention and corporate markets whose business will positively impact the Fort Smith area economy and enhance the quality of life for area citizens.
3. Establish and maintain cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality.
4. Ensure a positive guest experience by connecting the guest with quality products or services provided by our Fort Smith area business partners.
5. Take a leading role in the Fort Smith economic development efforts through interface with those involved in development efforts, particularly on a regional level in surrounding counties in both Arkansas and Oklahoma.
6. Educate local and area business leaders and state/regional event planners as to the Fort Smith Bureau's role in assisting with attracting and servicing events in Fort Smith.
7. Take an active role in "destination development" efforts to add tourist attractions to the Fort Smith area. Continue to take a leading role in development of the United States Marshalls Service Nationa Museum in Fort Smith and the Historic Fort Chaffee Barber Shop. Continue planning to adjust our marketing efforts to feature the museums as primary attractions in the region as they develop.
8. Continue development of the communications program to maximize Fort Smith's exposure to all target audiences through standard marketing practices both in print and on the worldwide web.

CONVENTION AND VISITORS BUREAU
SERVICE MEASURES/PERFORMANCE INDICATORS

1. Increase the exposure of the Fort Smith area through advertisements and articles about the City of Fort Smith and its hospitality offerings by 20%.
2. Increase the number of leads provided to the Fort Smith Convention Center and hospitality community by 10%.
3. Contribute to an increase in the Fort Smith area hotel occupancy through an increase in convention guests by 5%.
4. Increase the number of citywide convention proposals by 5%.
5. Increase the number of motorcoach tour groups into the Fort Smith area by 5%.
6. Increase the number of guests to the Fort Smith Visitor Information Center, "Miss Laura's" by 5%.

CONVENTION AND VISITORS BUREAU
2008 SERVICE OBJECTIVES AND OUTCOMES

SERVICE OBJECTIVE	OUTCOME			
	Actual FY07	Budget FY08	Estimated FY08 Through 5/08	Budget FY09
1. Increase exposure of the Fort Smith area through advertisements & articles about the City of Fort Smith hospitality offerings by by 20%	2,129 column inches of editorial	820 column inches of editorial	111 column inches of editorial **	860 column inches of editorial
2. Increase number of leads provided to the Fort Smith Convention Center and the Fort Smith Hospitality Community by 10%.	90 leads 17,400 nights	99 leads 19,140 nights	92 leads 20,985 nights	97 leads 22,034 nights
3. Contribute to an increase in Fort Smith area hotel occupancy through an increase in convention/event guests.	Room Tax $706,222	Room Tax $743,854	Room Tax $324,166 +15.5% Jan-May 08	Room Tax $781,046
4. Increase the number of city-wide convention/event proposals by 20%.	12	14	12	15
5. Increase the number of motorcoach tour groups into the Fort Smith area by 5%.	98	79	83*	83
6. Increase the number of guests to the Fort Smith Visitor Information Center, Miss Laura's by 5%.	14,855	15,630	5,945*	16,411

* Through June 2008

** More than half of the column inches were a result of Fort Smith's selection as the future site of the U.S. Marshals Service national museum.

This Page Left Intentionally Blank

Introduction

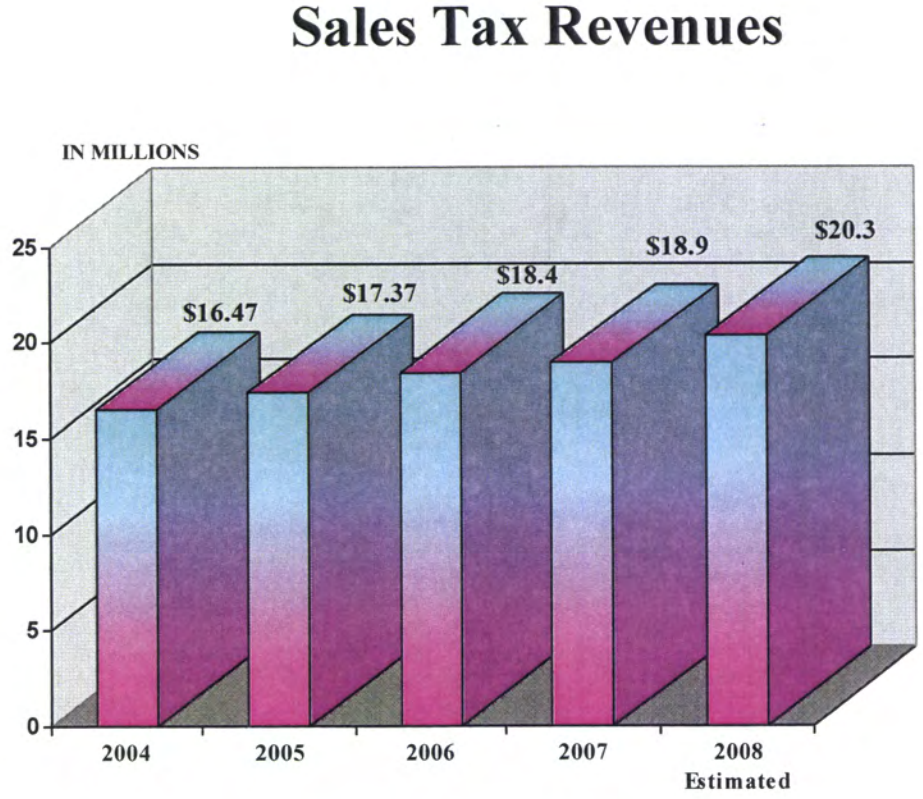
The City's major capital improvements are provided by the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the 2006 and 2008 Sales and Use Tax Construction Funds, the Sanitation Sinking/Landfill Construction Fund, Sidewalk Construction Fund, the Tilles Park Park Fund and the Parking Authority Fund. The current year projects for each fund are highlighted within this section. Additionally, the capital outlay included in the operating budget as well as sinking fund depreciation and planned purchases for the Street Maintenance Fund and the Sanitation Operating Fund are presented in this section.

Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund in October 2008. The FY09 CIP for the sales tax street program was included in the approval document Resolution No. R-180-08.

Funding for the program is provided by a one cent local sales tax which was approved by voters in September 1985 and became effective November 1, 1985. The tax was reaffirmed on October 10, 1995 and May 10, 2005 for an additional ten years. The purpose of the program is to repair, maintain and improve the City's streets, bridges, and associated drainage. The tax is restricted for these uses.

The revenue generated by the Sales Tax for the past five years is indicated in the graph below.



The estimated sales tax revenue for 2009 is $20.1 million which represents a 1% decrease from the estimated 2008 tax revenue of $20.3 million. The estimated FY09 revenue is less than the FY08 revenue as the FY08 revenue included tax receipts from the increased construction activity due to the hail storm. The estimated FY09 revenue exceeds the FY08 original budget estimate by 3.6%. Interest earnings and other revenue for 2009 are estimated at $1.4 million and the beginning fund balance is estimated to be $21.8 million. Therefore, total resources available for 2009 are $43.3 million. Of this amount, $6.2 million is estimated as the ending fund balance at December 31, 2009 which represents funds available for contingency and for future years' projects. Total project funds available are $37.1 million and will be used for the 2009 program allocated as follows:

FY09 Program:	
Neighborhood Overlays and Reconstruction	$ 11.9 million
Neighborhood Drainage Improvements	2.1
Intersection Signal Improvements	0.2
Multi-Year and/or Major Projects	20.3
Special Projects	0.2
Administrative Costs	2.2
Overlays by Street Department	.2
	$ 37.1 million

The 2009 neighborhood overlays and reconstruction projects are as follows:

Street	From	To	Length	Cost
30th Street	North L Street	North M Street	647	$ 51,760
North M Street	12th Street	30th Street	3,323	331,475
Spradling Avenue	23rd Street	27th Street	1,271	127,100
Spradling Avenue	Mussett Road	50th Street	5,295	537,550
Howell Avenue	Albert Pike Avenue	46th Street	1,327	119,430
South Y Street	Wheeler Avenue	Towson Avenue	1,344	134,400
South W Street	South Y Street	Towson Avenue	670	60,300
28th Street	Neis Street	Emrich Avenue	328	29,520
29th Street	Irving Street	Emrich Avenue	976	87,840
32nd Street	Irving Street	Walnut Street	2,300	207,000
33rd Street	Spradling Avenue	Emrich Avenue	1,327	119,430
Neis Street	Mussett Road	End of Road	2,614	235,260
Northwood Drive	Mussett Road	Mussett Road	1,320	178,200
Oak Street	Mussett Road	36th Street	800	84,560
Reed Lane	Mussett Road	West of Sundown Ln	2,148	214,800
Sundown Lane	6th Street	Reed Lane	552	55,200
Mussett Road	Spradling Avenue	Newlon Road	5,294	589,320
29th Street	Division Street	Kelley Highway	1,309	209,440
West Albert Pike	Albert Pike Avenue	Alber Pike Avenue	345	46,575
Ridgeway Drive	Futral Drive	Churchill Road	767	103,545
49th Street	Grand Avenue	North O Street	2,651	238,590
Park Avenue	43rd Street	Waldron Road	3,629	362,900
Dallas Street	Hendricks Blvd.	42nd Street	1,012	131,560
39th Street	Fresno Street	Dallas Street	874	117,990
40th Street	Fresno Street	Dallas Street	881	118,935
41st Street	Gary Street	Dallas Street	1,208	163,080
42nd Street	Fresno Street	Dallas Street	982	132,570
Fresno Street	39th Street	42nd Street	879	118,665
Cherokee Circle	Leigh Avenue	End of Road	678	91,530
59th Street	Boston Street	Country Club Ave.	524	47,160
Country Club Avenue	59th Street	End of Road	476	38,080
Country Club Avenue	62nd Street	Rogers Avenue	1,028	102,800
Exeter Circle	Jenny Lind Road	Jenny Lind Road	322	43,470
Jenny Lind Road	Kells Abby Street	End of Road	2,809	533,710
Duke Avenue	US Highway 71	End of Road	1,408	275,990

Street	From	To	Length	Cost
Cavanaugh Road	Joseph Street	US Highway 71	1,794	183,670
Gary Street	91st Street	95th Street	1,173	158,355
Enid Street	91st Street	95th Street	1,172	158,220
Newport Place	End of Road	Dallas Street	517	69,795
92nd Street	Enid Street	Dallas Street	515	69,525
93rd Circle	End of Road	Dallas Street	219	29,565
94th Circle	End of Road	Dallas Street	220	29,700
95th Street	Houston Street	Dallas Street	1,475	199,125
106th Circle	Dallas Street	End of Road	459	61,965
	Total 2009 Street Overlay/Reconstruction Program			6,999,655
	Balance of 2008 Projects Currently Under Construction			4,950,000
	Total 2009 Street Overlay/Reconstruction Program			$ 11,949,655

The 2009 neighborhood drainage improvements total $1.385 million. In addition, there is $700,000 of prior year projects to be completed during FY09. The FY09 projects are identified as follows:

Hon Pond- $600,000 Several structures between Hon Avenue and Kinkead Avenue in the vicinity of North 38th Street have experienced flooding. This project will increase the capacity of Hon Pond and make it an effective detention pond. The project also includes improvements to channels both north and south of the detention pond.

Sunnymede Creek Culvert Replacement-$650,000 This project includes capacity improvements to the upper limit of Sunnymede Creek extending from Midland Blvd. upstream to the rail road crossing just downstream of the North Pointe development. This past spring several structures in the North Pointe development experienced flooding. The existing storm drain culvert and rail road culverts are undersized and will be up sized. This project will also alleviate flooding on the Carco property.

Box Culvert at 4006 Towson Avenue-$135,000 This project includes the replacement of a box culvert that is collapsing west of Towson Avenue towards Mill Creek on the CarMart property on Towson Avenue. We are in the process of finalizing a cost sharing agreement with the owner to replace this box culvert, the City is paying $135,000 and the owner is paying $135,000 for an estimated total cost of $270,000.

The 2009 intersection and signal improvements total $250,000 and consists of a signalized crossing on Massard Road to serve the school children at Chaffin Junior High and Woods Elementary schools. Massard Road in this area is a four lane road and the nearest protected crossing is Rogers Avenue on the South end or Dallas Avenue on the north end.

