2012

The City of Fort Smith ARKANSAS

TM

BUDGET

CITY OF FORT SMITH, ARKANSAS

FISCAL YEAR 2012

BUDGET

Sandy Sanders	Mayor
Steven Tyler	Director - Ward One
Andre Good	Director - Ward Two
Don Hutchings	Director - Ward Three
George Catsavis	Director - Ward Four
Pam Weber	Director - At Large
Kevin Settle	Director - At Large
Phillip H. Merry Jr.	Director - At Large

Ray Gosack	City Administrator
Kara Bushkuhl	Director of Finance

MANAGEMENT TEAM

Ray Gosack	City Administrator
Jeff Dingman	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
Sherri Gard	City Clerk
Russell Gibson	Director of Information and Technology Services
Vacant	Director of Convention Center
Richard Jones	Director of Human Resources
Mitzi Kimbrough	Internal Auditor
Kevin Lindsey	Police Chief
Baridi Nkokheli	Director of Sanitation
Steve Parke	Director of Utilities
Mike Richards	Fire Chief
Ken Savage	Director of Transit
David Saxon	District Court Judge
Stan Snodgrass	Director of Engineering
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
Angie Chance, Payroll Accountant

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

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 STATEMENT

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

--being AGILE

--being VALUES-BASED

--being CONTINUOUS LEARNERS

VALUES STATEMENT

Our shared values are…

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Fort Smith

Arkansas

For the Fiscal Year Beginning

January 1, 2011

President Executive Director

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, 2011. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

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

Budget Highlights

Introduction 5
Budget Process 5
Fiscal Performance Policies 7
The FY12 Budget 13
Operating Funds 15
General Fund 18
Street Maintenance Fund 20
Water and Sewer Operating Fund 21
Sanitation Operating Fund 21
Personnel Authorizations 22
Capital Improvement Program 23
Retirement Plans 23
Bonded Indebtedness 24

Budget Summaries - All Funds

Comparative Summary - All Funds 27
Fund List Summary - All Funds FY12 Budget 29
Comparative Summary with Detail Revenue Categories-All Funds 30
Major Revenue Analyses 31
City of Fort Smith Financial Structure 39
Definition of Fund Types and Individual Funds 42
Summary by Fund Type -
General Fund 45
Special Revenue Funds-
Street Maintenance Fund 46
Sales Tax Fund 46
Community Development Block Grant Fund 46
HOME Investment Partnership Act Fund 46
Special Grants Fund 47
Tilles Park Fund 47
A&P-CVB Fund 47
Arkansas LOPFI Contribution Fund 47
Convention Center Fund 47
Debt Service Fund-
Sales & Use Tax Bond Fund 48
Capital Projects Fund-
Sidewalk Construction Fund 49
Sales & Use Tax Bond Construction Fund 49
Enterprise Funds-
Water and Sewer Funds 50
Sanitation Funds 51
Parking Authority Fund 52
Internal Service Funds-
Working Capital Fund 53
Employee Health & Wellness Fund 53
Workers' Compensation Fund 53

Operating Funds Budget Summaries

Budget Comparison Summary-
Operating Funds 55
General Fund 56
Street Maintenance Fund 57
Water and Sewer Operating Fund 58
Sanitation Operating Fund 59
Statement of Revenue Comparisons-
Combined Operating Funds 60
General Fund 61
Street Maintenance Fund 63
Water and Sewer Operating Fund 65
Sanitation Operating Fund 67
Distribution of Appropriations to the Operating Funds - FY12 69
Distribution of Appropriations to the Operating Funds - FY13 72
Combined Division Summary-
By Division Classification 75
By Expenditure/Expense Classification 76

Division Summaries

Policy and Administration Services 77
Management Services 88
Development Services 102
Police Services 111
Fire Services 117
Operation Services-
Streets and Traffic Control 121
Water and Sewer 124
Parks and Recreation 128
Convention Center 132
Sanitation 136
Transit 139
Non-Departmental 142

Capital Improvements Program

Introduction	149
Sales Tax Fund	149
Water and Sewer Capital Improvement Projects Fund	157
Sales & Use Tax Bond Construction Fund	159
Sanitation Sinking / Landfill Construction Fund	162
Sidewalk Construction Fund	162
Tilles Park Fund	162
Parking Authority Fund	162
Parks and Recreation CIP	163
Capital Outlay	164
Effects of Capital Outlay on Operating Budget	166

Related Financial Information

Budget Organizational Structure	167
Budget and Budgetary Control	170
Accounting System Control	170
Classification of Revenue Sources - Operating Funds	171
Debt Service	177
Glossary of Key Budget Terms	183
Fort Smith Notes	187
Miscellaneous Statistical Data	188
Property Tax Illustration	191
Personnel Count Comparison	192
General Index	196

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 2011 and Adopted Budget 2012.

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 FY10 Actual, FY11 Budget, FY11 Estimated and FY12 Budget is included. A comparative summary for all funds with major revenue detail is presented for FY09 Actual, FY10 Actual, FY11 Budget, FY11 Estimated, and FY12 Budget. A combined summary of all funds for the FY12 Budget as well as individual fund statements by fund type for FY12 Budget is included. Major revenue analyses are included in this section to provide trend analyses for the City's major sources of revenue. 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 FY12 is also incorporated in this section. An early projection for FY13 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 service objectives, prior year service objectives, 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.

INTRODUCTION

This document, the City of Fort Smith, Arkansas, Annual Budget, serves as the primary budget document of the City of Fort Smith. The Annual Budget serves as the appropriations document and provides detailed information about City government, its budget, and the services it provides.

January 1, 2012

The Honorable Sandy Sanders, Mayor
and City Directors
City of Fort Smith, Arkansas

Mayor and Directors:

We are pleased to present the 2012 Budget as adopted December 6, 2011 in Ordinance No. 99-11. The 2012 Budget is a complete financial plan for all operating funds which includes all programs and activities of the City government.

The City was able to maintain its quality level of services during 2011 despite difficult economic conditions. The outlook for 2012 reflects the sluggish recovery from the Great Recession.

The projected fund balance at December 31, 2012 for the General Fund is $3,101,770 which represents 8% of the 2012 operating expenditures. The reserve is presented below the City's policy of 15% of current operating expenditures as discussed below.

Although the budgeted fund balance is 8%, we fully expect that 2012 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.

The Water and Sewer Operating Fund projected year end working capital balance is $4,110,432 or 17.3% of 2012 operating expenses. The financial turnaround in the Water and Sewer Operating Fund is a result of strategic decisions made by the Board last year and the refinancing of debt. We will meet our operating and debt service coverage obligations without a rate adjustment. Additionally, cash funding will be available for riverfront water and sewer line construction.

A future rate adjustment for water transmission line construction will be avoided if voters approve sales tax bonds for that work in 2012.

The financial condition of the City's other major operating funds is healthy. The General Fund's available revenue sources are very limited.

Recent and Key Challenges and Accomplishments

Although the City faces continued financial challenges in 2012, the following major achievements in 2011 will strengthen our future. Highlighted accomplishments are as follows:

- Mitsubishi Heavy Industries completed construction for its 200,000 square foot wind to energy manufacturing facility valued at $45 million in Fort Smith. The plant will result in approximately 335 new jobs for the regional economy during 2012. The city supported the recruitment by agreeing to construct a roadway, extend water and sewer mains, waive permit fees, and authorize the use of industrial revenue/recovery zone facility bonds.

- Golden Living is consolidating its administrative operations from locations around the United States to Fort Smith. The move adds 200 new jobs to the senior care operator's administrative headquarters.

- 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. Fundraising is approaching the $10 million mark.

- Infrastructure extensions to support growth and development in the Chaffee Crossing and southern areas of the city have been completed. More residential lots are under various stages of development. An annexation of 327 acres occurred in early 2011.

- Planters Peanuts is investing $20 million to expand its Fort Smith manufacturing plant. The city is supporting their expansion with the use of industrial revenue bonds.

- Sanitary sewer rehabilitation work in the upper Mill Creek neighborhood is underway. Improvements at the P Street wastewater treatment plant are nearly completed.

- Continued construction of a $35 million upgrade to the Lake Fort Smith water treatment plant. The upgrade will modernize and expand the plant, which was first constructed in the mid 1930's.

- Automated refuse collection was expanded in 2011 to an additional 3,300 customers. More neighborhoods will be added in 2012. The program streamlines the collection of garbage, improves the appearance of neighborhoods, provides same-day service for all collections, and reduces the potential for litter.

- Awarded the GFOA Distinguished Budget presentation Award for 2011, which is the city's twenty-third consecutive recognition; and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 2010 CAFR, the twenty-sixth consecutive recognition.

- Fort Smith was recognized for having the lowest cost of living by Forbes Magazine. These favorable rankings will aid Fort Smith's efforts to attract new employers and businesses.

- Roadway construction work continued on I-49 through Chaffee Crossing and began on Arkansas Highway 45 south of Phoenix Avenue.

- Using federal stimulus funds, the city has undertaken projects to complete the conversion of all traffic signals to LED technology and to construct building improvements at the police and fire stations. This work supports the Board's "green" initiative by lowering the city government's energy usage. The city also received the Fort Smith Chamber of Commerce's Green Business Award for 2011.

National economic conditions have affected Fort Smith and the city government's budget. Unemployment in Fort Smith has declined over 1% during 2011. It appears that the unemployment rate has peaked, and is 1.2% less than the national unemployment rate. Inflation has spiked to 3.9% in 2011. Local retail sales are rebounding with increases in 9 of the last 11 months.

Major 2012 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 2012 are as follows:

- Stimulate development along Fort Smith's downtown riverfront by developing a master plan, reviewing design standards, and planning for phased infrastructure extensions.
- Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators and the Federal Highway Administration.
- Enhance Fort Smith's recreational offerings by pursuing water park and recreation field improvements at Ben Geren Regional Park with Sebastian County.
- Plan for Fort Smith's future by updating or preparing a new comprehensive plan-Vision 2025 Plan.
- Improve public safety by constructing an additional fire station, by replacing aging fire apparatus, and by re-deploying aerial fire companies.
- Improve sanitary sewer services by planning and financing the next phases of wet weather sanitary sewer improvements.
- Initiate and develop economic growth strategies to increase the job market with higher paying jobs as well as support the construction of the regional intermodel freight facilities and Interstate 49.
- Continue the "green initiative" by developing strategies to reduce energy consumption and other costs in city facilities.

The departmental goals that are presented in the Division Summaries section of this document have been developed to achieve these city-wide goals. Following this message, a list of the city-wide goals and directly-related departmental goals is presented as a means of coordinating the two types of goals for 2012.

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 $25.9 million and may need to be designed and constructed between 2012 and 2014. The Fire Department estimates that a station will need to be constructed and staffed with twelve additional positions at an annual cost of approximately $920,000 (personnel and operating) during 2012-2013. Funding must be identified for these improvements and services. Voters will be asked to approve sales tax bonds for some of this work in 2012. The referendum will also request that a portion of the existing tax be allocated for the fire department operating costs.

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 38.5% 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.

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. A partnership with the Sebastian County Quorum Court for projects at Ben Geren Park is being considered. Voters will be asked to approve sales tax for some of these projects as well as an allocation of the current sales tax for operations.

Future expansions of the Riverfront Park as well as continued improvements in the downtown area 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.

Budget Summary

The 2012 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 that are presented in the Budget Highlights section of this document. The Policies were originally adopted in 1987 and have been updated regularly.

The City's 2012 Annual Budget, comprised of all funds, programs and activities, totals $221.5 million or a $3.4 million bottom line decrease from the 2011 Annual Budget of $224.9 million. The decrease is attributable to lower capital spending on multi-year projects.

The City's 2012 Budget of $221.5 million includes the 2012 Operating Budget of $98.9 million as well as $66.7 million for capital improvements; $34.6 million for debt service; $6.4 million for pension programs; $9 million for self-funded workers' compensation and employee benefit programs; $1.9 million for CDBG, housing and special grants programs; and $3.9 million for the Advertising and Promotion Commission, Parking Authority, Convention Center and internal service funds. Excluding various interfund transfers of $19.8 million, the City's Annual Budget totals $201.6 million.

The table below summarizes the major areas of change between the 2011 and 2012 Annual Budgets:

Overall Budget Summary

	2011	2012	Change	%
Operating Budget	$98,635,384	$98,968,908	333,524	-0.3%
Capital Improvements	70,194,535	66,661,252	(3,533,283)	-5.0%
Debt Service	35,191,455	34,642,150	(549,305)	-1.6%
Pension Programs	6,450,928	6,445,200	(5,728)	-0.1%
Workers' Compensation and Insurance Programs	8,871,990	8,995,000	123,010	1.4%
CDBG, Housing & Special Grants	1,832,245	1,870,539	38,294	2.1%
Special Projects	3,678,000	3,885,920	207,920	5.7%
Total	224,854,537	221,468,969	(3,385,568)	-1.5%
Less Interfund Transfers	21,332,150	19,843,335	(1,488,815)	-7.0%
Total	$203,522,387	$201,625,634	($1,896,753)	-0.9%

The 2012 Operating Budget is summarized in greater detail elsewhere. The 2012 Capital Budget of $66.7 million includes $30.2 million in various street and drainage improvements; $27.9 million in water and sewer system improvements; $5.4 million in major repairs and renovations at the existing fire stations, large purchases of fire apparatus, and beginning construction for the new fire station as well as the water park at Ben Geren Park and additional softball fields; $433,200 in sidewalk construction; $2.6 for the landfill new scale house and purchase of heavy equipment for Sanitation; and $105,000 for structural repairs at the parking deck.

The increase in special projects is due to the unexpected increase in gasoline prices during 2011 that caused actual costs to exceed the budget in 2011.

2012 Operating Budget Summary

The Fiscal Performance Policies, reproduced in the Budget Highlights section of the 2012 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 2012 Operating Budget of $98.9 million achieves this goal with anticipated revenues of $97 million and $1.9 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 38.5% of total operating revenues. The county-wide sales tax is anticipated at $15.3 million for 2012 that compares to $15.1 million for 2011. The franchise tax for 2012, estimated at $6.2 million, is comparable to the budgeted 2011 revenue. Property tax is estimated at $7.1 million for FY12 which is 2% above the estimated FY11 amount.

The Street Maintenance Fund revenue increase is due to the expected increase in gasoline tax turnback for 2012 from the state.

The Water and Sewer Operating Fund revenues increase of $598,000 is due to growth in customers and water consumption. There are no rate increases planned for 2012.

The Sanitation Operating Fund revenues are down due to less landfill activity and a decrease in commercial collections.

The figures below summarize 2011 and 2012 Budget revenues by operating fund:

Revenues By Operating Fund

	2011	2012	Change	%
General	$39,481,182	$39,712,150	$230,968	0.6%
Street Maintenance	5,968,730	6,245,092	276,362	4.6%
Water and Sewer	38,084,500	38,682,550	598,050	1.6%
Sanitation	13,928,500	12,400,000	(1,528,500)	-11.0%
Total Revenues	97,462,912	97,039,792	(423,120)	0.8%
Prior Year Balance	1,172,472	1,929,116	756,644	64.5%
Total	$98,635,384	$98,968,908	$333,524	0.3%

2012 Operating Budget-Expenditure/Expense Summary

The 2012 Operating Budget totals $98.9 million, or $0.3 million or 0.3% more than the 2011 Operating Budget of $98.6 million. The 2012 Budget includes a 2% cost of living adjustment for all employees as well as the reinstatement of performance based merit pay at an 80% rate. The cost for the pay increases in the four operating funds is $1,433,000. The total personnel level for 2012 is 907.03 that is 6.75FTE less than last year.

The 2012 General Fund expenditures are anticipated to increase by $99,741 or 0.2% over 2011 budget expenditures. This is due to the pay increases of $848,000 for the General Fund and is offset by the 8.75FTE personnel reductions as well as limiting capital outlay for the year. The position eliminations include 1FTE in the community development block grant (CDBG) program and 7.75FTE in the Police Department that includes 4FTE patrol officers, 3FTE part-time call takers, and .75FTE cadet.

The expenditures in the Street Maintenance Fund are expected to be $70,000 more in 2012 as compared to 2011 due to the pay increases. The pay increases for this fund total $99,000.

Water and Sewer Operating Fund expenses are expected to increase by $1.8 million between years. The pay increases for this fund total approximately $352,000 in 2012.The budget includes an increase of $840,000 for fleet and equipment replacement. The cost of materials continues to rise with the addition of new treatment facilities. Also, the budget includes the addition of 1FTE position and the reinstatement of 1FTE that was deleted in 2011.

The Sanitation Operating Fund budgeted expenses for 2012 are $1.6 million less than the 2011 budgeted expenses. The decrease is attributable to the redemption of the long-term debt for the fund. The Sanitation Fund is now free of long-term debt. This decrease is offset by the cost for pay increases in this fund of approximately $134,000 for 2012.

The figures shown below compare 2011 and 2012 adopted Budget expenditure/expense appropriations by operating fund, category of use, and service division.

Summary by Operating Fund

	2011	2012	Change	%
General	$41,042,956	$41,142,697	$99,741	0.2%
Street Maintenance	7,014,833	7,084,476	69,643	1.0%
Water and Sewer	36,834,670	38,646,079	1,811,409	4.9%
Sanitation	13,742,925	12,095,656	(1,647,269)	-9.5%
Total	$98,635,384	$98,968,908	$333,524	0.3%

Summary by Use

	2011	2012	Change	%
Personnel	$51,347,790	$51,101,310	($246,480)	-0.5%
Capital	2,335,780	3,228,740	892,960	38.2%
Operating	24,466,486	25,804,720	1,338,234	5.5%
Debt Service	16,448,370	14,705,295	(1,743,075)	-10.6%
Transfers	4,036,958	4,128,843	91,885	2.3%
Total	$98,635,384	$98,968,908	$333,524	0.3%

Summary by Service Division

	2011	2012	Change	%
Policy	$3,586,040	$3,502,290	($83,750)	-2.3%
Management	6,302,510	6,378,170	75,660	1.2%
Development	2,902,850	2,965,360	62,510	2.2%
Police	16,509,000	15,713,260	(795,740)	-4.8%
Fire	9,907,760	10,211,630	303,870	3.1%
Operations	54,852,100	55,517,045	664,945	1.2%
Non-Departmental	4,575,124	4,681,163	106,039	2.3%
Total	$98,635,384	$98,968,918	$333,534	0.3%

For reference purposes, Policy Services include the Mayor, Board of Directors, City Administrator, Downtown 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.

2012 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 8% which falls below the target of 15%. Even with the significant reductions in operating costs for 2012 in the General Fund, this is as near to the policy level that may be maintained without more service cuts. The Street Maintenance Fund, the Water and Sewer Operating Fund, and the Sanitation Operating Fund are projected to exceed the desired level of reserve.

The figures shown below compare budgeted 2011 and 2012 contingencies based upon the current year operating expenditures/expenses.

Contingencies by Operating Fund

	2011		2012	
	Balance	% of Exp.	Balance	% of Exp.
General	$3,556,739	9.1%	$3,101,770	8.0%
Street Maintenance	1,285,621	19.2%	1,258,759	18.8%
Water and Sewer	2,287,141	10.7%	4,110,432	17.3%
Sanitation	2,335,289	21.7%	1,830,912	16.8%
Total	$9,464,790	12.1%	$10,301,873	12.8%

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 the Finance Department staff, department directors, and all City employees for their assistance in preparing the 2012 Budget.

Respectfully submitted,

Ray Gosack

Ray Gosack
City Administrator

Kara Bushkuhl

Kara Bushkuhl
Director of Finance

cd

A few of the 2012 departmental service objectives that correlate to the 2012 citywide goals are listed as follows:

1. Stimulate development along Fort Smith's downtown riverfront by developing a master plan, reviewing design standards, and planning for phased infrastructure extensions.

   Downtown Development

   Continue to work with Downtown property owners in the Central Business Improvement District to encourage the sale, lease or renovation of their properties. Work with new Downtown business owners during the permitting process and opening of their businesses in the District. As we do this we will focus on attracting quality businesses

   Work on the continuation of the Riverfront Master Plan which will include additional improvements to the area along Riverfront Drive. This may also include a splash park in the area of Compass Park as well as working with our local railroad companies to clean up the area just west of the Glass Pavilion. Continue the effort to find funding for the construction of shelters to improve the functionality of the municipal parking lot at 2nd & Garrison in Downtown to accommodate small events.

   In partnership with the Chamber, develop a marketing plan to be used for the purpose of promoting a 50,000 square foot corporate headquarters along the Riverfront.

2. Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators and the Federal Highway Administration.

   Mayor

   Maintain close working relationships with local, state and federal elected officials and staff members.

   Develop and maintain effective contacts with agencies impacting Fort Smith, including the Corps of Engineers, Federal Highway and Transportation department and the Environmental Protection Agency.

3. Enhance Fort Smith's recreational offerings by pursuing water park and recreation field improvements at Ben Geren Regional Park with Sebastian County.

   City Administrator

   Identify and promote funding sources for ongoing operations and capital improvements, both to the Board of Directors and to the public. This is particularly challenging in departments and programs supported by the general fund. Promote the use of innovation and technology to better utilize resources.

   Finance

   Initiate and develop financial alternatives and budgets for the fire department capital assets and operations needs; recreational opportunities with Sebastian County; and water and sewer operating and capital asset requirements.

   Parks

   The Department will work with Sebastian County as directed.

4. Plan for Fort Smith's future by updating or preparing a new comprehensive plan-Vision 2025 Plan.

Development Services

Review the 2002 Fort Smith Comprehensive Plan. Provide applicable updates and suggest appropriate and timely revisions. Continue implementation of the goals identified for the development services department.

Parks

The Department will work with the Parks and Recreation Commission and Oak Cemetery Commission in providing goals and objectives for the Plan.

5. Improve public safety by constructing an additional fire station by replacing aging fire apparatus, and by re-deploying aerial fire companies.

Mayor

Advocate for the 2012 sales tax continuation election campaign for wet weather sewer improvements, and fire service improvements.

Finance

Initiate and develop financial alternatives and budgets for the fire department capital assets and operations needs; recreational opportunities with Sebastian County; and water and sewer operating and capital asset requirements.

Fire

Improve public and firefighter safety and assist in holding down consumer's property insurance costs by beginning construction of a new fire station at Chaffee Crossing.

Continue to build funding and begin planning for a NFPA compliant training facility with a burn building.

6. Improve sanitary sewer services by planning and financing the next phases of wet weather sanitary sewer improvements.

Mayor

Advocate for the 2012 sales tax continuation election campaign for wet weather sewer improvements, and fire service improvements.

Finance

Initiate and develop financial alternatives and budgets for the fire department capital assets and operations needs; recreational opportunities with Sebastian County; and water and sewer operating and capital asset requirements.

7. Initiate and develop economic growth strategies to increase the job market with higher paying jobs as well as support the construction of the regional freight facilities and Interstate 49.

Mayor

Focus effort on economic development; In conjunction with the Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission, work with businesses and industries to retain existing jobs and support efforts to attract new jobs.

ITS

Continue to provide GIS support to the Fort Smith Regional Chamber of Commerce. This support will enhance the Chamber's ability to pursue their economic development goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Economic Development properties GIS.

Convention & Visitor's Bureau

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.

8. Continue the "green initiative" by developing strategies to reduce energy consumption and other costs in city facilities.

City Administrator

Continue to identify and promote energy efficiency and "green" initiatives in all city operations, for both economic and environmentally responsible purposes.