Multi-year and major projects are allocated at $20.3 million for FY09. The projects are described as follows:

Jenny Lind Road-Dodson to Dallas and Zero to Cavanaugh- This project consists of the widening and reconstruction of Jenny Lind. Construction for the segment of Jenny Lind between Dodson and Dallas began in 2008 and will be completed during FY09. The design for the segment between Zero and Cavanaugh is underway. Federal funding has been obtained in the amount of $7.2 million for the section between Cavanaugh Road and Zero. This phase will also include improvements to and the extention of Ingersoll Road from Jenny Lind to US Highway 71. Construction is expected to begin in FY10 pending completion of design and right of way acquistion. The allocation for FY07 was $.5 million, the allocation for FY08 was $3.5 million, and the FY09 allocation is $2.3 million. Anticipated future allocations are $1.7 million in FY10, $5 million in FY11, $7 million in FY12, and $1 million in FY13.

Greenwood Avenue- This project consists of overlay, minor widening and reconstructing Greenwood Avenue from Country Club to Midland Blvd. New traffic signals will be installed at the intersections of Greenwood Avenue with Kinkead Avenue and Park Avenue. The FY07 allocation was $50,000, and the FY08 allocation was $100,000 and the FY09 allocation is projected at $6.3 million.

May Branch Drainage Project- This project is for the purpose of reducing flooding along May Branch from the Arkansas River to Park Avenue. It consists of the construction of a drainage channel to replace the existing deteriorated and hydraulically inadequate concrete pipe. The feasibility study prepared by the Corps of Engineers was approved in 2006. The City is lobbying for federal funding to assist with the project as the total cost exceeds $30 million. The design agreement between the Corps of Engineers and the City is being finalized and is expected to be approved before the end of FY08. The design is expected to take two years. Due to the magnitude of the project, it will be funded over a period of several years. The FY08 allocation was $554,000, the allocation for FY09 is $1 million, and the allocations for FY10 through FY13 total $16.2 million.

Briarcliff Drainage- This project includes the installation of two additional culverts under I-540 along with the purchase of several houses. The estimated project cost is $640,000 and is expected to be completed in FY09. The FY09 allocation is $250,000.

Mill Creek Drainage between Cavanaugh Road and South 28th Street- This project includes the rechannelization of Mill Creek from Cavanaugh Road north to South 28th Street. This project also includes replacement of the bridges at both Cavanaugh Road and South 28th Street. South 28th Street will be realigned with Highway 71 as identified on the Master Street Plan. A traffic signal will be installed at the intersection. The design is completed and the City is awaiting receipt of the Corps of Engineers 404 Permit. The estimated cost for this project is $4.5 million with $3 million allocated in FY09, and $1.5 million allocated for FY10.

Texas Road- South of Cavanaugh- This project includes the widening of Texas Road from Cavanaugh Road south to Torrington Way to a collector curb and gutter section. Also included is minor street widening along Texas Road south of Torrington Way. The project wil include a sidewalk north of Cavanaugh Road to Hillside Drive. The FY08 allocation was $200,000, the FY09 allocation is $3.5 million, and the FY10 allocation is expected to be $600,000.

Spradling Avenue- Clayton Expressway eastward- This projects consists of constructing a major collector street extending east off of Clayton Expressway approximately 1,800 feet. This road will serve the relocated Andrews Field. Construction on the road will not begin until construction on the ball fields begins. The FY08 allocation was $11,000 , the FY09 allocation is $53,000, and the FY11 and FY12 allocations total $1.2 million.

North Pointe (FSHA) Street & Drainage- This project consists of building streets and drainage for the Fort Smith Housing Authority (FSHA) North Pointe Development. The total cost is $1,064,492 and is to be spent and completed in FY09.

FCRA Development- The Fort Chaffee Redevelopment Authority (FCRA) projects include street and drainage work in accordance with the City's memorandum of agreements for industrial development. The current projects include:

	FY08	FY09
Chad Colley/Flagstone Road Drainage for Mars Petcare	$ 1.0M	$ -
Massard Extension, Custer Overlay for PRADCO	0.6M	0.2M
Chad Colley Extention for Umarex	0.1M	1.4M
	$ 1.7M	$ 1.6M

Allocations for FY10 through FY13 total $4 million.

Arterial Street Overlays- These projects include construction of some of the major arterial streets. The section of Grand Avenue from just west of Albert Pike to just east of Waldron Road will be resurfaced. The remaining portions of Grand Avenue and Waldron Road will be resurfaced over the next six years Access management to reduce or eliminate driveways along with elimination of the center turn lane where possible will be considered during the design. A landscaped median will also be considered if the center turn lane is eliminated. The allocation for FY09 is $1.2 million and totals $5.4 million for the years FY10 through FY13.

Special projects are various street related improvements and studies and include the following for FY09:

Traffic Studies	$ 20,000
Contingency	200,000
	$ 220,000

Administrative- costs for in-house engineering services and administration services total $2,164,000.

Overlays provided by the Street Maintenance department will total $150,000 for 2009.

The following table reflects revenue for the past four years by month as an indication of the cash flow from the tax.

Month of Year	2005	2006	2007	2008
January	$ 1,770,794	$ 1,896,509	$ 1,891,846	$ 1,943,505
February	1,295,497	1,433,633	1,466,534	1,523,541
March	1,373,897	1,443,913	1,489,480	1,606,701
April	1,466,040	1,513,517	1,644,939	1,639,160
May	1,430,309	1,459,669	1,480,153	1,646,642
June	1,368,783	1,496,297	1,552,445	1,781,470
July	1,482,361	1,569,117	1,597,188	1,928,815
August	1,447,358	1,507,518	1,543,987	1,831,763
September	1,464,466	1,577,707	1,640,360	1,655,788
October	1,404,356	1,534,802	1,540,196	1,716,165
November	1,419,893	1,477,399	1,517,348	1,497,986 *
December	1,448,385	1,510,834	1,565,049	1,547,119 *
Totals	$ 17,372,139	$ 18,420,915	$ 18,929,525	$ 20,318,655
Y-T-D % Change	-	6%	2.8%	7.3%

* Estimated Revenue

The following schedule reflects the proposed current year projects for the sales tax program for the years 2009 through 2013

Improvements	2009	2010	2011	2012	2013
Neighborhood Overlays and Reconstruction	$ 12.0	$ 7.0	$ 7.0	$ 7.0	$ 7.0
Neighborhood Drainage Improvements	2.1	1.2	1.2	1.2	1.2
Intersection and Signal Improvements	0.3	0.3	0.2	0.3	0.3
May Branch Drainage	1.0	1.0	4.0	4.0	7.2
Jenny Lind- Zero to Cavanaugh	1.0	1.7	5.0	7.0	1.0
Jenny Lind- Dodson to Dallas	1.3	-	-	-	-
Greenwood Avenue- Country Club to Midland	6.3	-	-	-	-
Spradling Avenue-Clayton Expressway Eastward	-	-	0.5	0.7	-
Arterial Street Overlays	1.2	1.2	1.2	1.2	1.8
Texas Road- South to Cavanaugh	3.5	0.6	-	-	-
Mill Creek Drainage/28th Street	3.3	1.5	-	-	-
Levee Certification & Repair	-	0.6	0.6	-	-
Towson Streetscape/Overlay	-	1.0	2.0	-	-
Highway 45- Phoenix to Zero	-	7.6	-	-	-
North Pointe (FSHA) Street & Drainage	1.1	-	-	-	-
FCRA Development	1.6	1.0	1.0	1.0	1.0
Special Projects	0.2	0.2	0.2	0.2	0.2
Administrative	2.2	2.2	2.3	2.3	2.4
Overlays by Street Department	0.1	0.2	0.2	0.2	0.2
Total	$ 37.2	$ 27.3	$ 25.4	$ 25.1	$ 22.3

Water and Sewer Capital Improvement Projects Funds

The five year water and wastewater CIP includes projects that have been financed by bond issuance as well as projects which will require a funding source.

In October 2007, the City issued $24.47 million in water and sewer revenue bonds to provide funding for wastewater pump stations, wastewater extensions in the southern growth area, the Mountainburg water treatment plant rehabilitation and expansion, new transmission line from Mountainburg to Fort Smith, transmission system metering, Midland Boulevard transmission line replacement, Lee Creek water treatment plant instrumentation, neighborhood water line replacements, and water storage tank painting. In August 2008, the City issued $117.42 million in water and sewer refunding and construction revenue bonds to provide funding for the advance refund of the 2002A series bonds, for sewer extensions in the growth areas of the City, the Mountainburg water treatment plant rehabilitation and expansion, replacement of neighborhood water lines, and the Howard Hill elevated water storage tank. The current portion of the 2008 Bonds is $45 million. Future financing will need to be obtained for the completion of the new transmission line from Mountainburg to Fort Smith ($21 million) and for the remaining $63 million in wet weather sewer improvements. The City plans to issue $25 million in revenue bonds during 2009 for a portion of the additional wet weather sewer improvements.

The following is the CIP for the water and sewer utilities:

Water Projects	2009	2010	2011	2012	2013
Distribution System Improvements and Fire Protection Improvements	$ 3,380,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ -
Mountainburg Water Treatment Plant Rehabilitation and Expansion	14,250,000	21,920,000	5,845,000	-	-
Mountainburg Water Line Corridor Study & Right of Way Acquisition.	820,000	750,000	1,280,000	2,250,000	-
48" Mountainburg Water Line Engineering, Design, and Construction	-	-	-	1,530,000	20,950,000
30" Midland Avenue Water Line	3,000,000	570,000	-	-	-
24" Water Line Reduced Pressure Plane	-	450,000	7,050,000	-	-
Water Storage Tank-Painting	165,000	165,000	165,000	165,000	165,000
Rye Hill Elevated Storage Tank-Howard Hill Area	800,000	-	-	-	-
Chaffee Crossing 30" Water Line & 5.5 mg Ground Storage	-	2,000,000	4,000,000	-	-
Water Transmission Line Metering	100,000	-	-	-	-
Water Projects Totals	$ 22,515,000	$ 29,355,000	$ 21,840,000	$ 7,445,000	$ 21,115,000

Wastewater Projects	2009	2010	2011	2012	2013
Wet Weather Neighborhood Collection System Improvements	4,000,000	4,000,000	4,000,000	4,000,000	-
Wet Weather Wastewater Pump Station and Force Main Improvements	-	7,848,395	5,860,000	9,180,000	9,400,000
Wet Weather Relief Sewers	-	6,230,000	6,420,000	6,600,000	-
"P" Street Wet Weather Treatment Plant Improvements Phase 2	-	5,691,000	4,200,000	-	-
Rye Hill Development Area	2,345,000	625,000	-	-	-
Rye Hill Outfall Line	-	3,500,000	-	-	-
Pumo Station Upgrades	1,240,000	200,000	-	-	-
Massard Waste Water Treatment Plant Expansion	-	-	-	-	2,200,000
Wastewater Projects Totals	7,585,000	28,094,395	20,480,000	19,780,000	11,600,000
Total Water and Wastewater CIP	$30,100,000	$57,449,395	$42,320,000	$27,225,000	$32,715,000

2006 and 2008 Sales and Use Tax Construction Funds

In September 2006, the City issued Sales and Use Tax Bonds, Series 2006, for the purchase of a new radio communication system for public safety use, including municipal utilities, and for wastewater wet weather improvements in response to the EPA administrative orders against the City. The radio system purchase was completed in 2008. The $49 million wastewater improvements will be spread over a three year period and will include treatment plant improvements, neighborhood sewer line improvements, relief sewers, and pump station improvements. During 2008, an additional $13.9 million in sales and use tax bonds was issued to fund more wet weather improvements. These wet weather improvements are transferred from these funds to the Water and Sewer Operating Fund for capitalization purposes.