Development Services

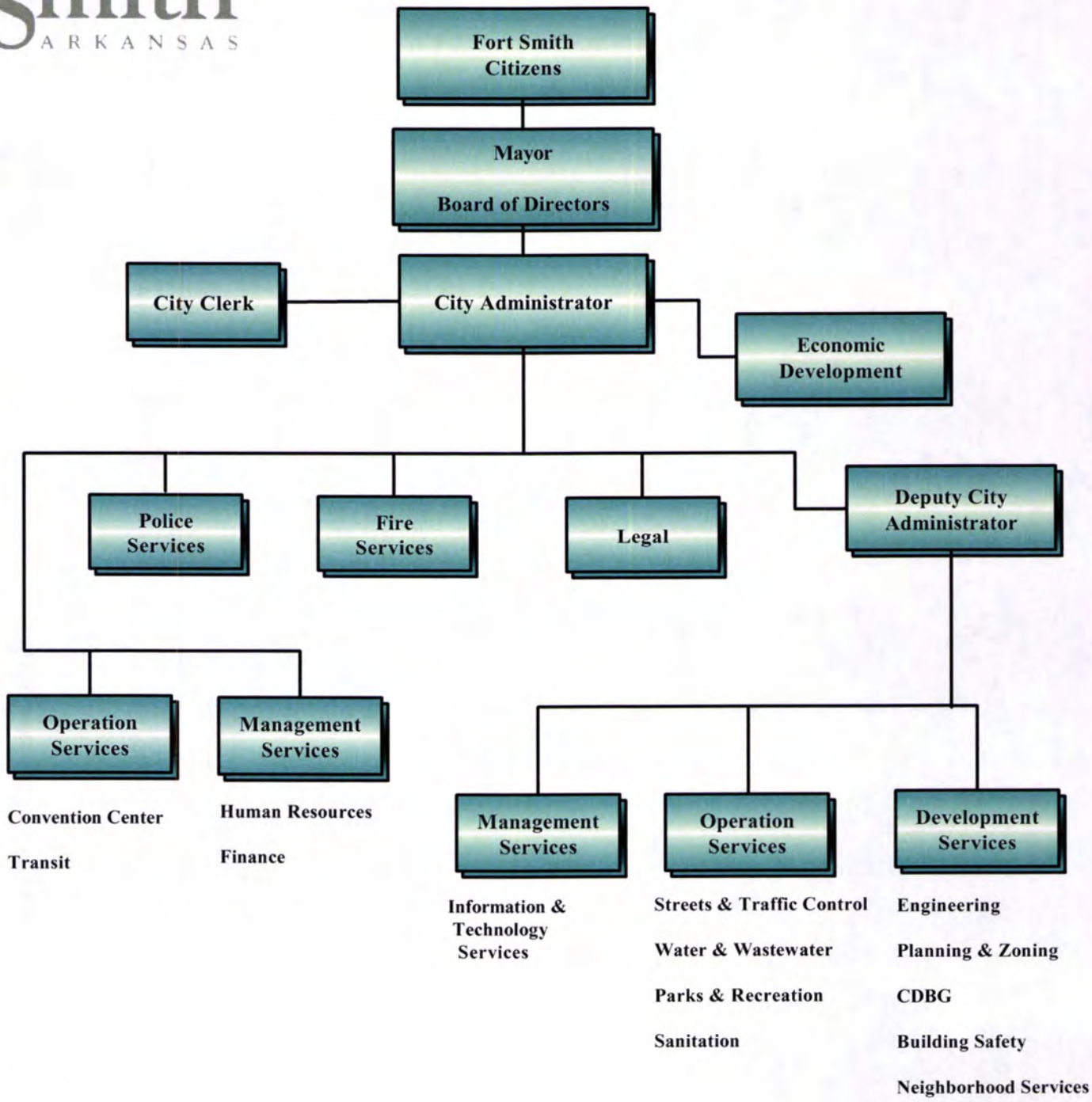
Continue implementation of green practices around the office and continue to research green development and building ordinances. Discuss with the development and construction community about possible implementation of green standards and codes.

Parks

The department will continue to monitor energy use at each facility and study ways to reduce energy consumption.

The City of Fort Smith ARKANSAS

Plan of Organization



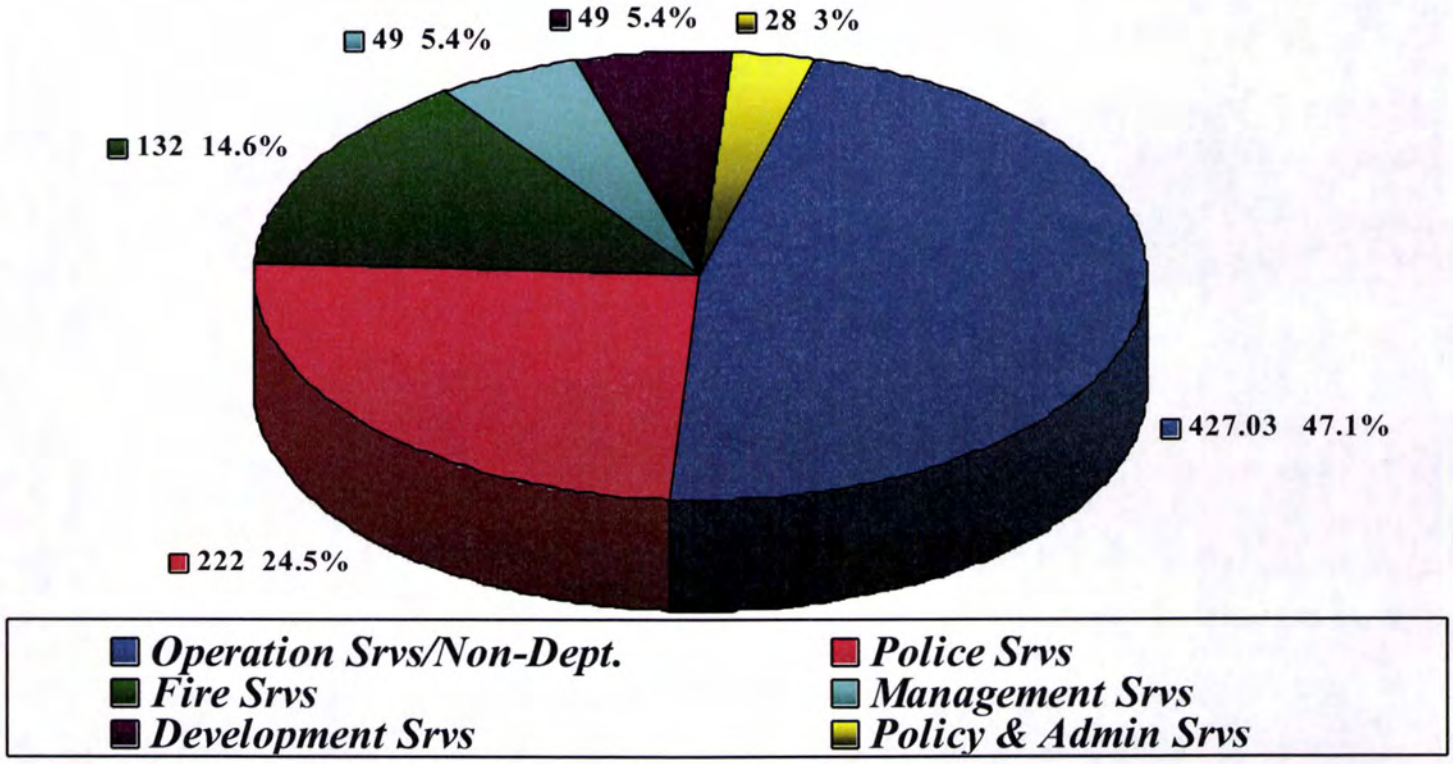
CITY OF FORT SMITH
AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL
BY EXPENDITURE CLASSIFICATION

	FY10 Actual	FY11 Estimated	FY12 Budget
Policy and Administration Services (Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	3.00	3.00	4.00
Downtown Development	2.00	2.00	1.00
District Court	19.00	19.00	19.00
City Prosecutor	2.00	2.00	2.00
Internal Audit	1.00	1.00	1.00
Total	28.00	28.00	28.00
Management Services			
Human Resources	4.00	4.00	4.00
City Clerk/Citizen Action Center	3.00	3.00	3.00
Finance	33.00	33.00	33.00
Information & Technology Services	9.00	9.00	9.00
Total	49.00	49.00	49.00
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	4.25	4.25	3.25
Neighborhood Services	8.00	8.00	8.00
Total	50.00	50.00	49.00
Police Services	226.75	229.75	222.00
Fire Services	132.00	132.00	132.00
Operation Services			
Streets and Traffic Control	64.24	64.24	64.24
Water and Sewer	192.19	189.19	191.19
Parks and Community Services	39.10	39.10	39.10
Convention Center	13.50	13.50	13.50
Sanitation	78.00	78.00	78.00
Transit	36.00	36.00	36.00
Total	423.03	420.03	422.03
Non-Departmental			
Convention & Visitors Bureau	5.00	5.00	5.00
Total Authorized Level of Full-Time Equivalent Personnel	913.78	913.78	907.03

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

Note 2: Of the 907.03FTE personnel authorized for 2012, 862 positions are full time and 45.03 positions are part-time or seasonal.

907.03 FTE PERSONNEL FOR 2012



BY EXPENDITURE/EXPENSE CLASSIFICATION

THIS PAGE INTENTIONALLY LEFT BLANK

BUDGET HIGHLIGHTS

This Section provides a narrative and graphical summary of the major components of the FY12 Budget.

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 budgets to 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 2012 Budget:

June 30, 2011	Distribution of 2012 Budget package to all departments.
July 1, 2011 through Aug. 17 or 24, 2011	Departments prepare budget worksheets/disks and summaries for 2012 requests and 2013 projections. Finance refines 2012 revenue estimates and prepares 2013 revenue projections.
July 12, 2011	Receive Board of Directors input for city-wide goals for 2012 at study session.
July 12, 2011	Outside agency funding (OAF) task force review at Board study session.
August 1, 2011	Local service agency application notification for OAF from 2012 Budget.
August 4, 2011	OAF workshop for service agencies.
August 9, 2011	Departments submit service objectives and outcome/performance measures for 2012 and submits a status report on 2011 service objectives and outcome/ performance measures to the Finance Department.
August 12, 2011	The following departments submit completed budget packages to Finance: Administration; Downtown Development; District Court; City Prosecutor; 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 19, 2011	The following departments submit completed budget packages to Finance: Police; Fire; Parks; Water and Sewer; and Sanitation.
August 23, 2011	Review departmental service objectives for 2012 and their correlation with city-wide goals for 2012 during the Board study session.
August 15, 2011 through September 12, 2011	Finance verifies the accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 6, 2011	Deadline for submittal of application packets by local service agencies for OAF.
September 14, 2011 through September 30, 2011	City Administrator, Deputy City Administrator and Director of Finance review budget requests and meet with department directors to discuss the 2012 requests.
September 27, 2011	Proposed five year streets and drainage CIP presented at Board study session. Also, 2012 Budget progress report.
October 1, 2011 through October 28, 2011	Preparation of draft budget by Finance.
November 1, 2011	Present proposed budget to Mayor and Board of Directors.
November 10, November 17 and November 22, 2011	Review proposed budget with Mayor and Board of Directors, discussion with department directors.
December 6, 2011	Conduct 2012 Budget hearing and present 2012 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, other than infrastructure, with a value equal to or greater than $5,000 per unit and an estimated life greater than or equal to 3 years will be capitalized for financial reporting purposes. Infrastructure assets are those that are provided by the street Sales Tax Fund and include streets, bridges and drainage projects. All land and rights-of-way are capitalized for infrastruture projects. The project cost is capitalized for projects greater than or equal to $250,000 and are grouped by project year. Individual infrastructure projects are capitalized separately if the project totals greater than or equal to $5.9 million.

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. The City will also monitor bond issues by adhering to its Post-Issuance Compliance Manual required by the IRS.

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. If the contingency reserve balance falls below the fifteen percent (15%) level for a current year budget, then the following steps will be taken by the appropriate departments:
   a. If the contingency reserve is between 10% and 14.99%, then operating and capital reductions will be required.
   b. If the contingency reserve is between 5% and 10%, then personnel reductions, including service will be implemented.
   c. If the contingency reserve is less than 5%, then personnel, operating and capital reductions will take place. Service levels may be significantly reduced if this scenario occurs.

4. 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 five (5) years to all qualified banks located within the City limits. Banking services may continue with a selected bank for more than five (5) years if the services provided are maintained at an acceptable level.