The following is the CIP for the 2006 and 2008 Sales and Use Tax Construction Funds:

	2009	2010
Wastewater Projects-		
Wet Weather Relief Sewer	$ 3,700,000.00	$ -
Wet Weather Wasetwater Pump Station and Force Main Improvements	9,266,605.00	-
"P" Street Wet Weather Treatment Plant Improvements-Phase 2	16,200,000.00	6,309,000
Rye Hill Outfall Line	3,570,000.00	3,500,000
Total Wastewater Projects	32,736,605.00	9,809,000
Total	$ 32,736,605.00	$ 9,809,000

Sanitation Sinking/Landfill Construction Fund

The Sanitation Sinking/Landfill Construction Fund includes the beginning of the fifth phase of the sanitary landfill expansion during FY09. The total projected cost is $2.74 million and approximately $.7 million will be spent during 2009. The FY09 transfers from the Sanitation Operating Fund includes future landfill expansion and convenience center ($1.3 million); equipment sinking fund ($360,000) as well as the charge for the annual landfill closure and postclosure care costs of $350,000. Equipment purchases planned for 2009 total $567,000. Therefore, the total capital improvements for 2009 total $1,267,000.

Sidewalk Construction Fund

The total capital improvements for the Sidewalk Construction Fund for 2009 is $300,000. Of this amount, $26,000 is allocated to complete the 2008 sidewalk program and $274,000 is available for the 2009 sidewalk program. The 2009 sidewalk program was approved in conjunction with the adoption of the street sales tax CIP in October 2008 in Resolution No. R-180-08. Funds for the FY09 program were generated by building permit assessment fees. The projects proposed for the 2009 sidewalk program are:

Location	Approximate Length	Estimated Cost
Lecta Avenue (sidewalk repair, east & west side)-Grand Avenue to Rogers Avenue	4,460	$ 160,000
North 13th Street (sidewalk repair, east & west side)-North I Street to North M Street	975	35,000
North 7th Street (sidewalk repair, east & west side)-North F Street to North H Street	1,027	36,000
North 7th Street (sidewalk repair, east & west side)- North J Street to North K Street	600	20,000
North 5th Street (sidewalk repair, west side)- North G Street to North H Street	300	10,000
North 5th Street (sidewalk repair east and west side)- North J Street to North L Street	390	13,000
Total		$ 274,000

Tilles Park Fund

The resources of the Tilles Park Fund are provided by an annual contribution of $400 from the Rosalie Tilles Trust. The funds are restricted for improvements within Tilles Park. Contributions and investment earnings are accumulated from year to year until there are sufficient funds to make necessary improvements. The amount of funds available in 2009 for improvements or equipment total $8,155. These funds will be used for future years' capital needs.

Parking Authority Fund

There are no major capital improvements planned for the City's existing parking facility in FY09.

Parks and Recreation CIP

Annually, the Parks Department presents recommendations to the Parks and Recreation Commission for approval of a five year capital improvement program. The following is a five year plan for 2009-2013 The 2009 projects are those actually funded. The 2009 CIP is included in the Program 6201 capital outlay and, therefore, they are included in the capital outlays which follow this CIP schedule.

	2009	2010	2011	2012	2013
Elm Grove Community Center **	$ 105,000	$ 105,000	$ 105,000	$ -	$ -
Neighborhood Parks	-	150,000	150,000	250,000	200,000
Trails & Greenways	-	250,000	250,000	250,000	250,000
Contingency	-	50,000	50,000	50,000	50,000
Equipment	80,000	100,000	100,000	100,000	100,000
Creekmore Pool Cover for Main Pool	35,000	-	-	-	-
Creekmore Pool Resurfacing	165,000	-	-	-	-
Cisterna Fountain Restoration	45,000	-	-	-	-
Carol Ann Cross Park Fountains	-	60,000	-	-	-
Tilles Tennis Court-Resurface & Lighting	-	150,000	-	-	-
FSP Playground	-	-	100,000	-	-
Wilson Park Playground & Pavilion	-	-		100,000	
FSP Parking & Fishing Pavilion	-	-	-	-	150,000
Total	$ 430,000	$ 865,000	$ 755,000	$ 750,000	$ 750,000

** The $105,000 per year for the Elm Grove Community Center payments are included in account 217 as this is a lease payment rather than a capital outlay account appropriation.

Capital Outlay

In addition to the capital improvement projects included previously in this section, the City appropriates funds for capital outlay in the operating programs other than for fleet purchases for the Street and Traffic Control and Sanitation departments that are funded by a sinking account. A detail line item description of each piece of equipment or project which is directly related to a particular program is included in the Budget Supplement. The following is a schedule of capital outlay for the operating programs for FY09:

Land, Buildings and Related Improvements-		
Transit Transfer Station	$ 750,000	
North 2nd Street Parking Lot	84,000	
Health Department Heat/Air Repairs	29,000	
Replaster Creekmore Pool, Lap Pool & Diving Well	165,000	
Cisterna Fountain Renovation	45,000	
Plate to Frame Heat Exchange- Convention Center	132,500	
Roof Sanitation Administration Building	80,000	
Roof Sanitation Maintenance Shop	50,000	
Total Buildings and Related Improvements		1,335,500
Heavy Equipment -		
Fire Pumper	450,000	
Tractor-Parks	40,000	
Mower (2)- Oak Cemetery (Replacement)	15,000	
Knucklebroom Truck (Addition)-Sanitation	180,000	
Automated Sideloader (Replacement)-Sanitation	265,000	
Total Heavy Equipment		950,000
Computer Equipment/System Enhancements and Communications Systems-		
Upgrade Signal Equipment at Intersections	55,000	
Fuel Management System-Sanitation	45,000	
Total Computer Equipment/System Enhancements and Communications Systems		100,000
City Fleet-		
Replacement Vehicles:		
1/2 Ton Pickup-Customer Service	19,000	
Police Sedans for Patrol (10)	246,000	
Police Sedans (2)	49,200	
3/4 Ton 4WD Pickup-Fire	30,000	
3/4 Ton Pickup-Parks	25,000	
Mid-Size SUV for Animal Control-Police	25,800	
Total City Fleet		395,000

Miscellaneous Capital Outlay-

Water Meters	130,000	
Scanning of Construction Plans-Building Safety	20,000	
Pool Cover for Creekmore Lap Pool	35,000	
Chairs for Meeting Rooms-Convention Center	15,000	
Enclosed Cargo Trailer (Addition)-Sanitation	5,000	
Automatic Refuse Carts-Sanitation	200,000	
Recycling Containers-Sanitation	24,000	
Solid Waste Commercial Compactors & Containers	464,600	
Road Striping-Sanitation	8,000	
Fuel Trailers (2) (1 Addition/1 Replacement)-Sanitation	25,000	
Truck Scale (Addition)-Sanitation	100,000	
Unattended Scale Weighing System (Addition) Sanitation	30,000	
Benches/Shelters-Transit	240,000	
10,000 Gallon Unleaded Fuel Tank-Transit	54,960	
Total Miscellaneous		1,351,560
Grand Total Direct Capital Outlay for Operating Programs		$ 4,132,060

Reconciliation of Total Capital Outlay:

Capital Outlay -		
Operating Funds (see page 77)	$	3,984,560
Convention Center		147,500
Total	$	4,132,060

In addition to the capital outlay purchased directly for the operating programs, the Streets and Traffic Control Department and the Sanitation Department provide annual depreciation for fleet replacements and additions. The depreciation allocation is transferred to a sinking account for each department and purchases are made from the sinking accounts. The annual depreciation funded by each department and the planned fleet purchases for 2009 are as follows:

Streets and Traffic Control:	
2009 Depreciation	$ 235,135
Planned Fleet Purchases in 2009:	
2 Ton Flatbed Dump Truck (Replacement)	$ 52,000
Dozer (Replacement)	150,000
Rear Flail Mowers (2) (Replacements)	23,500
Pot Hole Patcher (Replacement)	155,000
Total	$ 380,500
Sanitation:	
2009 Depreciation	$ 340,000
Planned Fleet Purchases in 2009:	
Commercial Rear Loader (Replacement)	$ 252,000
D7 Dozer (Replacement)	515,000
Roll Off Truck (Replacement)	160,000
	$ 927,000

Effects of Capital Improvements on Operating Budgets

The capital improvements the City is undertaking as identified in this section will enhance the City and provide improved service to its citizens and surrounding areas. A majority of the planned improvements for 2009 involve infrastructure, and, as such, those improvements will not have an impact on the operating budget for the current year. The projects that will impact the operating budget are as follows:

- Once there is significant development plans for use of the property in the recently annexed Chaffee Crossing area, the City will incur operating costs associated with providing public safety services, street maintenance, and water and sewer system maintenance. The costs for these services range from $1.6 million to $2 million annually. The City does not expect to incur significant operating costs during 2009. Infrastructure related costs for Chaffee Crossing include water improvements of $3.6 million, wastewater improvements of $24.3 million, and a fire station at an approximate cost of $1.2 million. The City has not identified revenue sources to fund these projects which may be necessary to begin as early as 2010.
- The City's other significant capital projects include street infrastructure, water improvements, and wastewater upgrades and repairs. These projects will not impact the operating budget for FY09 nor in future years.

Budget Organizational Structure

A separate budget is presented for each fund listed in the fund structure on pages 42-43. Each fund's budget is presented on pages 47-55 in the Budget Summaries - All Funds section of this document. It is important to note that the City is legally required, by state law, to adopt a budget for the General Fund and Street Maintenance Fund. An annual budget is approved for the Water and Sewer Operating Fund and Sanitation Operating Fund as well. These four funds are referred to as the operating funds and a major portion of this document is devoted to the operating funds.

The City's major functions are classified as divisions. Within each division, operating units identified as programs represent a specific type of activity within its division aimed at providing a service for which the City is responsible. The following is a list of each program and its funding source:

Division Program Number and Title	Funding Source
Policy and Administration Services	
4100 Mayor	43% General Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund
4101 Board of Directors	28% General Fund; 15% Street Sales Tax Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund
4102 City Administrator	23% General Fund; 20% Street Sales Tax Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund
4111 Economic Development	100% General Fund
4201 District Court	100% General Fund
4202 City Prosecutor	100% General Fund
4203 Public Defender	100% General Fund
4204 City Attorney	50% General Fund; 25% Street Maintenance Fund; 25% Sanitation Operating Fund.
4206 District Court-Sebastian County	100% General Fund
4405 Internal Audit	Same as Program 4101
Management Services	
4104 Human Resources	53% General Fund; 10% Street Sales Tax Fund; 7% Street Maintenance Fund; 21% Water and Sewer Operating Fund; 9% Sanitation Operating Fund
4105 City Clerk	33% General Fund; 10% Street Sales Tax Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund
4301 Finance	23% General Fund; 20% Street Sales Tax Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund.

4303 Collections	33% General Fund; 10% Street Sales Tax Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund
4304 Utility Billing/ Customer Service	3% General Fund; 2% Street Sales Tax Fund; 5% Street Maintenance Fund; 75% Water and Sewer Operating Fund; 15% Sanitation Operating Fund
4306 Purchasing	Same as Program 4303
4401 Info. & Tech. Services	40% General Fund; 25% Street Sales Tax Fund; 5% Street Maintenance Fund; 20% Water & Sewer Operating Fund; 10% Sanitation Operating Fund
6921 Public Parking Deck	100% Parking Authority Fund

Development Services

4103 Engineering	80% Street Sales Tax; 5% General Fund; 5% Street Maintenance Fund; 10% Water and Sewer Operating Fund
4106 Planning and Zoning	65% General; 20% Street Maintenance Fund; 15% Water & Sewer Operating Fund
4107 Community Development	100% Community Development Block Grant Fund
4108 Building Safety	100% General Fund
4109 Multi-Cultural Center	100% General Fund
6900 Cleanup/Demolition	100% Cleanup/Demolition Program Fund

Police Services

4701 Administration	100% General Fund
4702 Support Services	100% General Fund
4703 Criminal Investigations	100% General Fund
4704 Patrol Operations	100% General Fund
4705 Radio Communications	100% General Fund
4706 Airport Security	100% General Fund
6911 Police Grant	100% Special Grants Fund
6920 Public Parking/Enforcement	100% Parking Authority Fund

Fire Services

4801 Administration	100% General Fund
4802 Suppression and Rescue	100% General Fund

Operation Services - Streets and Traffic Control		
5101	Administration	100% Street Maintenance Fund
5302	Street Construction	100% Street Maintenance Fund
5303	Street Drainage	100% Street Maintenance Fund
5304	Street Maintenance	100% Street Maintenance Fund
5401	Traffic Control Operations	100% Street Maintenance Fund
5402	Signals	100% Street Maintenance Fund
5403	Street Lighting	100% Street Maintenance Fund
5405	Sign Shop	100% Street Maintenance Fund
Operation Services - Water and Sewer		
5501	Utility Administration	100% Water and Sewer Operating Fund
5601	W/WW Treatment Administration	100% Water and Sewer Operating Fund
5603	Sewer Treatment	100% Water and Sewer Operating Fund
5604	Water Treatment	100% Water and Sewer Operating Fund
5605	Laboratory Services	100% Water and Sewer Operating Fund
5606	Wastewater Equip. Maint.	100% Water and Sewer Operating Fund
5608	Sludge Disposal	100% Water and Sewer Operating Fund
5609	Industrial Waste Monitoring	100% Water and Sewer Operating Fund
5610	Water Line Maintenance	100% Water and Sewer Operating Fund
5611	Sewer Line Maintenance	100% Water and Sewer Operating Fund
5612	Sewer Line Construction	100% Water and Sewer Capital Improvement Projects Fund
5613	Metering/Trans. Line Maint.	100% Water and Sewer Operating Fund
5615	W/WW Line Maint. Admin.	100% Water and Sewer Operating Fund
5616	Water Stationary Equip. Maint.	100% Water and Sewer Operating Fund
5618	Debt Service	100% Water and Sewer Operating Fund
Operation Services - Parks and Recreation Services		
6101	Health	100% General Fund
6201	Parks (Personnel & Operating Accts.)	83.5% General Fund; 16.5% Street Maintenance Fund
6201	Parks (Capital Outlay)	100% General Fund
6202	Oak Cemetery	100% General Fund
6204	Community Centers	100% General Fund
6205	Aquatics	100% General Fund
6206	Riverfront/Downtown	100% General Fund
Operation Services - Convention Center		
6203	Convention Center	100% Convention Center Fund
Operation Services - Sanitation		
6301	Administration	100% Sanitation Operating Fund
6302	Residential Collection	100% Sanitation Operating Fund
6303	Commercial Collection	100% Sanitation Operating Fund
6304	Fleet & Grounds Maintenance	100% Sanitation Operating Fund
6305	Sanitary Landfill	100% Sanitation Operating Fund
6306	Debt Service	100% Sanitation Operating Fund
6307	Roll-0ff Collection	100% Sanitation Operating Fund
Operation Services - Transit		
6550	Public Transit	100% General Fund
Non-Departmental		
6870	Convention and Visitors Bureau	100% Advertising and Promotion Fund

Budget and Budgetary Control

The City of Fort Smith follows these procedures in preparing the budget documents:

Prior to December 1, the City Administrator submits to the Mayor and Board of Directors a proposed budget for the fiscal year beginning January 1. Both the Budget Summary and the Budget Supplement are provided to the Board for review sessions prior to adoption of the budget in the same format as the eventual adopted document.

The budget includes proposed expenditures/expenses and the means to finance them.

A public hearing is conducted at a meeting of the Board of Directors to obtain taxpayer comments prior to approval of the budget.

The budget document is adopted by ordinance prior to January 1. State statutes require adoption prior to February 1.

The budget process allows for amendments during the year. Appropriations of funds from the unobligated fund balance/working capital must be enacted by the Board of Directors by Ordinance. Transfers within appropriated funds may be approved by the City Administrator.

The budgets for the Operating Funds - General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and the Sanitation Operating Fund are legally enacted by ordinance. State statutes require the adoption of annual General Fund and Street Maintenance Fund budgets. Appropriations for these funds lapse at year end with the exception of encumbered funds which are reappropriated in the following fiscal year's budget ordinance.

Budgets for all other funds are presented in the document as project budgets. Appropriations in these funds remain open and carry over to succeeding years until planned expenditures/ expenses are made, or until they are amended or canceled. Because these funds involve multi-year projects, comparison on an annual basis does not provide meaningful information and, accordingly, is not presented.

Accounting System Control

The City of Fort Smith's accounting records for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds are maintained on the modified accrual basis, with revenues recorded when measurable and available and expenditures recorded when the services or goods are received and the liabilities incurred. Accounting records for the Enterprise Funds and Internal Service Funds are maintained on the accrual basis, with revenues recorded when earned and expenses recorded when the liabilities are incurred.

In developing and modifying the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and financial records reliable.

The City accounting records are examined annually by an independent accounting firm.

Classification of Revenue Sources-Operating Funds

GENERAL FUND

Intergovernmental

State Turnback-General

Apportionment to municipalities of monies collected by the State, e.g. sales tax, which are deposited in the State's Municipal Aid Fund. The revenue is distributed to municipalities on the basis of population per the most recent Federal or special census.

Transit Reimbursement

A portion of the operating and capital costs of the transit program is reimbursed by federal and state grants and/or agreements. Grant Funding is from FTA and administered by the AHTD. Medicare reimbursements are also accounted for in this revenue code.

Airport Security Reimbursement

Funds allocated from the federal Homeland Security Agency for airport security provided by the City's police department.

Taxes and Assessments

Franchise Taxes

An annual charge to utilities within the City limits for the privilege of using the City's infrastructure assets, e.g. streets, alleys, right-of-ways, for the purpose of conducting the utility's business. The present franchise tax charged to utility companies is four percent (4%) of gross annual revenue derived from operations within the City limits.

Ad Valorem Taxes

Tax levied by the City of five (5) mills on the assessed value of real and personal property within the City. Assessed valuation of property is established by the Sebastian County Assessor.

County Sales Tax

The City receives a portion, based on population, of the county-wide one-cent local sales tax. 100% of the City's share of the tax is allocated to the General Fund. The funds are used for Public Safety, Parks Capital Projects, Senior Citizen Centers, Public Library, Public Transportation and Downtown Redevelopment/Riverfront Projects.

Court Fines and Forfeitures

Revenues derived from the imposition of fines, forfeitures and penalties for violation of City ordinances, e.g. traffic citations, district court offenses.

Licenses and Permits

Occupation Licenses

In 1994, the occupation license fees and employer excise taxes were repealed due to the passage of the county sales tax. In an effort to control the location of businesses, an annual registration is required by any person engaging in, carrying on or following any trade business, vocation, profession or calling within the City. If a registration is not filed by April 1 of each year, a $50 penalty is imposed. Furthermore, the City collects temporary license fees from transient vendors.

Construction
Revenue derived from building permit fees, electricians' license fees, electrical permit fees, plumbers' license fees and plumbing permit fees. Building permit fees include charges for inspection of heating and air conditioning systems.

Alcohol
Revenue derived from liquor, beer and mixed drink licenses and the 5% mixed drink tax. The permit fee is established by State law. The mixed drink tax is 5% of the gross proceeds or gross receipts derived from private clubs from charges to members for preparation, serving, or cooling mixed drinks, beer, and wine.

Other
This category includes revenue received from miscellaneous licenses, taxi cab licenses and oil and gas royalties.

Service Charges and Fees

Convention Center
Revenue derived from the rental of the Convention Center facilities to various organizations.

Community Center
Rental fees charged for the use of the Creekmore Community Center, the Darby Community Center, and the Elm Grove Community Center.

Fire Protection Contracts
Compensation received per agreements between the City and concerns outside the City limits for fire protection services.

Port Authority
Annual rental fee, plus excess tonnage received from the Port Authority as per the agreement between the City and the Port Authority.

Parks/Aquatics
Revenue derived from the operation of recreational activities, e.g. riverfront facilities, miniature golf course, train and swim pools/aquatic facilities, as well as recreation programs.

Cemetery
Sale of cemetery plots at Oak Cemetery and the fees for grave opening and closing.

Animal Pound
Revenue derived from the impoundment of animals. Impoundment fee is $10.00, and maintenance fee is $3.00 per day. Animal control service is provided by the Sebastian County Humane Society.

False Alarm Fees
Fees generated from excess false alarm responses by the police department.

Transit System
Fares, charter fees and other program income derived from the public transit system. The bus advertising revenue is included within this category.

Miscellaneous

Reimbursement from Airport Commission
Revenue received for processing Airport payroll.

Interest Earned
Revenue derived from the investment of idle monies of the General Fund.

Other
Miscellaneous revenues received from such items as photo copy charges, chemical analysis fees and sale of capital assets.

Sebastian County
Reimbursement by the County for its participation in the expenditures of the District Court (30%), the Health Center (50%) and District Court-Sebastian County (100%).

Reimbursement from Enhanced 9-1-1 Fund
Revenue received in support of the dispatch program from the Sebastian County 911 Fund.

Transfers

Transfer From Sales Tax Fund
Reimbursement from the Sales Tax Fund for administrative, engineering, and financial services borne by the General Fund in support of the Sales Tax Program.

Transfer from A&P Fund
Collection fee charged to the Advertising and Promotion (A&P) Fund for services provided by the Finance Department.

Transfer from the Street Maintenance Fund
Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

Transfer from the Water and Sewer Operating Fund
Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

Transfer from the Sanitation Operating Fund
Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

Street Maintenance Fund

Intergovernmental

State Turnback-Gasoline Tax
Monies collected by the state from fees for registration and licensing of vehicles and gasoline tax which is returned to a municipality based on that municipality's population. The revenue is to be utilized for the maintenance, construction and reconstruction of streets which are not a continuation of State highways.

Taxes and Assessments

Ad Valorem
One-half of the annual three (3) mill road tax levied by Sebastian County. The revenue is to be used for the purpose of making and repairing streets and bridges within City limits.

Miscellaneous

Interest Earned
Revenue received from the investment of idle monies of the Street Maintenance Fund.

Other
Revenue derived from miscellaneous sources such as sale of capital assets, charges for street cut permits and oil and gas lease royalties.

Water and Sewer Operating Fund

Service Charges and Fees

Water Sales
Revenue derived from charges to residential, commercial and industrial customers for water services. Rates are established by the Board of Directors.

Contract Water Sales
Revenue derived from the sale of water to customers who are private, public or municipal entities and the U.S. Army (Fort Chaffee) which have contracts with the City for such services. Rates are established by the Board of Directors.

Monthly Customer Charges
Fees charged to utility customers for turning service on/off, tampering, and testing.

Fire Protection
Revenue derived from charges for water usage for commercial and industrial concerns which have sprinkler systems for fire protection.

Installations - Water Service
Revenue received from charges for installation and tapping of service lines within City controlled right-of-ways and easements.

Sewer Service Charges
Revenue received from charges to residential, commercial and industrial customers for sanitary sewer services. Rates are established by the Board of Directors.

Sewer Connection Charges
Revenue received from charges for connecting and tapping sewer service lines within City controlled right-of-ways and easements.

Industrial Waste Monitoring Fee
Revenue derived from industries for monitoring and testing as required in the Pretreatment Program.

Miscellaneous

Interest Earned
Revenue derived from the investment of idle monies of the Water and Sewer Operating Fund.

Other
Revenue derived from items such as rentals, oil and gas leases, and sale of capital assets.

Sanitation Operating Fund

Service Charges and Fees

Residential Collections
Revenue derived from the monthly billing to residential customers (single family dwelling units) for trash collection. Rates are established by the Board of Directors.

Commercial Collections
Revenue derived from the billing of commercial customers for sanitation services Rates are established by the Board of Directors.

Sanitary Landfill Operations
Revenue derived from charges for use of the sanitary landfill. Rates are established by the Board of Directors.

Roll-Off Collections
Revenue derived from charges for roll-off container services to industrial customers electing to sign a contract for such services. Rates are established by the Board of Directors.

Sale of Methane Gas
Revenue derived from the operation of a third party vendor that captures methane gas from the landfill and sells it. The City receives a percentage of the revenue generated by the operation.

Recycling Operations
Revenue derived from charges for recycling material. The City receives a portion of revenue earned from a contractual source.

Miscellaneous

Interest Earned
Revenue derived from the investment of idle monies of the Sanitation Operating Fund.

Other
Revenue derived from miscellaneous items such as the sale of capital assets.