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 FY12 BUDGET

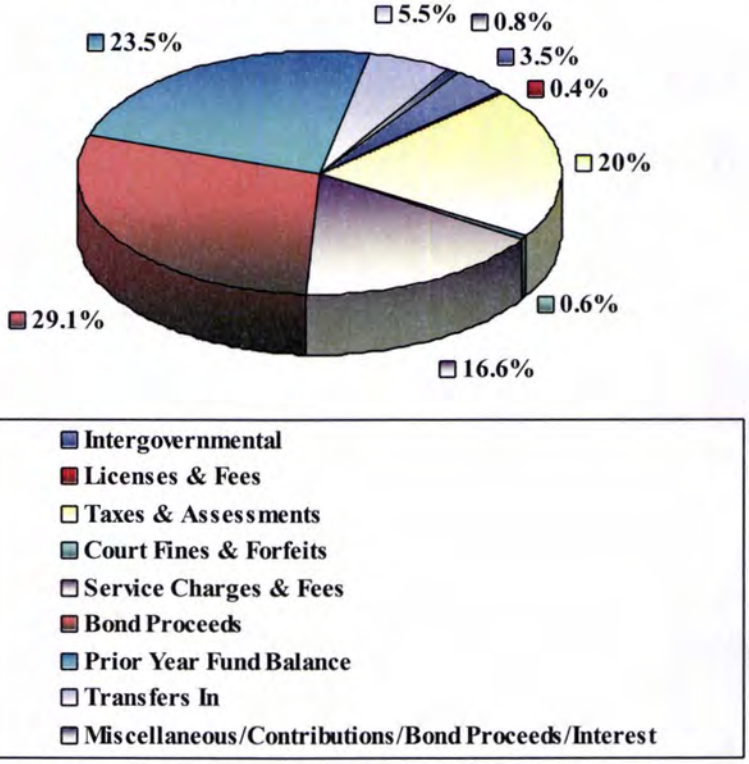
Total funding sources from all funds is estimated at $363.8 million with expenditures/expenses totaling $221.5 million for FY12. All funds for which revenues are received and expenditures/ expenses are incurred are included in the Budget Summaries - All Funds section of this document.

The major sources of funding for FY12 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 23.5% 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 20% of total resources. The City assesses a 3% local sales tax (2.0% city-wide plus 1.0% county-wide), a 4% utility franchise fee, a 3% hotel/motel tax and imposes a millage rate of $.70 per $100 of assessed property value. Service charges and fees account for 16.6% of total funding sources. Service charges and fees are primarily rates charged for municipal sevices of water sewer and solid waste collection and disposal. In 2012, the City anticipates issuing up to $106 million in sales and use tax bonds to fund water and sewer system improvements, fire department infrastructure and equipment, and park improvements. These bonds proceeds provide 29.1% of total resources in FY12.

The major uses of funds for FY12 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 44.7% of total uses and are primarily for personnel, day-to-day operating expenditures/expenses and equipment purchases. Capital improvements account for 30.1% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 15.6% of total uses and is comprised of the five water and sewer revenue bond issues, the parking facilities revenue bond issue, and the four 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.

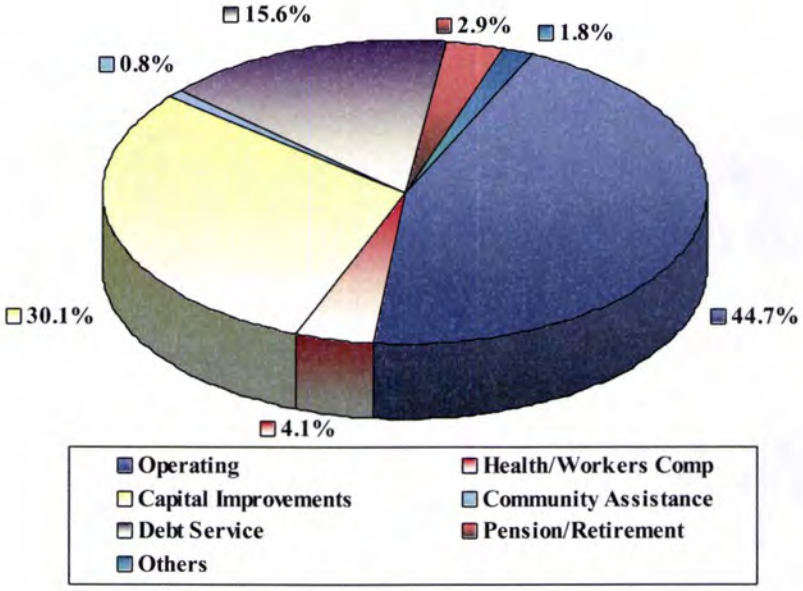
The two graphs which follow depict the allocation of total resources and total uses for 2012.

SUMMARY OF TOTAL RESOURCES
FY 2012



Total Resources $ 363,823,948

SUMMARY OF TOTAL USES
FY 2012



Total Uses $ 221,468,969

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 FY12 Operating Funds Budget totals $98.9 million in appropriations which is 1.5% more than the FY11 Operating Funds Budget. Operation services account for 56% of operating appropriations. Operation services include: streets, traffic control, water and sewer services, parks and recreation sanitation and transit services. The police and fire services combine to account for 26% of total appropriations.

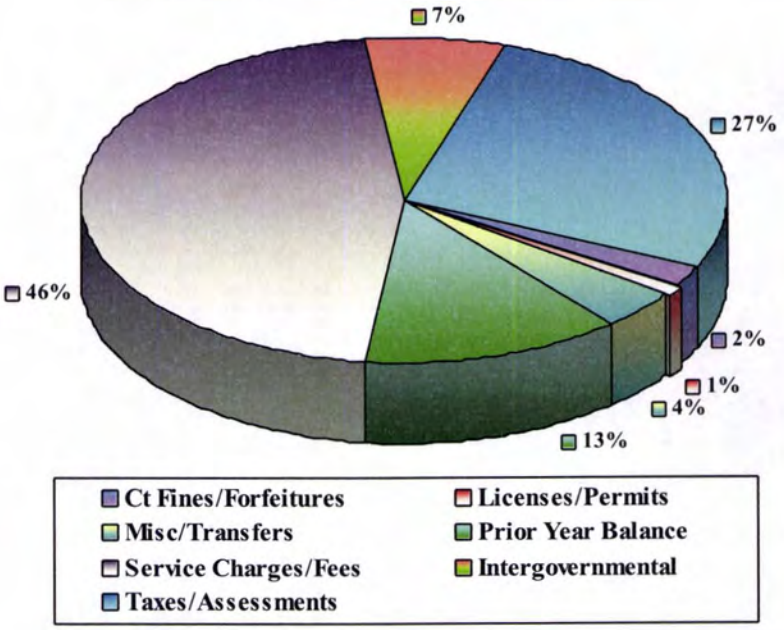
FY12 Operating Funds Sources total $111.7 million, which is a $3.6 million more than the FY11 Operating Funds Sources due the higher actual prior year balances. Service charges and fees account for 46% of total sources. Service charges and fees include utility rate charges for water, sewer and sanitation services. Taxes and assessments compromise 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.

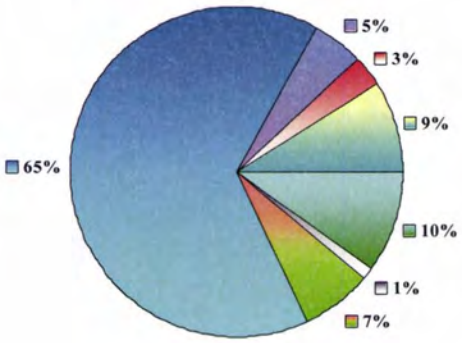
The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 16 illustrate funding sources combined and individually for the four operating funds. The graphs on page 17 illustrate appropriations in combined and individual format for the four operating funds.

COMBINED OPERATING FUNDS

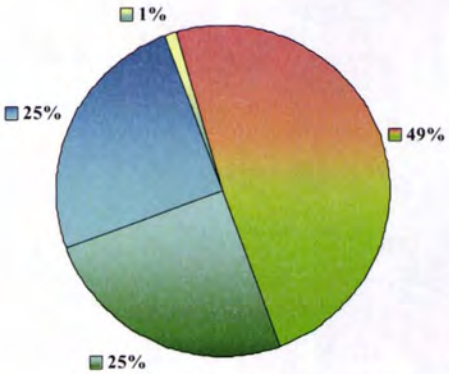
FISCAL YEAR January 1 - December 31, 2012

TOTAL FUNDING SOURCES $111,720,781

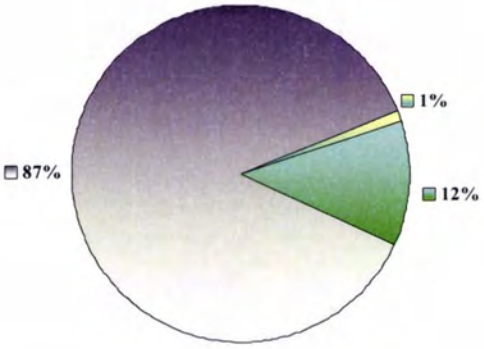




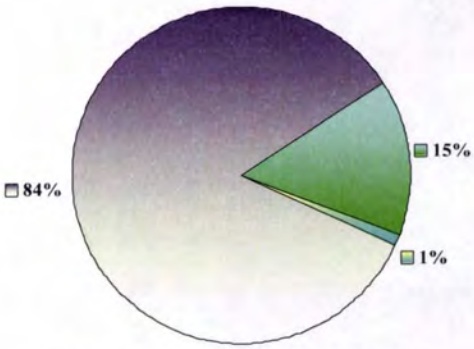
GENERAL FUND
$44,244,467



STREET MAINTENANCE FUND
$8,343,235



W/S OPERATING FUND
$44,506,511

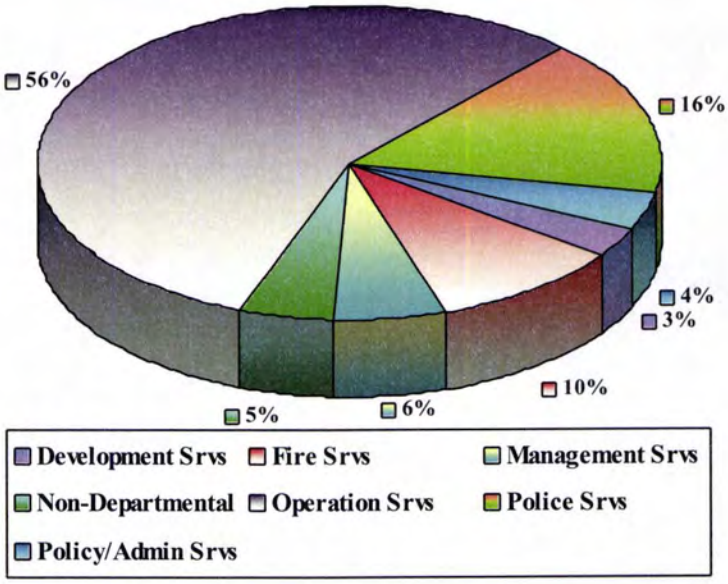


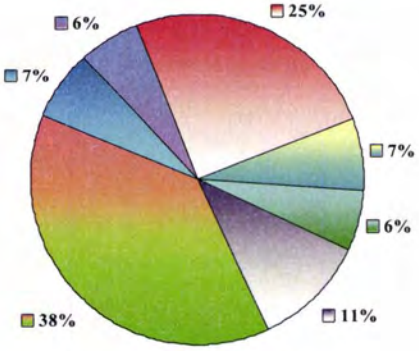
SANITATION OPERATION FUND
$14,626,568

COMBINED OPERATING FUNDS

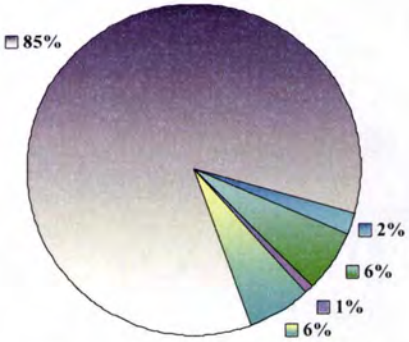
FISCAL YEAR January 1 - December 31, 2012

TOTAL APPROPRIATIONS $98,968,908

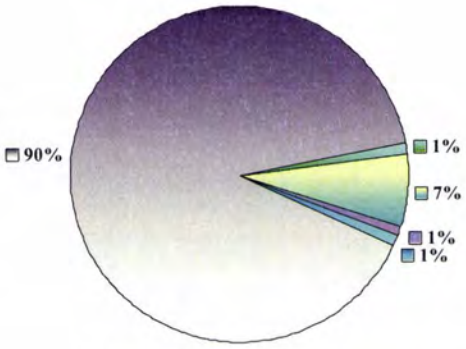




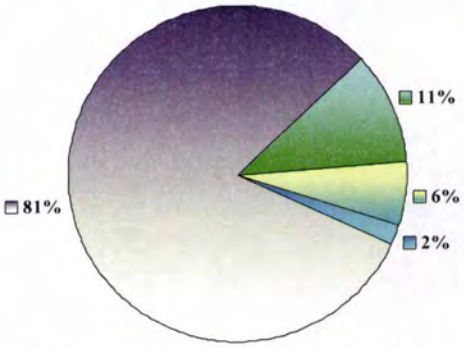
GENERAL FUND
$41,142,697



STREET MAINTENANCE FUND
$7,084,476



W/S OPERATING FUND
$38,646,079



SANITATION OPERATION FUND
$12,095,656

GENERAL FUND

Total funding sources for the General Fund in FY12 amount to $44.2 million which represents a 0.9% decrease from FY11 Budget funding sources. Funding sources include current year revenue plus the prior year balance brought forward.