Debt Service
Summary of Debt Service Requirements By Purpose

Purpose	FY09 Principal and Interest	Principal/Interest Outstanding	Year of Retirement		Original Issue
Water and Sewer System Revenue Bonds- Series 1999	$ 1,281,000	$ -	2009		$ 26,415,000
Water and Sewer Revenue Refunding and Construction Bonds-Series 2002 (B&C)	3,334,650	32,616,550	2023		111,755,000
Water and Sewer Revenue Refunding Bonds - Series 2004	796,950	-	2009		8,700,000
Water and Sewer Revenue Refunding Bonds- Series 2005A	758,258	21,501,720	2019		17,605,000
Water and Sewer Revenue Bonds- Series 2005B	309,795	10,320,818	2025		7,330,000
Water and Sewer Revenue Bonds- Series 2007	1,889,569	34,000,219	2027		24,470,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2008	6,629,779	218,696,631	2032		117,420,000
Parking Facilities Refunding and Improvement Revenue Bonds- Series 1998	136,545	974,785	2017		2,025,000
Solid Waste Refunding Revenue Bonds- Series 1998	350,243	-	2009		3,055,000
Solid Waste Refunding Revenue Bonds - Series 2002	716,095	2,206,150	2011		6,305,000
Sales & Use Tax Bonds Series 2006	11,004,683	51,604,690	2012	*	84,935,000
Sales & Use Tax Bonds Series 2008	2,983,922	14,925,913	2012	*	15,815,000
Total	**$ 30,191,489**	**$ 386,847,476**			**$ 425,830,000**

* Estimated maturity date based upon mandatory redemption requirements.

The Water and Sewer System Revenue Bonds, Series 1999, the Water and Sewer Refunding and Construction Revenue Bonds, Series 2002, the Water and Sewer Refunding Bonds, Series 2004, the Water and Sewer Revenue Refunding Bonds, Series 2005A, the Water and Sewer Revenue Bonds Series 2005B, the Water and Sewer Revenue Bonds, Series 2007, and the Water and Sewer Refunding and Construction Revenue Bonds, Series 2008, are collateralized by the operating revenue of the water and sewer utility system. The Series 1999 Bonds were issued for the purpose of funding improvements and expansion of the Lee Creek water treatment plant, improvements to the existing transmission, storage and distribution system, relocation of the Lake Fort Smith State Park in order to accomplish the Lake Fort Smith water supply expansion project, engineering work on the Lake Fort Smith water supply expansion project and associated water system improvements. The Series 2002 Bonds were issued for the purpose of providing a portion of the financing for the Lake Fort Smith water supply expansion project ($95.73 million of the original par), financing a portion of the costs for improvements to the City's water system ($8.19 million million of the original par), and to advance refund $7.64 million of the 1994 Series Bonds ($7.835 million of the original par). The Series 2004 Bonds were issued to refund the remaining portion of the outstanding Series 1994 Water and Sewer Revenue Refunding and Construction bonds ($8.7 million of the original par). The Series 2005A Water and Sewer Revenue Refunding Bonds were issued to refund a portion of the outstanding Series 1999 Water and Sewer System Revenue Bonds ($16.375 of the original par). The Series 2005B Water and Sewer Revenue Construction Bonds were issued to provide financing for water improvements in the southern areas of the City, extension of water service lines, construction of an elevated water tank, and painting for an elevated water tank. The Series 2007 Bonds were issued to provide financing for new sewer pump stations, sewer extensions in the southern growth area of the city, Mountainburg water treatment plant rehabilitation and expansion, Midland Boulevard water transmission line replacement, neighborhood water line replacements, new water transmission line from Mountainburg to the City, water storage tank painting, Lee Creek water treatment plant instrumentation, and water transmission system metering. The Series 2008 Bonds were issued to advance refund the Series 2002A Bonds, to provide financing for sewer extensions in the growth areas of the City, Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacements, and the Howard Hill elevated storage tank. The Water and Sewer Operating Fund provides for the current year's debt service. If revenue in a particular year were not estimated to be sufficient to provide for the operation of the system and current debt service, the rates of the system would be increased. Water and sewer rate increases effective January 1, 2009 and July 1, 2009 are anticipated to provide sufficient additional revenue to provide for debt service requirements during 2009.

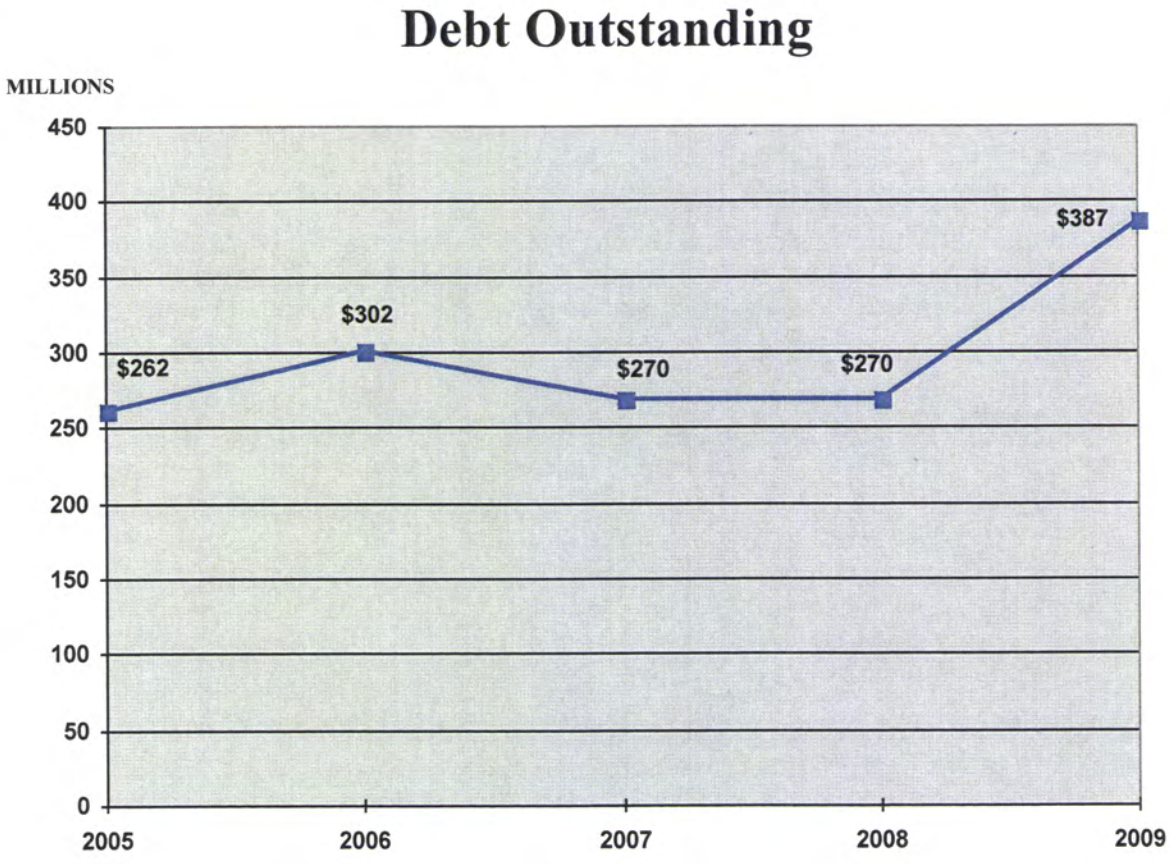
In October 1998, the City issued $2.025 million in Parking Facilities Refunding and Improvement Revenue Bonds. The purpose of the bonds was to refund the Series 1991 Bonds and provide funds to increase the City provided parking lots in the downtown area. The bonds are collateralized by the revenues derived from the operation of the parking facilities in downtown, including the parking deck, surface parking lots and parking meters. It is estimated that system revenues will be sufficient to cover debt service in 2009.

The Solid Waste Refunding Revenue Bonds, Series 1998, and the Solid Waste Refunding Revenue Bonds, Series 2002 are collateralized by the operating revenue of the sanitation collection and landfill disposal system. The Series 1998 bonds were issued in May 1998 to refinance the Series 1994 Bonds which had been issued to finance a portion of the second phase of the landfill.
The Series 2002 Bonds were issued in September 2002 to refund the Series 1995 Solid Waste Refunding and Construction Revenue Bonds. Rates should be sufficient to provide the required debt service in 2009.

The Sales & Use Tax Bonds, Series 2006, are collateralized by a one percent (1%) local sales tax which was approved by voters on May 16, 2006. This sales tax is an extension of the sales tax authorized for the 2001 Sales & Use Tax Bonds which were refunded ($24.9 million) by the 2006 Bonds. The 2006 Bonds were also issued to purchase a new radio communication system ($11.3 million) for public safety purposes and to provide wastewater improvements ($48.8 million). It is anticipated that these bonds will be retired in 2012 prior to the stated maturity date of 2015 due to the mandatory redemption requirements.

The Sales and Use Tax Bonds, Series 2008, are collateralized by the same one percent (1%) local sales tax as the 2006 Series bonds. This sales tax issue includes additional funds for wastewater improvements including wet weather improvements and for the radio communications system purchase. It is anticipated that these bonds will be retired during 2012 due to the mandatory redemption requirements.

The following graph reflects the debt outstanding at December 31, 2005 through 2009.



Computation of Legal Debt Margin:

The City of Fort Smith's legal debt margin is established by state statute at twenty-five percent of total assessed property value. This debt limit applies to general obligation debt only, i.e. there is no limit on revenue bonds. The City's current debt margin estimated for December 31, 2009, is:

Assessed Property Value	$ 1,158 million
Debt Limit Per State Statute (25% of Assessed Property Value)	$ 289 million
General Obligation Bonds Outstanding @ December 31, 2009	0
Legal Debt Margin	$ 289 million

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 9) whereby annual payments should not exceed 25% of total operating revenue. In 2009, the calculation is as follows:

	Water & Sewer Revenue Bonds	Solid Waste Revenue Bonds
2009 Debt Service Payment	$ 15,000,001	$ 1,066,337
Operating Revenue (Service Charges & Fees)	$ 38,232,210	$ 15,531,200
Debt Service as a % of Operating Revenue	39%	7%
Policy Limit	25%	25%

The policy is met for the solid waste revenue bonds. Although the policy is not expected to be met in FY09 for the water and sewer revenue bonds, it is anticipated that rate increases that become effective January 1, 2010 will provide more revenue to assist in getting closer to this limit.

The following schedules reflect the total debt service for the City for the next five years and incrementally for each five year period through the maturity of each issue. The schedule begins with the current year's debt service. This schedule also indicates the principal outstanding as of December 31, 2008.

For the Fiscal Year Ended 12/31/08

Primary Government
Water and Sewer Revenue Bonds

	1999 Series			2002 Series			2004 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	1,220,000	61,000	1,281,000	2,025,000	1,309,650	3,334,650	770,000	26,950	796,950
2010	0		0	3,010,000	1,217,350	4,227,350	0	0	0
2011	0	0	0	3,145,000	1,076,150	4,221,150	0	0	0
2012	0	0	0	3,300,000	923,725	4,223,725	0	0	0
2013	0	0	0	1,060,000	753,000	1,813,000	0	0	0
2014-2018	0	0	0	6,110,000	2,955,588	9,065,588	0	0	0
2019-2023	0	0	0	7,840,000	1,225,738	9,065,738	0	0	0
2024-2028	0	0	0	0	0	0	0	0	0
2029-2032	0	0	0	0	0	0	0	0	0
TOTAL	1,220,000	61,000	1,281,000	26,490,000	9,461,201	35,951,201	770,000	26,950	796,950

Water and Sewer Revenue Bonds (Continued)

	2005A Series			2005B Series			2007 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	50,000	708,258	758,258	0	309,795	309,795	835,000	1,054,569	1,889,569
2010	1,445,000	706,632	2,151,632	0	309,795	309,795	870,000	1,021,169	1,891,169
2011	1,505,000	645,220	2,150,220	0	309,795	309,795	900,000	986,368	1,886,368
2012	1,565,000	581,258	2,146,258	0	309,795	309,795	940,000	950,369	1,890,369
2013	1,630,000	518,657	2,148,657	525,000	309,795	834,795	975,000	912,768	1,887,768
2014-2018	9,195,000	1,560,287	10,755,287	2,965,000	1,208,210	4,173,210	5,500,000	3,946,244	9,446,244
2019-2023	2,065,000	84,665	2,149,665	3,640,000	530,303	4,170,303	6,810,000	2,633,488	9,443,488
2024-2028	0	0	0	200,000	13,125	213,125	6,750,000	804,813	7,554,813
2029-2032	0	0	0	0	0		0	0	0
TOTAL	17,455,000	4,804,977	22,259,977	7,330,000	3,300,613	10,630,613	23,580,000	12,309,788	35,889,788