The major funding source for the General Fund is Taxes and Assessments which comprise 65% of total resources. Ad valorem taxes, franchise taxes and the county-wide 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 FY12 total $7.1 million, which is an increase of 2% over the FY11 estimated amount of $7 million. The tax rate for FY11 and FY12 remains constant at the maximum allowed by the state. The increase is a result of higher 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 FY12 are shown on page 191.

Franchise fees for FY12 are estimated at $6.2 million, which is a 4% decrease from the FY11 estimated revenue of $6.5 million. A comparison of the franchise fee revenues between years is as follows:

	FY11 ESTIMATED (Thousands)	FY12 BUDGET (Thousands)
Electric	$ 4,059	$ 3,822
Gas	1,490	1,450
Cable	612	620
Telecommunications	296	300
	$ 6,457	$ 6,192

The decrease between FY12 Budget and FY11 Estimated represents an expected decrease in electric consumption during FY12. Electric sales generated higher franchise fees due to the extremely hot weather during the summer of 2011.

In June 1994, the citizens of Fort Smith and Sebastian County approved a 1% county-wide sales and use tax. The tax was reauthorized during 2003 for another 10 years. Collection of the tax began August 1, 1994. The City receives approximately 78% 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 $15.3 million for FY12. This tax accounts for 38.5% of the General Fund revenue.

The General Fund appropriations for FY12 total $41.1 million which is $99,741 or 0.2% more than the FY11 Budget. The increase is due to the planned pay adjustments for FY12 that are offset by the elimination of 7.75FTE in the Police Department. The operating expenditures have been reduced for FY12 and there is virtually no capital outlay for the current year.

The General Fund uses for the County Sales Tax in FY12 are as follows:

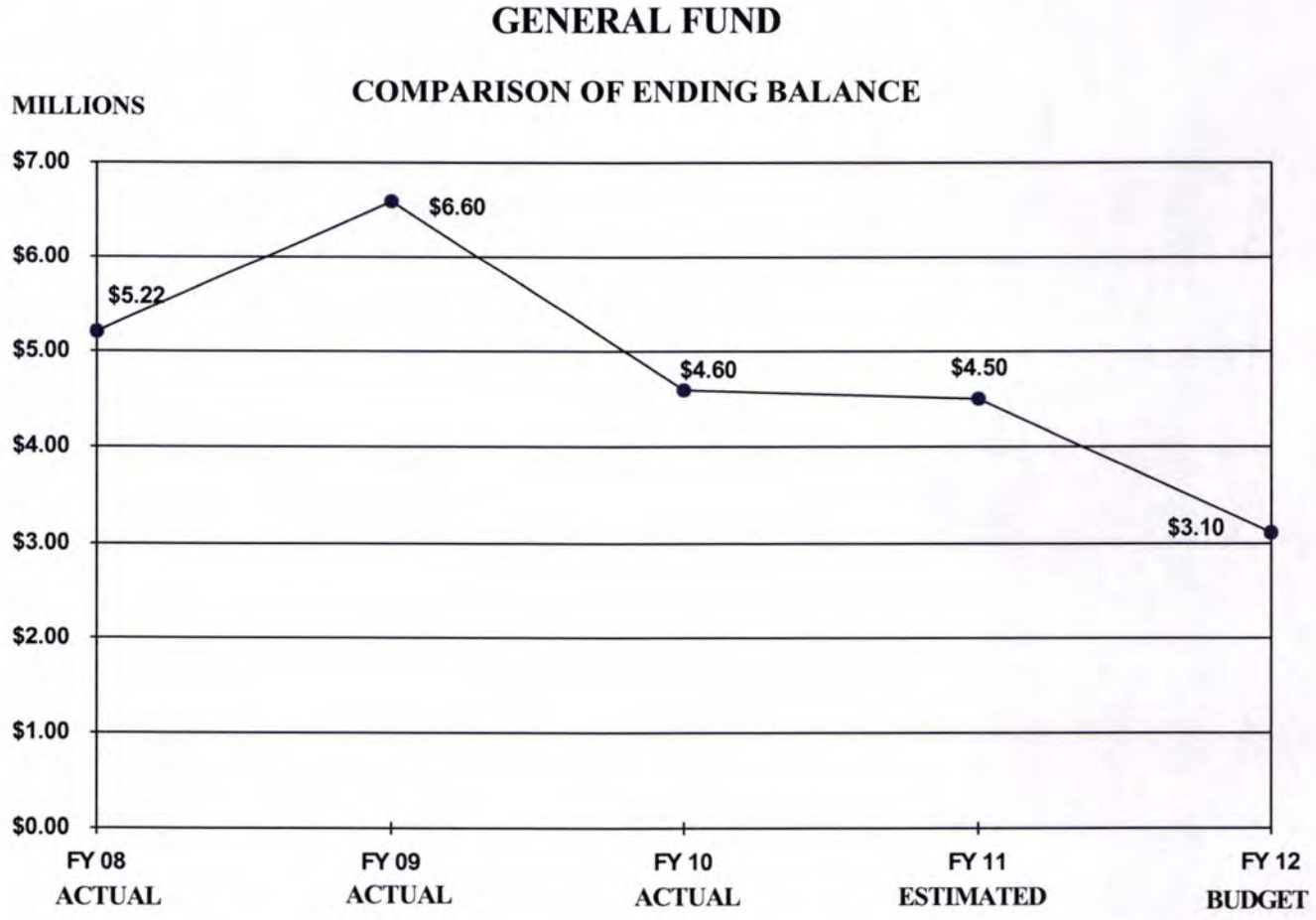
Public Safety	$ 11,595,700
Public Library	915,450
Park Capital Maintenance	381,437
Senior Citizen Programs	228,863
Downtown Development & Projects	457,725
Public Transit	457,725
Privilege License Replacement	1,220,600
	$ 15,257,500

The projected fund balance of the General Fund at December 31, 2012 is $3,101,770 which represents 8% of operating expenditures for 2012. 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 FY11 Budget document the estimated ending balance was 9.1% compared to the FY11 estimated ending balance of 11.5% as indicated below. The General Fund departments worked diligently to reduce expenditures during 2011 to assist with the financial shortfall in the fund.

The level of ending fund balances for the past four years, and projected for FY12 is:

FY08	13.6%
FY09	10.5%
FY10	11.0%
FY11 Estimated	11.5%
FY12 Budget	8.0%

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



STREET MAINTENANCE FUND

Total funding sources of the Street Maintenance Fund for FY12 amount to $8.3 million and is $43,000 more than the FY11 Budget.

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 FY12 is $47.50 which is the same estimated in FY11.

This Fund also receives one-half of the 3.0 road millage levied by Sebastian County. Total estimate from this revenue for FY12 is $2.14 million which reflects a 2% increase over FY11 estimated revenue.

FY12 appropriations for the Street Maintenance Fund total $7.1 million compared to $7 million in FY11. The increase is due to the pay increases for FY12.

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 $1,258,789 which represents 18.8% of FY12 operating expenditures. This exceeds the 15% reserve requirement.

WATER AND SEWER OPERATING FUND

Total funding sources for the Water and Sewer Operating Fund amount to $44.5 million for FY12. This is $5.3 million or 12.6% more than the FY11 estimated funding sources. The increase is due to the prior year fund balance being brought back above the 15% required level at the end of 2011. The rate increases for water and sewer volume charges as well as increased consumption during FY11 provided the funds and helped to achieve the required debt service coverage per the revenue bond ordinances.

Service charges and fees provide 87% of total resources for this fund.

Total Water and Sewer Operating Fund appropriations for FY12 total $38.6 million compared to FY11 appropriations of $36.8 million. The increase is due to the planned pay increases for FY12, the addition of 1FTE position, and the reinstatement of 1FTE from the prior year. Capital outlay for fleet and large equipment replacement for FY12 is $849,000 more than FY11 due to delaying replacement of such items in the past few years. A portion of the increase is attributable to the increasing costs for chemicals and utilities for the system.

The projected working capital at December 31, 2012, is $4,110,432, which represents 17.3% of FY12 operating expenses. This exceeds the fiscal policy of a 15% reserve requirement.

SANITATION OPERATING FUND

Total funding sources of the Sanitation Operating Fund amount to $14.6 million for FY12 and is $1.5 million less than FY11. The decrease is due to a significant decline in landfill operations.

Service charges and fees are the major funding sources for the Sanitation Operating Fund reflecting 84% of this total.

Appropriations for the Sanitation Operating Fund total $12.1 million. This is a decrease of $1.2 million from the total FY11 appropriations. The decrease is attributable to redemption of the solid waste revenue bonds during 2011. The decrease is offset by the planned pay increases for FY12.

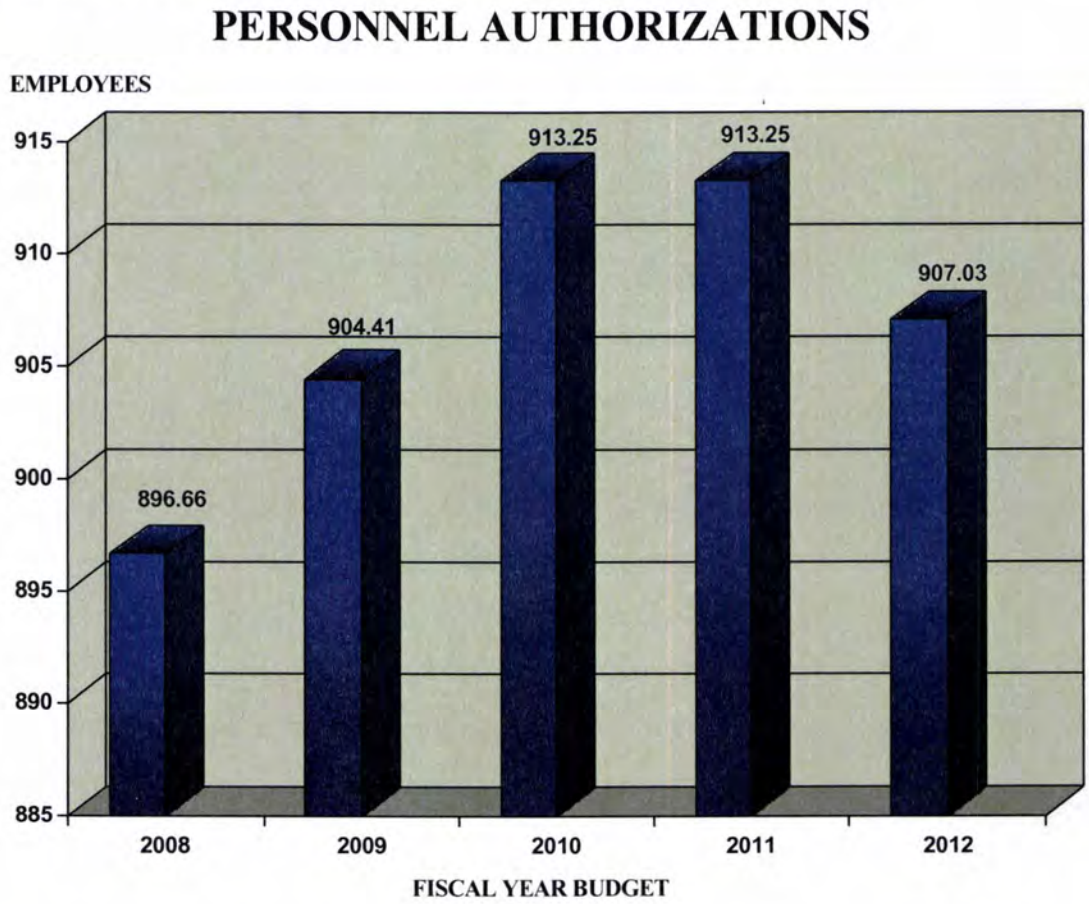
The major appropriation of the Fund is operation services which comprise 81% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is $1,830,912 and reflects 16.8% of FY12 operating expenses. This exceeds the policy goal of 15%.

PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY12 represent 51.6% of total operating funds appropriations compared to 52.1% for FY11.

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



The net change in personnel between 2011 estimated and 2012 is a decrease of 6.75 FTE. The following chart reconciles the 2011 estimated positions to the total positions for 2012.

	Full Time	Part-Time/ Seasonal	Total FTE
2011 Estimated	866	47.78	913.78
CDBG	-1	-	-1.00
Police	-4	-3.75	-7.75
Water & Sewer (Note 1)	1	1	2.00
2012 Budget	862	45.03	907.03

Note 1: One part-time/seasonal position has been reinstated for industrial waste monitoring in 2012.

CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY12 total $66.7 million. Capital Improvements for the current fiscal year are provided by the five funds as indicated:

		Amount (Thousands)
Sales Tax Fund	$	30,244
Water and Sewer Capital Improvement Projects Fund		12,767
Sales & Use Tax Bond Construction Fund		20,520
City Sidewalk Construction Fund		433
Sanitary Landfill Construction & Sinking Fund		2,592
Parking Authority Fund		105
Total	$	66,661

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 FY12 are 28.74% and 40.68% for police and fire personnel, respectively, as compared with FY11 rates of 27.53% and 39.14% for police and fire personnel, respectively. A special revenue fund entitled Arkansas LOPFI Contribution Fund accounts for these members' participation. Currently, there are 286 active members and 241 benefit recipients.

Benefit payments and retirement contributions for LOPFI for FY12 are estimated at $6.4 million as compared to $6.3 million for FY11. The increase is attributable to the increased contribution rates for FY12.

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 FY12. The current employer contribution rate for the court clerk is 12.54%. The FY12 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 Management Association Retirement Corporation (ICMARC). The City contributes 10% of pay to each employee's account. The employer contribution is accounted for in each program.

BONDED INDEBTEDNESS

The City has nine bond issues outstanding in 2012. A brief explanation of how each issue relates to the budget is as follows:

1. **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 FY12 appropriation of $2,146,250 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 FY12.

2. **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 FY12 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 FY12.

3. **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 FY12 appropriation of $1,889,700 will provide the required debt service during FY12. The Water and Sewer Operating Fund should have sufficient revenues to meet this requirement in FY12.

4. **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 and 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 refunding 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 FY12 appropriation of $6,553,250 will cover the required debt service payments during 2012. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service for FY12.

5. **Water and Sewer Revenue Refunding Bonds-Series 2011**
These bonds are secured by the rates of the water and sewer system that are reflected in the Water and 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 refund the series 2002B and 2002C water and sewer revenue bonds. The original principal issued was $18.92 million. The FY12 appropriation of $3,107,000 will cover the required debt service payments during 2012. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY12.

6. **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 was $2,025,000. The bonds are secured by revenues of the system including parking meter revenues. The FY12 debt service requirement is $137,150. Parking deck and parking meter revenues should be sufficient in FY12 to meet this required payment.

7. **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 FY12 is anticipated to be $19,230,698. Adding interest earnings for the year, revenues will be sufficient to pay debt service requirements of $10,572,670 as well as call approximately $5.55 million in bonds during FY12.

8. **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 FY12 is estimated to be $19,230,698. The tax revenue plus interest will provide funding to pay debt service requirements of $2,916,281 as well as call approximately $760,000 in bonds during FY12.

9. **Sales and Use Tax Construction Bonds- Series 2009**
These bonds are secured by a one percent (1%) local sales and use tax but are subordinate to the 2006 and 2008 issues. The 2009 Bonds were issued in the amount of $29.15 million in September 2009. The bonds were issued to provide additional wet weather wastewater improvements. The debt service requirements for FY12 total $699,300 and will be provided by a temporary sewer rate increase that will be in place until the 2009 Bonds are redeemed. The Water and Sewer Operating Fund includes an appropriation of $699,300 to provide interest payments for FY12.

Please refer to pages 177-182 in the Related Financial Information section of this document for more information regarding the City's debt.

THIS PAGE INTENTIONALLY LEFT BLANK

BUDGET SUMMARIES - ALL FUNDS

This section provides a summary of each of the City's funds which receive revenue and incur expenditures/ expenses.

A comparative summary for FY10 Actual, FY11 Budget, FY11 Estimated and FY12 Budget is provided on a consolidated basis with interfund transfers included. A combined summary with more detailed revenue sources for FY09 Actual, FY10 Actual, FY11 Budget, FY11 Estimated and FY12 is included. A schedule of beginning and ending balances/working capital for all fund types for FY12 Budget is provided. Major revenue analyses are included in this section. Also included are individual fund statements for FY12 Budget.

City of Fort Smith
FY12
Comparative Summary - All Funds

	Actual FY10	Budget FY11	Estimated FY11	Budget FY12
Revenues				
Intergovernmental	$ 12,018,859	$ 10,212,765	$ 12,849,861	$ 12,592,753
Taxes and Assessments	70,520,732	72,208,050	72,034,874	72,971,322
Licenses and Permits	1,343,739	1,340,000	1,386,772	1,370,000
Court Fines and Forfeitures	2,299,274	2,085,000	2,250,016	2,184,000
Service Charges and Fees	61,896,651	61,251,000	62,208,974	60,412,400
Interest	265,229	220,495	46,906	77,575
Contributions	1,342,500	1,316,518	1,258,864	1,584,010
Bond Proceeds (Note 3)	3,595,000	0	0	106,000,000
Miscellaneous	1,484,555	1,416,710	1,570,876	1,365,954
Transfers In	25,692,914	20,832,150	20,447,494	19,843,335
Total	$ 180,459,453	$ 170,882,688	$ 174,054,637	$ 278,401,349
Expenditures/Expenses				
Operating	$ 99,324,458	$ 98,135,384	$ 96,020,865	$ 98,968,908
Capital Improvements	71,975,918	70,194,535	53,199,736	66,661,252
Community Assistance (Note 1)	2,692,635	1,832,245	1,920,402	1,870,539
Debt Service	39,252,841	35,191,455	33,529,679	34,642,150
Pension Benefits/Retirement Contributions	6,203,014	6,450,928	6,318,908	6,445,200
Health Insurance and Workers' Compensation Claims	8,982,407	9,532,490	8,961,454	8,995,000
Other (Note 2)	3,477,184	3,017,500	5,120,826	3,885,920
Total	$ 231,908,457	$ 224,354,537	$ 205,071,870	$ 221,468,969
Excess (Deficiency) Revenues Over (Under) Expenditures/Expen:	$ (51,449,004)	$ (53,471,849)	$ (31,017,233)	$ 56,932,380
Fund Balance/Working Capital Beginning of Year	167,888,836	99,262,050	116,439,832	85,422,599
Fund Balance/Working Capital End of Year	$ 116,439,832	$ 45,790,201	$ 85,422,599	$ 142,354,979

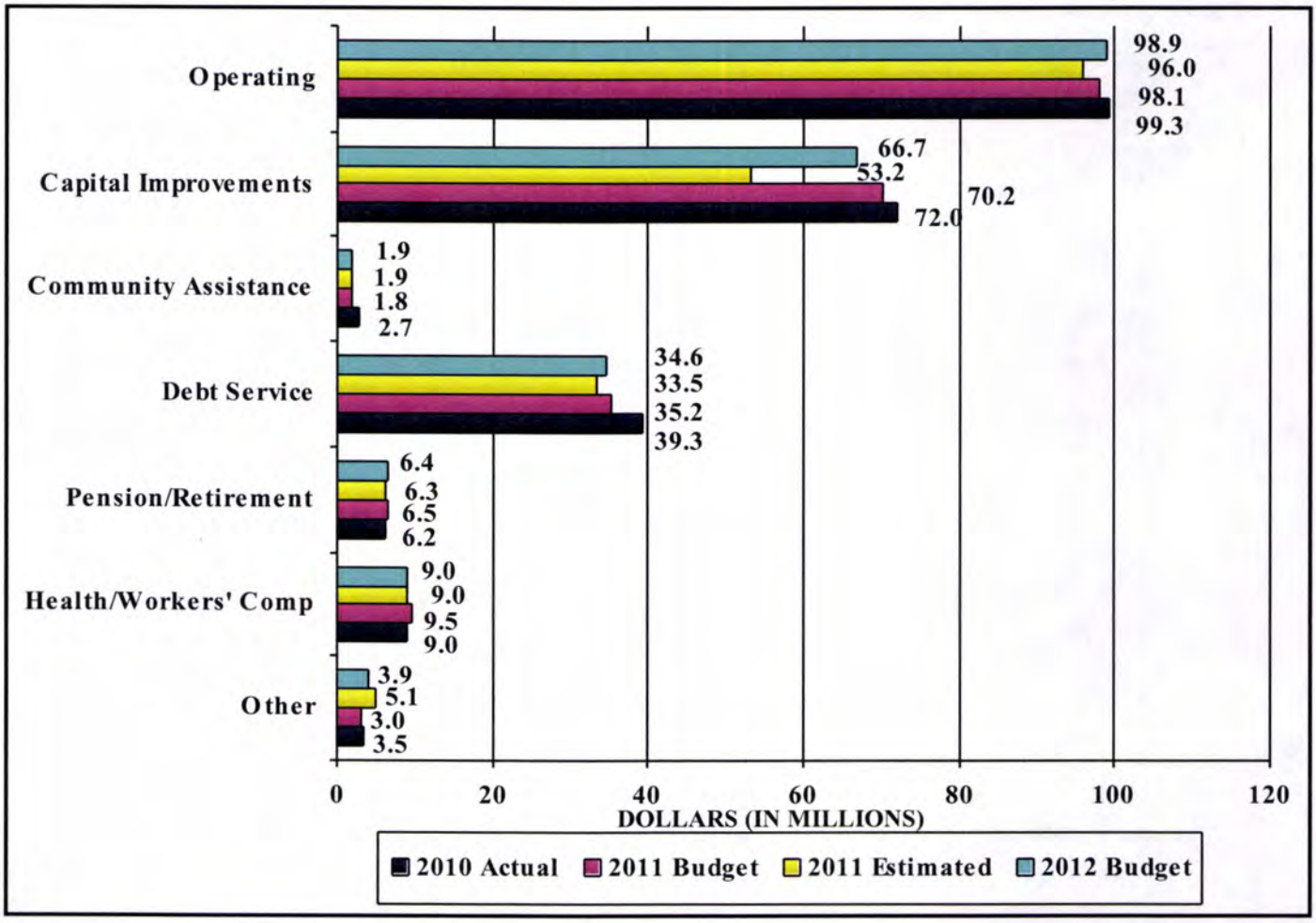
Note 1: Community Assistance includes the CDBG and HOME program as well as the historic preservation, federal transportation, and drug enforcement grant activity of the Special Grants Fund. Amounts for 2012 are: CDBG and HOME $750,901; Special Grants $460,038.

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

Note 3: The bond proceeds for FY10 actual were the 2010 Sales & Use Tax Construction Bonds; and, for the FY12 Budget are the 2012 Sales & Use Tax Construction Bonds anticipated to be referred to the citizens in March 2012.

Comparative Summary - All Funds

Expenditure/Expense



City of Fort Smith
FY12
Fund List Summary

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
General	$ 4,532,317	$ 39,712,150	$ 41,142,697	$ 3,101,770
Special Revenue Funds:				
Street Maintenance	2,098,143	6,245,092	7,084,476	1,258,759
Sales Tax	11,269,637	22,086,553	30,244,382	3,111,808
Community Development Block Grant	4,009	753,501	750,901	6,609
HOME Investment Partnership Act	-	460,038	460,038	-
Special Grants	120,601	661,950	659,600	122,951
Tilles Park	9,852	420	-	10,272
Advertising and Promotion	64,403	742,180	743,420	63,163
Arkansas LOPFI Contribution	10,202,838	5,121,662	6,445,200	8,879,300
Convention Center	301,629	1,379,400	1,366,160	314,869
Sub-Total	24,071,112	37,450,796	47,754,177	13,767,731
Debt Service Fund:				
Sales & Use Tax Bonds	12,805,076	19,241,698	19,800,000	12,246,774
Capital Projects Funds:				
Sidewalk Construction	508,840	190,500	433,200	266,140
Sales & Use Tax Construction	9,271,498	106,015,000	20,520,000	94,766,498
Sub-Total	9,780,338	106,205,500	20,953,200	95,032,638
Enterprise Funds:				
Water and Sewer	24,251,958	53,401,895	66,117,979	11,535,874
Sanitation	6,105,384	13,938,060	15,347,806	4,695,638
Parking Authority	476,371	438,950	508,110	407,211
Sub-Total	30,833,713	67,778,905	81,973,895	16,638,723
Internal Service Funds:				
Working Capital	63,011	850,000	850,000	63,011
Employee Health & Wellness	2,959,897	6,387,000	8,430,000	916,897
Workers' Compensation	377,135	775,300	565,000	587,435
Sub-Total	3,400,043	8,012,300	9,845,000	1,567,343
Total	85,422,599	278,401,349	221,468,969	142,354,979
Interfund Transfers	-	(19,843,335)	(19,843,335)	-
Adjusted Total	$ 85,422,599	$ 258,558,014	$ 201,625,634	$ 142,354,979

City of Fort Smith
FY12
Comparative Summary with Detail Revenue Categories - All Funds

	Actual FY09	Actual FY10	Budget FY11	Estimated FY11	Budget FY12
Revenues					
Intergovernmental					
Federal	$ 4,569,176	$ 4,668,124	$ 4,139,248	$ 6,303,987	$ 6,033,681
State	7,690,345	7,343,884	6,068,517	6,543,093	6,554,272
Local	31,100	6,851	5,000	2,781	4,800
Taxes and Assessments					
Ad Valorem	10,884,313	11,105,733	12,132,800	11,889,800	12,127,596
Franchise	5,990,452	6,492,100	6,191,500	6,456,500	6,191,500
Sales Tax - City	37,554,986	37,199,454	37,707,250	37,707,250	38,461,396
Sales Tax - County	15,046,777	14,892,017	15,326,500	15,106,500	15,257,500
Hotel/Motel Tax	673,278	678,718	700,000	665,900	738,330
Other	190,291	152,710	150,000	208,924	195,000
Licenses and Permits	1,377,109	1,343,739	1,340,000	1,386,772	1,370,000
Court Fines and Forfeitures	2,098,900	2,299,274	2,085,000	2,250,016	2,184,000
Service Charges and Fees					
Water & Sewer	35,652,829	38,509,851	38,009,500	39,700,816	38,610,050
Sanitation	12,560,096	13,246,801	13,885,000	12,336,424	12,345,000
General Fund	1,124,828	1,283,723	563,900	680,238	660,000
Internal Service	9,368,088	8,666,990	7,953,600	8,751,056	8,008,750
Convention Center	0	0	650,000	550,000	600,000
Parking Operations	162,666	189,286	189,000	190,440	188,600
Interest	984,852	265,229	220,495	46,906	77,575
Contributions	1,514,870	1,342,500	1,316,518	1,258,864	1,584,010
Bond Proceeds	27,144,493	3,595,000	0	0	106,000,000
Miscellaneous	8,146,360	1,484,555	1,416,710	1,570,876	1,365,954
Transfers In	25,946,914	25,692,914	20,832,150	20,447,494	19,843,335
Total	$ 208,712,723	$ 180,459,453	$ 170,882,688	$ 174,054,637	$ 278,401,349
Expenditures/Expenses					
Operating	$ 98,039,855	$ 99,324,458	$ 98,135,384	$ 96,020,865	$ 98,968,908
Capital Improvements	83,885,920	71,975,918	70,194,535	53,199,736	66,661,252
Community Assistance	2,278,201	2,692,635	1,832,245	1,920,402	1,870,539
Debt Service	35,751,361	39,252,841	35,191,455	33,529,679	34,642,150
Pension Benefits/Retirement Contributions	5,579,958	6,203,014	6,450,928	6,318,908	6,445,200
Health Insurance and Workers' Compensation Claims	8,337,407	8,982,407	9,532,490	8,961,454	8,995,000
Other	5,347,600	3,477,184	3,017,500	5,120,826	3,885,920
Total	$ 239,220,302	$ 231,908,457	$ 224,354,537	$ 205,071,870	$ 221,468,969
Excess (Deficiency) Revenues Over (Under) Expenditures/Expenses	$ (30,507,579)	$ (51,449,004)	$ (53,471,849)	$ (31,017,233)	$ 56,932,380
Fund Balance/Working Capital Beginning of Year	198,396,415	167,888,836	99,262,050	116,439,832	85,422,599
Fund Balance/Working Capital End of Year	$ 167,888,836	$ 116,439,832	$ 45,790,201	$ 85,422,599	$ 142,354,979

Note 1: The rental revenue for the convention center has been accounted for in the General Fund service charges and fees prior to the 2011 Budget. The rental revenue is accounted for in the Convention Center Fund beginning in 2011.

Major Revenue Analyses-2012 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.

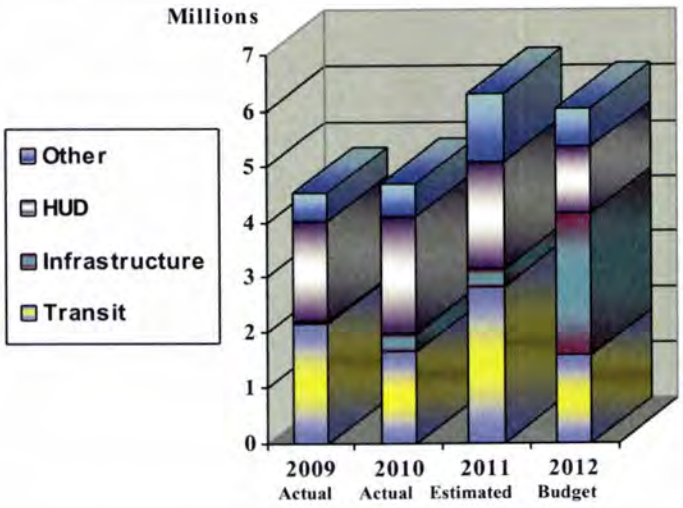
Intergovernmental

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 2.2% of total annual revenues. However, the transit funding is accounted for in the General Fund and represents an average of 4.7% 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
2009 Actual	2,166,398	39,226	1,810,945	522,607	4,569,176
2010 Actual	1,665,102	326,338	2,112,084	564,600	4,668,124
2011 Est.	2,837,314	300,000	1,920,376	1,246,297	6,303,987
2012 Budget	1,578,614	2,550,000	1,210,939	694,128	6,033,681



2012 Revenue Estimates- the decrease in 2011 is due to less federal funding for CDBG and HOME projects and the transit allocation decreased due to the $1.3 million ARRA money being included for 2011. The decrease is offset by the increase in DOT funding for the Jenny Lind Road project.

State-

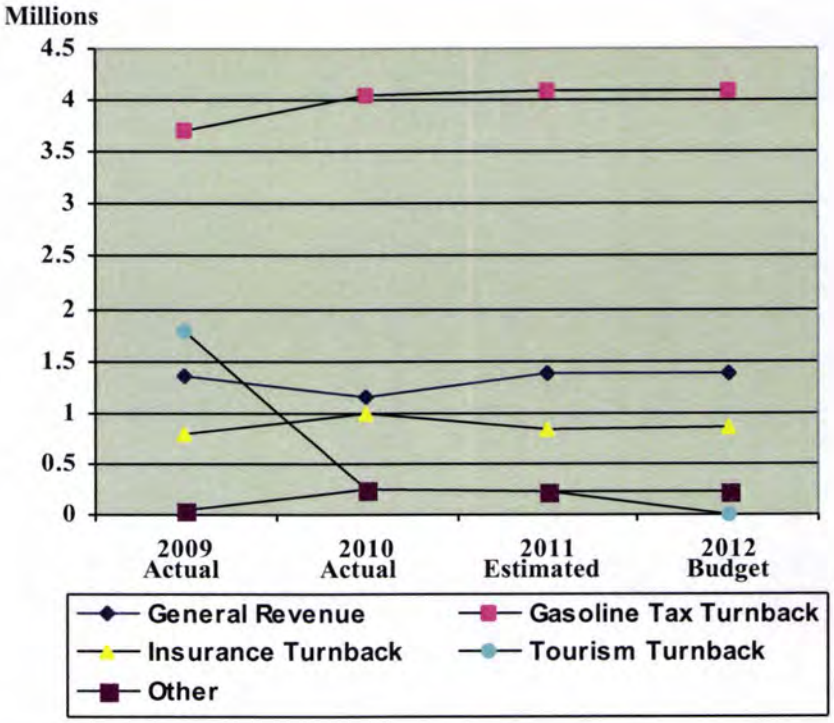
Revenue Description- state aid in the form of turnbacks from state tax levies, grants and special appropriations. The most significant state provided revenue is the gasoline tax turnback which is accounted for in the Street Maintenance Fund, the general revenue turnback, the insurance turnback for the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

State (continued)-

for the Convention Center Fund. The last receipt of the special turnback for the Convention Center occurred in June 2010.

Revenue History- state funding represents an average of 3.5% of total revenues. However, the gasoline tax turnback represents an average of 66% of the Street Maintenance Fund annual revenue and the insurance turnback represents 17.6% of the Arkansas LOPFI Contribution Fund Revenue.

	General Revenue Turnback	Gasoline Tax Turnback	Insurance Turnback	Tourism Turnback	Other	Total
2009 Actual	1,366,318	3,699,862	796,055	1,786,637	41,473	7,690,345
2010 Actual	1,161,147	4,052,226	986,895	888,273	255,343	7,343,884
2011Estimated	1,379,344	4,094,928	838,251	-	230,570	6,543,093
2012 Budget	1,379,344	4,094,928	850,000	-	230,000	6,554,272



2012 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). The tourism turnback is specified in state statutes and 2009 was the last full year for receipt of the tourism turnback. The City tourism turnback for 2010 of $888,723 signified the end of state authorization for this turnback and is the reason for the decrease between 2009, 2010 and 2011. The insurance turnback is based on historical receipts for the past 5 years.