Water and Sewer Revenue Bonds (Continued)

	2008 Series			Total Water & Sewer Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	765,000	5,864,779	6,629,779	5,665,000	9,335,001	15,000,001
2010	585,000	5,834,179	6,419,179	5,910,000	9,089,125	14,999,125
2011	620,000	5,810,779	6,430,779	6,170,000	8,828,312	14,998,312
2012	645,000	5,785,979	6,430,979	6,450,000	8,551,126	15,001,126
2013	1,160,000	5,760,179	6,920,179	9,875,000	11,287,875	21,162,875
2014-2018	6,615,000	27,977,343	34,592,343	31,695,000	36,334,916	68,029,916
2019-2023	17,500,000	25,704,785	43,204,785	37,855,000	72,210,491	110,065,491
2024-2028	41,280,000	18,990,137	60,270,137	48,230,000	19,808,075	68,038,075
2029-2032	48,250,000	6,178,250	54,428,250	48,250,000	6,996,188	55,246,188
TOTAL	117,420,000	107,906,410	225,326,410	200,100,000	182,441,109	382,541,109

For the Fiscal Year Ended 12/31/08

Primary Government:
Solid Waste Revenue Bonds

	1998 Series			2002 Series			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	335,000	15,242	350,242	610,000	106,095	716,095	945,000	121,337	1,066,337
2010	0	0	0	1,020,000	83,220	1,103,220	1,020,000	83,220	1,103,220
2011	0	0	0	1,060,000	42,930	1,102,930	1,060,000	42,930	1,102,930
TOTAL	335,000	15,242	350,242	2,690,000	232,245	2,922,245	3,025,000	247,487	3,272,487

Primary Government:
Sales & Use Tax Bonds

	2006 Series			2008 Series			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2009	8,555,000	2,449,682	11,004,682	2,490,000	493,922	2,983,922	11,045,000	2,943,604	13,988,604
2010	8,970,000	2,033,113	11,003,113	2,465,000	518,006	2,983,006	11,435,000	2,551,119	13,986,119
2011	9,390,000	1,614,050	11,004,050	2,560,000	424,282	2,984,282	11,950,000	2,038,332	13,988,332
2012	9,825,000	1,182,470	11,007,470	2,665,000	321,882	2,986,882	12,490,000	1,504,352	13,994,352
2013	10,300,000	703,258	11,003,258	2,765,000	221,944	2,986,944	21,303,258	925,202	22,228,460
2014	7,295,000	291,800	7,586,800	2,870,000	114,800	2,984,800	10,165,000	406,600	10,571,600
TOTAL	54,335,000	8,274,373	62,609,373	15,815,000	2,094,836	17,909,836	78,388,258	10,369,209	88,757,467

Component Unit
Parking Authority

	1998 Series		
	Principal	Interest	Total
2009	95,000	41,545	136,545
2010	100,000	37,412	137,412
2011	105,000	33,012	138,012
2012	110,000	28,340	138,340
2013	115,000	23,390	138,390
2014-2017	385,000	37,631	422,631
TOTAL	910,000	201,330	1,111,330

Primary Government:
General Fund
Promissory Notes

	2006 Series		
	Principal	Interest	Total
2009	455,000	47,435	502,435
2010	475,000	29,181	504,181
2011	495,000	9,900	504,900
TOTAL	1,425,000	86,516	1,511,516

Glossary of Key Budget Terms

AHTD - Arkansas Highway and Transportation Department.

ADEQ - Arkansas Department of Environmental Quality formerly the Arkansas Economic Development Commission (ADEC).

Accrual Basis- The recording of the financial effects on a government of trnsactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Appropriation-An authorization made by the City Board of Directors which permits the City to incur obligations and to make expenditures/expenses of resources.

Assessed Property Values-20% of the actual value assigned to real and personal property by the Sebastian County Assessor as a basis for levying taxes.

Basis of Accounting-Timing of recognition for financial reporting purposes, i.e. when the effects of transactions or events should be recognized in financial statements.

Basis of Budgeting-The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Bond - A certificate of debt issued by an entity guaranteeing payment of the original investment plus interest by a specified future date.

Budget - A financial plan for a specified period of time, e.g. fiscal year, that presents all planned revenues and expenditures/expenses for various municipal services.

Budget Amendment - A legal procedure utilized by the board of Directors and the City Administrator to revise a budget appropriation.

Budget Calendar - A schedule of key dates which City officials follow in the preparation, adoption and administration of the budget.

Budget Message - The opening section of the budget which provides the Mayor, Board of Directors and the public with a general summary of the most important aspects of the annual operating budget, changes from the current and previous fiscal years, and the views and recommendations of the City Administrator.

Capital Assets- Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. The City's capitalization threshold is $5,000 for a single item with an estimated life of three years or more for all assets other than infrastructure which has a threshold of $250,000.

Capital Improvement Program(CIP) - A financial plan for construction of physical assets such as streets, bridges, buildings and recreational facilities.

CBID- Central business improvement district. An area in the downtown area whereby economic development is managed by a Board appointed commission.

COLA- Cost of living adjustment.

Component Unit- A legally separate organization for which the City, as primary government, is financially accountable. The Parking Authority and the Advertising and Promotion Commission are component units of the City of Fort Smith.

Comprehensive Annual Financial Report (CAFR) - The official annual report of the City. A financial report that contains, at a minimum, introductory, financial and statitical sections, and whose financial section provides information on each individual fund and component unit.

Consumer Price Index(CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

Contingency/Reserve Balance- The amount of funds required to be reserved in each fund to meet unexpected claims and emergency type purchases.

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Depreciation - The decrease in value of physical assets due to use and passage of time.

Division - The major organizational functions of the City which currently include Policy and Administration Services, Management Services, Development Services, Police Services, Fire Services, Operation Services and Non-Departmental. Operation Services is further sub-divided as Streets and Traffic Control, Water and Sewer System, Parks and Community Services, Sanitation and Transit.

EDA - Economic Development Agency.

Encumbrance - An amount of money committed for the payment of goods and services not yet received or paid for.

Expenditure - Decrease in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlay.

Expense - Decrease in net total assets. Expenses represent the total cost of operation during a period regardless of the timing of related expenditures.

ETJ- Extraterritorial Jurisdiction- An area just outside the City limits which allows the City to legislate land use.

Fiscal Year - Any period of 12 consecutive months designated as the budget year. The City's fiscal year corresponds to the calendar year, i.e. January 1 through December 31.

FSHA- Fort Smith Housing Authority.

FTA- Federal Transit Authority

FTE- Full time equivalent which represents the positions authorized.

Fund - A fiscal and accounting entity with a self-balancing set of accounts established and maintained for a specific purpose or to attain a certain objective in accordance with legal or administrative restrictions.

Fund Balance - The fund equity of governmental and similar trust funds. The amount reflected for budget purposes is the total amount available for appropriation which includes the contingencies for such funds.

Funding Source - Revenue plus the prior year's unencumbered fund balance/working capital.

General Obligation Bonds - Bonds which are secured by the full faith and credit of a government and for which repayment is provided by a general tax.

HNTB Planners- A consulting firm employed to prepare updated zoning codes as well as other planning department documents.

Hotel/Motel Tax - A tax assessed upon hotel/motel establishments within the City based upon occupancy. The tax is presently three percent of room rates.

ICMA-RC- International City Management Association Retirement Corporation.

IEC-Innovations and Entrepreneurship Center- an initiative among UAFS, the Fort Smith Chamber of Commerce, and the City of Fort Smith to assist with starting new businesses and support of existing concerns.

Intergovernmental Revenues - Revenues received from other governments including the Federal, state, and county governments.

IPMC- International Property Maintenance Code.

Line-Item Budget - A budget that lists each expenditure/expense account code classifications for each program separately, along with the dollar amounts budgeted for each specific classification.

LMI- Low to Moderate Income- As defined by HUD to be a location of economic disadvantage.

Mission Statement- The basic purpose for the City's existence.

Modified Accrual- A governmental fund-type measurement focus whereby revenues and other financial resources are recognized when they become susceptible to accrual, i.e. when they become both measurable and available to finance expenditures of the current period. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred.

Net Assets- Assets less liabilities of a fund.

Non-Departmental - Expenditure/expense items of a particular fund which do not relate directly to an operating program.

OPEB- Other Post Employment Benefits- The City provides health care benefits to retired persons until they attain the age eligible for Medicare

Operating Budget - The financial plan for the fiscal year for funds which have legally adopted budgets. The funds are General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and Sanitation Operating Fund.

Operating Funds - Refers to the four funds for which an appropriated budget is adopted. The four funds are the General Fund, Street Maintenance Fund, the Water and Sewer Operating Fund and the Sanitation Operating Fund.

Operating Expenditures/Expenses - Expenditures/Expenses of the four operating funds which are used as a basis for determining contingency reserve. Expenditures/Expenses which are excluded from this category are interfund transfers.

Primary Government- A term used in connection with defining the financial reporting entity. The City of Fort Smith is a general purpose local government and it is a primary government.

Program - An operating unit within a division of the City organizational structure. Each program represents a specific type of activity within its division aimed at providing a service for which the City is responsible.

Revenue - Increases in net assets of a fund.

Revenue Bonds - Bonds which are secured by a pledge of revenues generated by the operation of the system for which the bonds were issued. The bonds do not constitute a charge against the general credit or taxing power of the government.

Service Objective- A performance effort by departments to accomplish the goals established by the Board of Directors.

Sinking Account- An account established to reserve funds for purchase and replacement of fleet for City programs. An annual fleet depreciation amount is allocated to the account each year. Currently, the Street Maintenance and Sanitation Operating funds follow this process.

SRO- School Resource Officer.

TEC- A traffic engineering consulting firm employed to prepare an updated master street plan as well as other engineering department documents.

Tipping Point Report- A report commissioned by the Chamber of Commerce to provide strategies to improve the economic growth in the region.

UAFS- University of Arkansas at Fort Smith.

Unencumbered Balance - The amount of an appropriation which is neither expended nor encumbered and is available for future use.

Values Statement- The City's basic values for providing services.

Vision Statement- The City's views for what level services are provided and how those services are provided by its personnel.

Working Capital - A term used to describe current assets less current liabilities for the enterprise and internal service funds. The amount reflected for budget purposes includes all monies available for appropriation including contingencies of such funds.

Fort Smith Notes

Fort Smith is located in western Arkansas and the Arkansas river divides Fort Smith from the border of Oklahoma. On December 25, 1817, an army post under the command of Major William Bradford was established entitled "Camp Smith" after Thomas A.Smith who ordered its establishment .The site was at La Belle Point on the Arkansas River in what is now Fort Smith. Captain John Rogers, known as the founder of Fort Smith, arrived in 1822.

In 1840, the town of Fort Smith was organized. The first municipal election was conducted January 14, 1841 with Charles A. Birnie elected as Mayor. On December 24, 1842, Fort Smith was incorporated as a town.

The Commission form of city government was established in 1913. On March 28, 1967, the City Administrator form of government replaced the Commission form. The governing body is the Board of Directors which is comprised of the Mayor and seven (7) directors. Three (3) of the directors are elected at large and four (4) directors are elected from four (4) equally populated wards.

Fort Smith is known as the manufacturing capital of the state. Although service type industries, such as health and social services, have created most of the new jobs in the Fort Smith area, manufacturing remains a significant source of jobs for the area. Manufacturing in the Fort Smith area averages 80 jobs per place of business compared to the United States average of 39 jobs per business and the state of Arkansas average of 56 jobs per business. Manufacturing produces the largest number of jobs in the area accounting for 28.9% of total employment. Retail trade accounts for 12.9% of total employment.

City of Fort Smith Arkansas

Miscellaneous Statistical Data

General Information:

Form of Government	City Administrator
Area	92.4 square miles
County	Sebastian
Time Zone	Central
Area Code	479
City Population	83,461 (2006 Estimated)
Date of Incorporation	December 24, 1842
Date Form of Government Adopted	March 28, 1967
Miles of Street	493 miles
Number of Street Lights	6,029
Number of Traffic Signals	142
Water Supply	Lake Fort Smith and Lee Creek Reservoir
Annual Precipitation	45.92 inches (average)
Temperature Averages	Winter: 40 degrees F/5 degrees C Summer: 60.8 degrees F/28 degrees C

Fire Protection:

Number of Stations	10
Number of Firefighters and Officers	132

Police Protection:

Number of Stations	1
Number of Sub Stations	9
Number of Police Members and Officers	165

Municipal Water Department:

Number of Consumers	32,267
Number of Contract Communities	13
Production Capacity	55,000,000 gallons
Average Daily Production	28,876,000 gallons
Maximum Daily Consumption	39,956,000 gallons
Miles of Water Main	627.5 miles

Municipal Wastewater Department:

Number of Customers	29,499
Number of Contract Communities	1
Sanitary Sewers	521
Average Daily Sewer Flow	17,360,000 gallons

Municipal Solid Waste System:

Number of Accounts	25,118
Average Annual Refuse Collections	101,955.1 tons
Average Annual Refuse Disposal	307,850.7 tons

Recreation and Culture:

Number of City Parks	25
Park Acreage	273.21
Trails and Greenways	3.9
Number of Swim Pools	1
Number of Wading Pools	3
Number of Community Centers	5
Splashpad	1
Number of Libraries	4 (67,000 square foot main and three neighborhood branches)
Number of Volumes	272,969
Convention Center	
Theater	
Area	1,331 seats with 4,200 square feet of stage
Number of Event Days	72
Exhibition Hall	
Area	40,000 square feet of space
Number of Event Days	129

City of Fort Smith
Schedule of Building Permits Issued for New Construction
For the Fiscal Year Ended December 31, 1999 through November 30, 2008

	Commercial Construction		Residential Construction	
Fiscal Year	Number of Units	Value	Number of Units	Value
1999	76	$51,386,195	269	$37,904,702
2000	88	$32,890,175	209	$27,388,944
2001	54	$51,903,874	290	$33,932,448
2002	71	$45,602,511	551	$48,343,083
2003	72	$50,705,144	481	$36,931,529
2004	48	$18,970,339	394	$42,274,420
2005	96	$64,341,825	428	$46,397,342
2006	84	$58,517,215	342	$31,729,635
2007	57	$80,762,587	402	$34,661,039
2008 *	43	$32,116,054	338	$35,417,103

Source: City of Fort Smith Building Safety Department
* Through 09/30/08

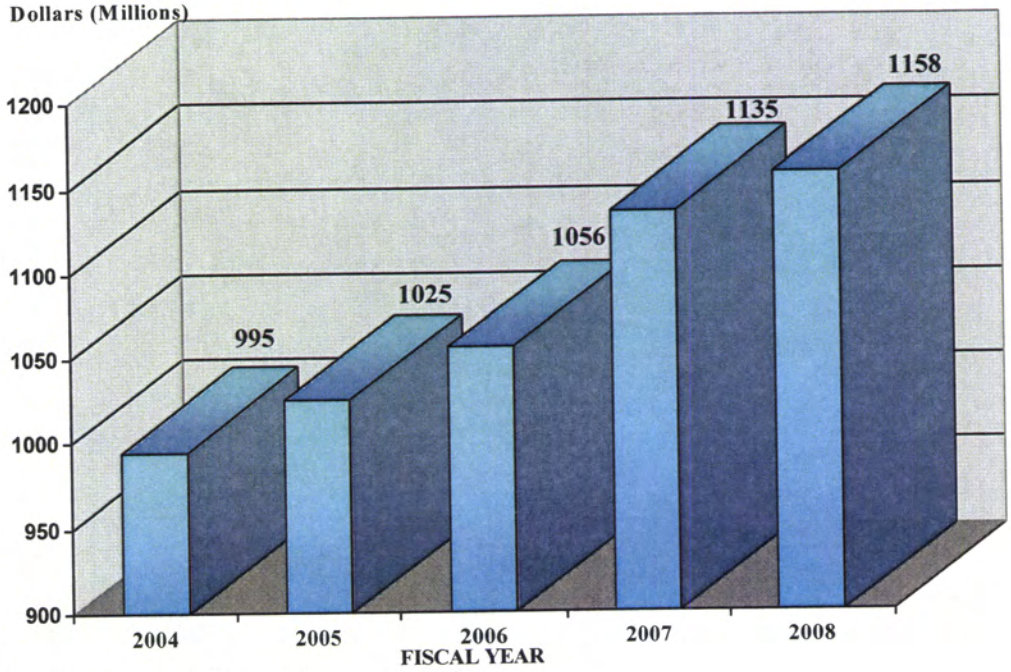
City of Fort Smith
Schedule of the Largest Employers By Number of Employees

Company	Product	# Employees
O K Foods	Poultry Processor	4,748
Baldor Electric	Electric Motors & Grinders	2,262
Whirlpool Corp.	Ice-Makers-Refrigerators	2,200
Sparks Health System	Medical/Surgical Services	2,170
St.Edward Medical Center	Medical/Surgical Services	1,800
Rheem-Ruud	Central Heating-A/C Equipment	1,774
Fort Smith Public Schools	Primary & Secondary Education	1,702
Arkansas Best Corporation	Trucking and Transportation	946
City of Fort Smith	Local Government	898
University of Arkansas at Fort Smith	Higher Education	772

Source: Fort Smith Chamber of Commerce

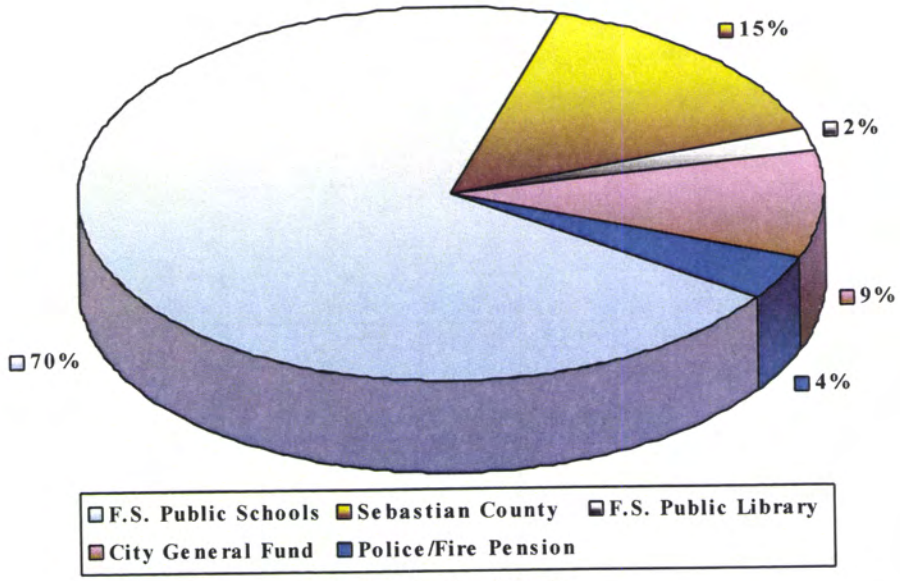
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City limits.

Assessed Property Valuation



Source: Sebastian County Assessor's Annual Abstract, as amended.

Allocation of Real Property Tax Rates For Taxes Payable FY09 for Overlapping Governments Within The City Limits



Source: Sebastian County Clerk's Office

Personnel Count Comparison

	2007 Actual	2008 Budget	2008 Estimated	2009 Budget
Policy & Administration Services Division				
4100 Mayor	2.00	2.00	2.00	2.00
4101 Board of Directors	7.00	7.00	7.00	7.00
4102 City Administrator	4.00	4.00	4.00	3.00
4111 Economic Development	2.00	2.00	2.00	2.00
4201 District Court	19.00	17.00	17.00	17.00
4202 City Prosecutor	2.00	2.00	2.00	2.00
4203 Public Defender	0.00	0.00	0.00	0.00
4204 City Attorney	0.00	0.00	0.00	0.00
4206 District Court-State Division	1.00	1.00	1.00	1.00
4405 Internal Audit	1.00	1.00	1.00	1.00
Total Policy & Administration Services Division	38.00	36.00	36.00	35.00
Management Services Division:				
4104 Human Resources	4.00	4.00	4.00	4.00
4105 City Clerk	2.63	2.63	2.63	2.63
4301 Finance	11.00	11.00	11.00	11.00
4303 Collections	6.00	6.00	6.00	6.00
4304 Utility Billing/Cust. Svc.	14.00	14.00	14.00	14.00
4306 Purchasing	2.00	2.00	2.00	2.00
4401 Information and Technology	9.00	9.00	9.00	9.00
Total Management Services Division	48.63	48.63	48.63	48.63
Development Services Division				
4103 Engineering	19.00	19.00	19.00	19.00
4106 Planning	7.75	7.75	7.75	7.75
4107 CDBG	3.25	3.25	3.25	3.25
4108 Building Safety	11.00	11.00	11.00	11.00
4109 Multi Cultural	0.00	0.00	0.00	0.00
6900 Neighborhood Services	8.00	8.00	8.00	8.00
Total Development Services Division	49.00	49.00	49.00	49.00

	2007 Actual	2008 Budget	2008 Estimated	2009 Budget
Police Services Division				
4701 Administration	3.00	3.00	3.00	3.00
4702 Support Services	39.00	42.00	42.00	42.00
4703 Criminal Investigations	36.00	37.00	37.00	41.00
4704 Patrol Operations	126.00	122.00	122.00	118.00
4705 Radio Communications	2.00	2.00	2.00	2.00
4706 Airport Security	3.00	3.00	3.00	3.00
6911 Police Grant	1.00	1.00	1.00	1.00
6920 Public Parking/Enforcement	4.00	4.00	4.00	4.00
Total Police Services Division	214.00	214.00	214.00	214.00
Fire Services Division				
4801 Administration	9.00	9.00	9.00	9.00
4802 Suppression & Rescue	123.00	123.00	123.00	123.00
Total Fire Services Division	132.00	132.00	132.00	132.00
Operation Services Division-Streets & Traffic Control				
5101 Administration	5.00	5.00	5.00	5.00
5302 Street Construction	11.44	11.44	11.44	11.44
5303 Street Drainage	19.04	19.04	19.04	19.04
5304 Street Maintenance	15.60	15.60	15.60	15.60
5401 Traffic Control Operations	13.16	13.16	13.16	13.16
5402 Signals	0.00	0.00	0.00	0.00
5403 Street Lighting	0.00	0.00	0.00	0.00
5405 Sign Shop	0.00	0.00	0.00	0.00
Total Streets & Traffic Control	64.24	64.24	64.24	64.24

	2007 Actual	2008 Budget	2008 Estimated	2009 Budget
Water & Sewer				
5501 Utilities Administration	15.00	15.00	15.00	15.00
5601 Water & Wastewater Treatment Administration	3.00	3.00	3.00	3.00
5603 Sewer Treatment	29.00	29.00	29.00	29.00
5604 Water Treatment	23.00	23.00	23.00	23.00
5605 Laboratory Services	9.00	9.00	9.00	9.00
5606 Wastewater Equipment Maintenance	14.00	14.00	14.00	14.00
5609 Industrial Waste Monitoring	5.69	5.69	5.69	5.69
5610 Water Line Maintenance	22.00	22.00	22.00	22.00
5611 Sewer Line Maintenance	24.00	24.00	24.00	24.00
5612 Construction Management	4.00	4.00	4.00	4.00
5613 Metering/Transmission Line Maintenance	21.50	21.50	21.50	21.50
5615 Water & Wastewater Line Maintenance Administration	12.00	12.00	12.00	12.00
5616 Water Stationary Equipment Maintenance	9.00	9.00	9.00	9.00
6700 Debt Service	0.00	0.00	0.00	0.00
Total Water & Sewer	191.19	191.19	191.19	191.19
Parks & Community Services				
6101 Health	0.00	0.00	0.00	0.00
6201 Parks Maintenance	20.50	20.50	20.50	20.50
6202 Oak Cemetery	3.50	3.50	3.50	3.50
6204 Community Centers	4.25	4.25	4.25	4.25
6205 Aquatics	4.85	4.85	4.85	4.85
6206 Riverfront/Civic Center/Downtown	5.00	5.00	5.00	5.00
Total Parks & Community Services	38.10	38.10	38.10	38.10
Convention Center				
6203 Convention Center	14.00	14.00	14.00	14.00
Total Convention Center	14.00	14.00	14.00	14.00

	2007 Actual	2008 Budget	2008 Estimated	2009 Budget
Sanitation				
6301 Administration	6.00	6.00	6.00	6.00
6302 Residential Collections	26.00	25.50	25.50	25.00
6303 Commercial Collections	9.00	10.00	10.00	10.00
6304 Fleet & Grounds Maintenance	10.00	9.00	9.00	10.00
6305 Sanitary Landfill	17.00	17.50	17.50	17.00
6306 Debt Service	0.00	0.00	0.00	0.00
6307 Roll-Off Collection	10.00	10.00	10.00	10.00
Total Sanitation	78.00	78.00	78.00	78.00
Transit				
6550 Public Transit	37.00	37.00	37.00	37.00
Total Operation Services Division	422.53	422.53	422.53	422.53
Non-Departmental				
6870 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
Total FTE Personnel	909.16	907.16	907.16	906.16

Please note: This schedule includes position of Mayor and the seven Director positions. The reconciliation to the schedule on page 2 is as follows:

	2007 Actual	2008 Estimated	2009 Budget
Total FTE Personnel, this schedule	909.16	907.16	906.16
Program 4100 Mayor & 4101 Board of Directors	(8.00)	(8.00)	(8.00)
Total FTE Personnel, Schedule on page 2	901.16	899.16	898.16

GENERAL INDEX

A

Accomplishments
  discussed, II
Accounting Control
  discussed, 164
Allocation of Personnel
  graphic display, 3,21
  discussed, 21
  schedule, 2, 21,186-189
Allocation of Property Tax Rates
  graphic display, 185
Annual Appropriated Budget - All Funds
  discussed, IV-VI,12
  graphic display, 13,30
  individual statements, 47-55
  statement summaries, 29, 31-32
Appropriation
  defined, 177
  distribution of -
    FY09, 71-73
    FY10, 74-76
Assessed Property Valuation
  defined, 177
  debt limits, 174
  discussed, 17
  graphic display, 185
Award
  Distinguished Budget
  Presentation
    discussed, ii, II
    photo copy, ii

B

Basis Difference
  discussed, 5
Basis of Accounting
  defined, 177
  discussed, 5,164
Bonded Indebtedness
  discussed, 26-28, 172-174
  graph, 173
  schedules, 171, 175-176
Budget Amendment
  defined, 177
  discussed, 5, 164
Budget Calendar
  defined, 177
  schedule, 6
Budget Format
  discussed, v-vi
Budget Message
  defined, 177
  current year message, I-VII
Budget Organizational Structure
  discussed, 161-164
Budget Process
  discussed, 5-6, 164
Budget Requirements
  discussed, 5,164
Budgetary Control
  discussed, 164
Budget to GAAP Difference
  discussed, 5
Building Permits
  schedule, 184
  statistics, 109-110

C

Capital Improvement Policies
  presented, 9
Capital Improvement Program
  defined, 177
  discussed, 22, 145-160
  effects on operating budgets, 160
  schedule, 22
Capital Projects Funds
  defined, 45
  fund chart, 42
  statements and definitions -
    Sidewalk Construction Fund, 45, 51, 156
City Divisions
  defined, 178
  discussed, VII
  Policy and Administration Services
    appropriations, 80, 85, 89
    narrative, 80-89
    organization chart, 79
  Management Services
    appropriations, 92, 94, 96, 99
    narrative, 92-101
    organization chart, 90-91
  Development Services
    appropriations, 104, 107
    narrative, 104-110
    organization chart, 102-103

Police Services
appropriations, 112
narrative, 112-114
organization chart, 111
Fire Services
appropriations, 116
narrative, 116-118
organization chart, 115
Operation Services
Streets and Traffic Control
appropriations, 120
narrative, 120-122
organization chart, 119
Water and Sewer
appropriations, 125
narrative, 125-126
organization chart, 123-124
Parks and Recreation
appropriations, 128
narrative, 128-130
organization chart, 127
Convention Center
appropriations, 132
narrative, 132-133
organization chart, 131
Sanitation
appropriations, 135
narrative, 135-136
organization chart, 134
Transit
appropriations, 138
narrative, 138-139
organization chart, 137
Non-Departmental
appropriations, 140, 144
narrative, 140, 144-145
organizational chart, 143
schedule, 141-142
Classification of Revenue Sources
descriptions of, 165-170
Combined Division Summary -
Operating Funds
by division classification, 77
by expenditure/expense classification, 78
Combined Statements
all funds, 29, 31-32
operating funds revenue, 62
Comparative Statements
all funds, 29, 32
graphic display, 30
operating funds, 57
Contingencies
discussed, VII
graphic display, General Fund, 19
reserve policies, 10
schedule, VII

D

Debt Margin
computation, 174
Debt Policies
presented, 9
Debt Service
defined, 178
discussed, 26-28, 172-174
Maturity schedule, 175-176
graphic display, 173
schedule, 171

E

Encumbrances
defined, 178
Enterprise Funds
defined, 45
fund chart, 43
statements and definitions
Parking Authority, 45, 54
Sanitation Related -
Sanitation Operating Fund,45,53, 61,69-70
Cleanup/Demolition Fund, 45, 53
Sanitation Sinking/Landfill
Construction Fund, 45, 53, 155
Soild Waste Bond Fund, 45, 53
Water and Sewer Related -
Water and Sewer Operating Fund, 45, 52, 60, 67-68
Water and Sewer Depreciation Fund, 45, 52
Water and Sewer Bond Fund, 46-47, 52
Water and Sewer Capital Improvement Projects Fund, 46, 52, 153-154
Expenditure\Expense Distribution
operating funds allocation -
by operating fund, VI
by service division, VI, 77
by use, VI, 78
discussed, V-VI
FY09, 71-73
FY10, 74-76

F

Financial Reporting Policies
  presented, 11
Financial Structure
  defined, 40
Fiscal Performance Policies
  discussed, 7
  presented, 7-11
Franchise Tax Comparison
  schedule, 17
Fund Balance
  defined, 178
  discussed, 18-20
  graphic display for General Fund, 19
Fund Structure
  defined, 40
  charts, 42-43
Funding Source
  defined, 178
  programs, 161-163
Future Notes
  discussed, III

G

General Fund
  comparative statement, 58
  defined, 44
  discussed, 17-19
  fund chart, 42
  graphic display, 15-16,19,64
  revenue comparisons, 63-64
  statement, 47, 58
General Obligation Bonds
  defined, 178
Goals and Objectives
  city, II-III
  2009 departmental, 80-81, 85-86, 89, 92, 94, 96, 99
    104, 107, 112-113, 116, 120, 125, 128, 132,
    135, 138, 144
2008 Goals and Results
  city, II
  departmental, 82-84, 86-87, 89, 92-93, 94-95,
  96-97, 100-101, 104-105, 107-108, 113, 117, 121
  125-126, 129, 133, 135-136, 138
Graphic Displays
  allocation of full-time personnel, 3
  allocation of property tax rates, 185
  appropriations by expenditure/expense
    classification, 78
  appropriations by service division, 77
  assessed property valuation, 185
  comparison of total revenues -
    Operating Funds, 62
    General Fund, 64
    Street Maintenance Fund, 65
    Water and Sewer Operating Fund, 67
    Sanitation Operating Fund, 69
  debt outstanding, 173
  fund balance, General Fund, 19
  personnel authorizations, 21
  revenue analyses, 33-35, 37-39
  sales tax revenues, 145
  sources of funds, 13,15
  total sources and total appropriations -
    Operating Funds, 15-16
    General Fund, 15-16
    Street Maintenance Fund, 15-16
    Water and Sewer Operating Fund, 15-16
    Sanitation Operating Fund, 15-16
  uses of funds, 13,16

H

Historical Notes
  presented, 181

I

Insurance Schedules, 24-25
Internal Controls
  discussed, 164
Internal Service Funds
  defined, 46
  discussed, 23,25
  fund chart, 43
  statements and definitions -
    Working Capital Fund, 46, 55
    Employee Insurance Fund, 46, 55
    Workers' Compensation Fund, 46, 55
Investment and Cash Management
  Policies
    presented, 10-11

L

Legal Debt Margin
  computation, 174

Major Policy Initiatives
City, III
Management Team
listed, i
Message Summary
discussed, VII
Mission Statement, 4
defined, 179

N

Non-Departmental
defined, 179
discussed, 140
schedule, 141-142

O

Operating Expenditure/Expense Policies
presented, 8
Operating Funds
defined, 179
discussed, 14,17-20
graphic display, 15-16,62

Organization Charts
City wide, 1
Divisions -
Policy and Administrative Services, 79
Management Services, 90-91
Development Services, 102-103
Police Services, 111
Fire Services, 115
Operation Services -
Streets and Traffic Control, 119
Water and Sewer System, 123-124
Parks and Recreation, 127
Convention Center, 131
Sanitation, 134
Transit, 137
Convention and Visitors Bureau, 143

P

Pension Trust Funds
discussed, 22
Personnel
allocation by expenditure/expense classification, 2
count comparison, 186-189
discussed, 21
graphic display, 3,21
listing of authorized positions, 2, 186-189
Program
defined, 179
discussed, 161
funding sources, 161-163

R

Reserve Policies
presented, 10
Retirement Plans,
discussed, 22
Revenues
classification of, 165-170
comparative statements, 62, 63, 66, 68, 70
defined, 179
discussed, IV, 64-65, 67, 69, 71
graphic display, 62, 63, 65, 67, 69
major analyses, 33-39
schedule, V
Revenue Bonds
defined, 179
discussed, 26-28,172-174
schedule, 171, 175-176
Revenue Policies
presented, 7

S

Sales and Use Tax Bond Fund
defined, 44-45
statement, 50
Sales and Use Tax Construction Fund
capital improvement program, 155
defined, 45
statement, 51
Sales Tax Fund
capital improvement program, 145-152
defined, 44
graphic display, 145
schedule of monthly revenue, 151
statement, 48
Sanitation Operating Fund
comparative statement, 61
defined, 45
discussed, 20
graphic display, 15-16

revenue comparisons, 69-70
statements, 53, 69
Self-Insurance Programs
discussed, 23,25
statements and definitions -
Employee Insurance Fund, 46, 55
Workers' Compensation Fund, 46, 55
Service Measures/Outcomes and Workload Demand Statistics by Division
Policy and Administration, 87-88
Management Services, 93, 95, 98
Development Services, 105, 109-110
Police Services, 114
Fire Services, 117-118
Operation Services -
Street and Traffic Control, 121-122
Water and Sewer System, 126
Parks and Recreation, 130
Sanitation, 136
Transit, 139
Non-Departmental-
Convention and Visitors Bureau, 145
Sinking Account
defined, 179
discussed, 160
Sources of Funds
discussed, 12, 14
graphic display, 13,15
Special Revenue Funds
defined, 44
fund chart, 42
statements and definitions -
Street Maintenance Fund, 44,48
Sales Tax Fund, 44,48
Community Development Block Grant Fund, 44,48
HOME Investment Partnership Act Fund, 44,48
Special Grants Fund, 44,49
Tilles Park Fund, 44,49
Advertising and Promotion Fund, 44,49
Arkansas LOPFI Contribution Fund, 44,49
Convention Center Fund, 44,49
Street Maintenance Fund
comparative statement, 59
defined, 44
discussed, 19
graphic display, 15-16
revenue comparisons, 65-66
statements, 48,59

T

Table of Contents
presented, iii-iv
Ten Largest Employers
schedule, 184
Top Priorities
presented, III

U

Unencumbered Balance,
defined, 180
Uses of Funds
discussed, 12, 18-20
graphic display, 13, 16, 30, 77-78

V

Values Statement, 4
defined, 180
Vision Statement, 4
defined, 180

W

Water and Sewer Operating Fund
comparative statement, 60
defined, 45
discussed, 20
graphic display, 15-16
revenue comparisons, 67-68
statements, 52, 60
Working Capital,
defined, 180
discussed, 5,20
statement, 55