Taxes and Assessments:

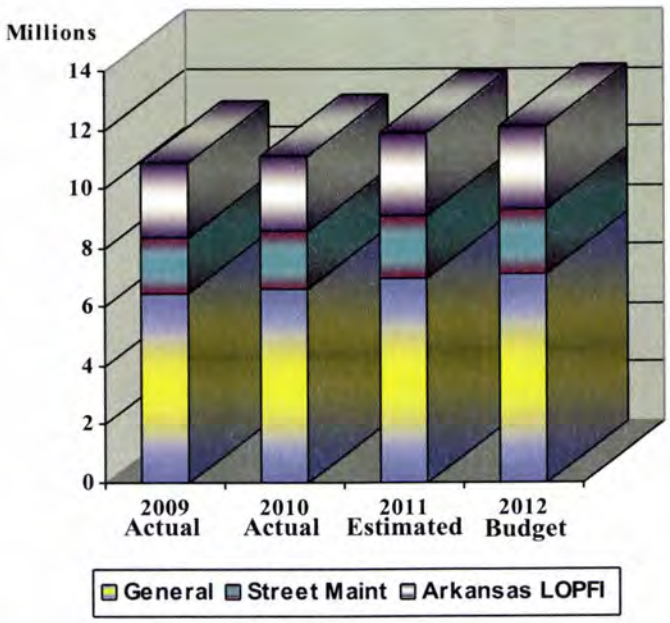
Ad Valorem-

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 191 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 5.7% of total City revenues. The revenue for the three funds which receive property tax revenue since 2008 is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2009 Actual	6,479,078	1,887,958	2,517,277	10,884,313
2010 Actual	6,604,632	1,927,607	2,573,494	11,105,733
2011 Estimated	6,994,000	2,098,200	2,797,600	11,889,800
2012 Budget	7,133,880	2,140,164	2,853,552	12,127,596



2012 Revenue Estimate-ad valorem taxes are expected to increase by approximately $238,000 or 2% for 2012 due to expected growth in city property values.

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 3.1% of total City revenues and an average 15.8% of total General Fund revenue.

	2009 Actual	2010 Actual	2011 Estimated	2012 Budget
Electric	3,431,115	3,906,365	4,045,500	3,811,500
Gas	1,680,066	1,612,758	1,490,000	1,450,000
Cable	590,347	654,598	612,000	620,000
Telephone	279,174	308,454	296,000	300,000
Other	9,750	9,925	13,000	10,000
	5,990,452	6,492,100	6,456,500	6,191,500

2012 Revenue Estimate- franchise fees are anticipated to decrease by approximately $265,000 or 4.1% from 2011 estimated revenue. The decrease is due to the above record temperatures during the 2011 summer. Revenue from electric sales are not expected to generate that level for 2012.

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, 2008 and 2009. 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. Once the 2006 and 2008 bond issues are redeemed, the tax will be dedicated to the redemption of the Sales and Use Tax Bonds Series 2009. A form of this tax has been in place since 1997.

	Street Sales Tax Fund	Sales & Use Tax Bond Fund	Total
2009 Actual	18,777,493	18,777,493	37,554,986
2010 Ac tual	18,599,727	18,599,727	37,199,454
2011 Estimated	18,853,625	18,853,625	37,707,250
2012 Budget	19,230,698	19,230,698	38,461,396

2012 Revenue Estimate- City sales and use tax revenue is projected to increase 2% between years. 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 2009	15,046,777
Actual 2010	14,892,017
Estimated 2011	15,106,500
Budget 2012	15,257,500

2012 Estimated Revenue- the county sales tax is expected to increase 1% over 2011. As in the case of the City's sales tax levies, the state does not provide any trend information for this revenue source.

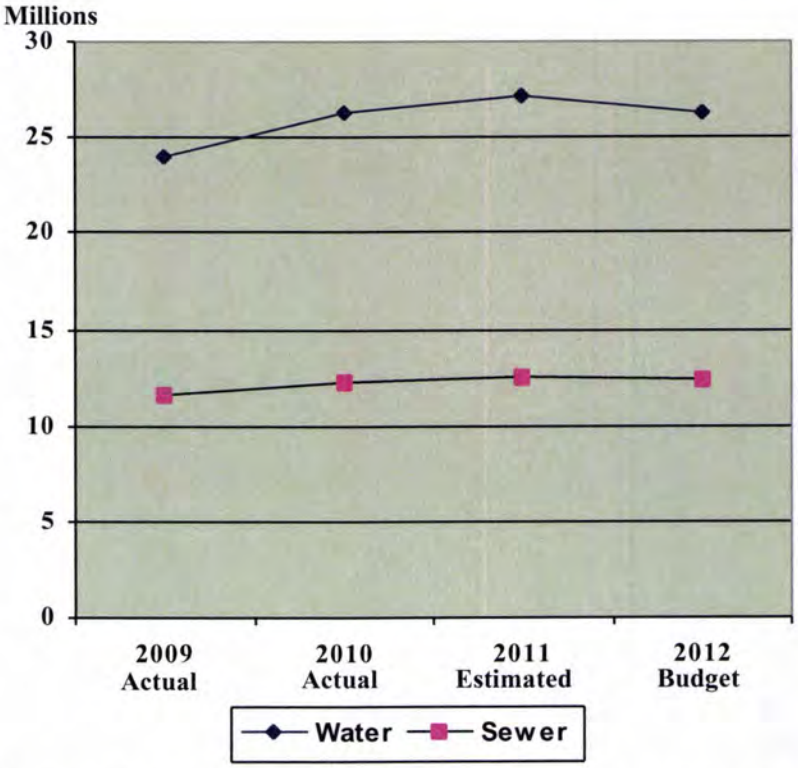
Service Charges and Fees:

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 January 1, 2011 to fund operating expenses, and maintain adequate debt service coverage. There is also a temporary sewer rate increase that became effective July 1, 2009 to provide interim funding for the 2009 Sales and Use Tax Bonds. Combined water and sewer service charges and fees represent an average 18.8% of total city revenue.

	Water	Sewer	Total
Actual 2009	23,990,279	11,662,550	35,652,829
Actual 2010	26,315,877	12,193,974	38,509,851
Estimated 2011	27,166,640	12,534,176	39,700,816
Budget 2012	26,273,250	12,336,800	38,610,050



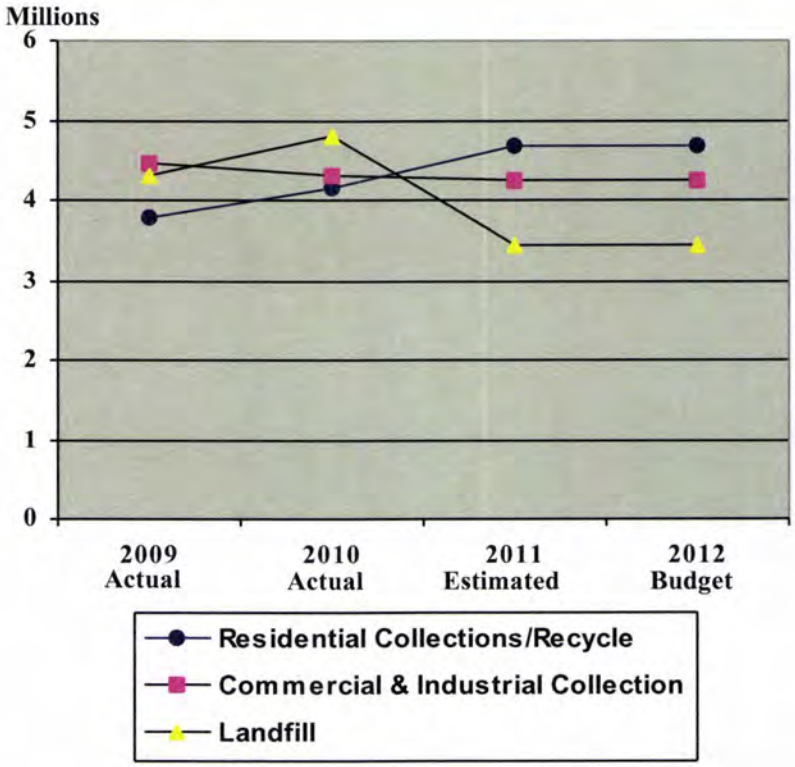
2012 Revenue Estimate- The increases between 2010 and 2011 were a result of the rate increases that became effective January 1, 2011. Consumption also increased between 2010 and 2011 due to the extremely hot summer. A 2.7% decrease in revenue is projected for 2012 as the city did not estimate such a dramatic summer weather pattern for the year.

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. During 2009, 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. 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 2009	3,772,466	4,469,954	4,317,676	12,560,096
Actual 2010	4,150,976	4,303,264	4,792,561	13,246,801
Estimated 2011	4,673,192	4,231,416	3,431,816	12,336,424
Budget 2012	4,675,000	4,230,000	3,440,000	12,345,000



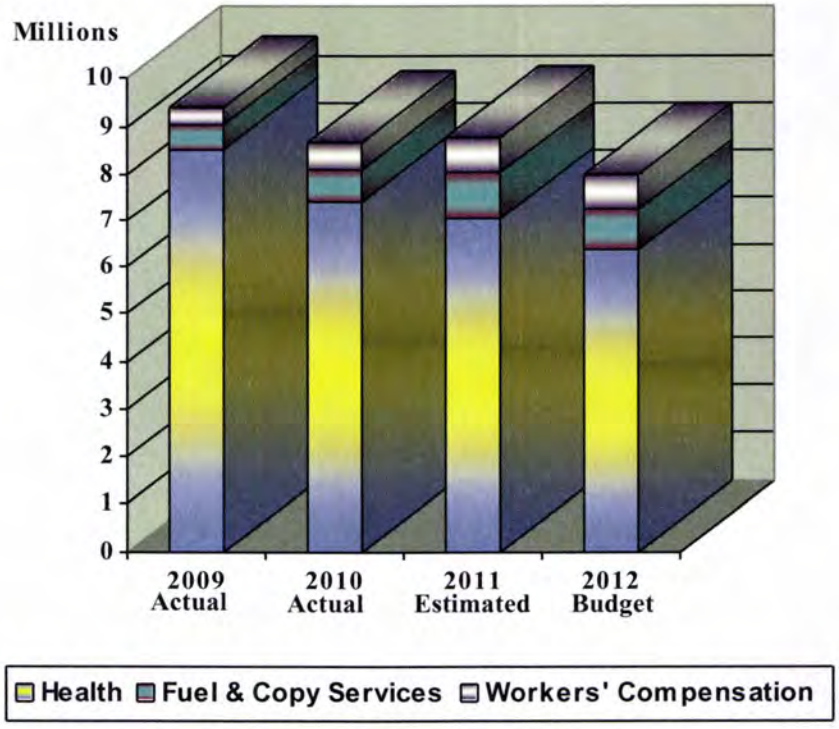
2012 Revenue Estimates- The 2012 budget does not include any rate increases. The 2012 revenue is comparable to the 2011 revenue in totals for these years. The landfill revenue decreased between 2010 and 2011 due to the city providing residential service to the southern section of the city previously provided by a private hauler and the landfill charges being assigned to the residential revenue. Also, the waste tonnage hauled to the landfill by private haulers during 2011 decreased as some entities hauled their waste to other landfills. The city expected a similar trend to continue for 2012.

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 cost to provide employee life, medical, and dental insurance has remained stable from 2008 through 2011 and is expected to remain so through 2012. Wellness programs as well as restructuring copayments and deductibles have allowed the health plan costs to remain manageable over the four years presented. Fuel and copy charges fluctuated during 2011 due to increased crude oil and subsequent gasoline price costs. The cost to provide workers' compensation claims to employees increased by 71% between 2009 and 2010 due to claims experience.

	Health & Welfare	Fuel & Copy Services	Workers' Compensation	Total
Actual 2009	8,483,554	534,514	350,020	9,368,088
Actual 2010	7,394,859	674,940	597,191	8,666,990
Estimated 2011	7,031,300	982,296	737,460	8,751,056
Budget 2012	6,384,000	850,000	774,750	8,008,750



2012 Revenue Estimate- The city contribution to the Employee Health and Wellness Fund is expected to decrease by 9.2%. This is a result of using the reserve balance to fund a portion of the 2012 costs. The city contribution to the Workers' Compensation Fund is expected to increase 5% in 2012 as compared to 2011. Fuel and copy services should remain stable between years.

THIS PAGE LEFT INTENTIONALLY BLANK

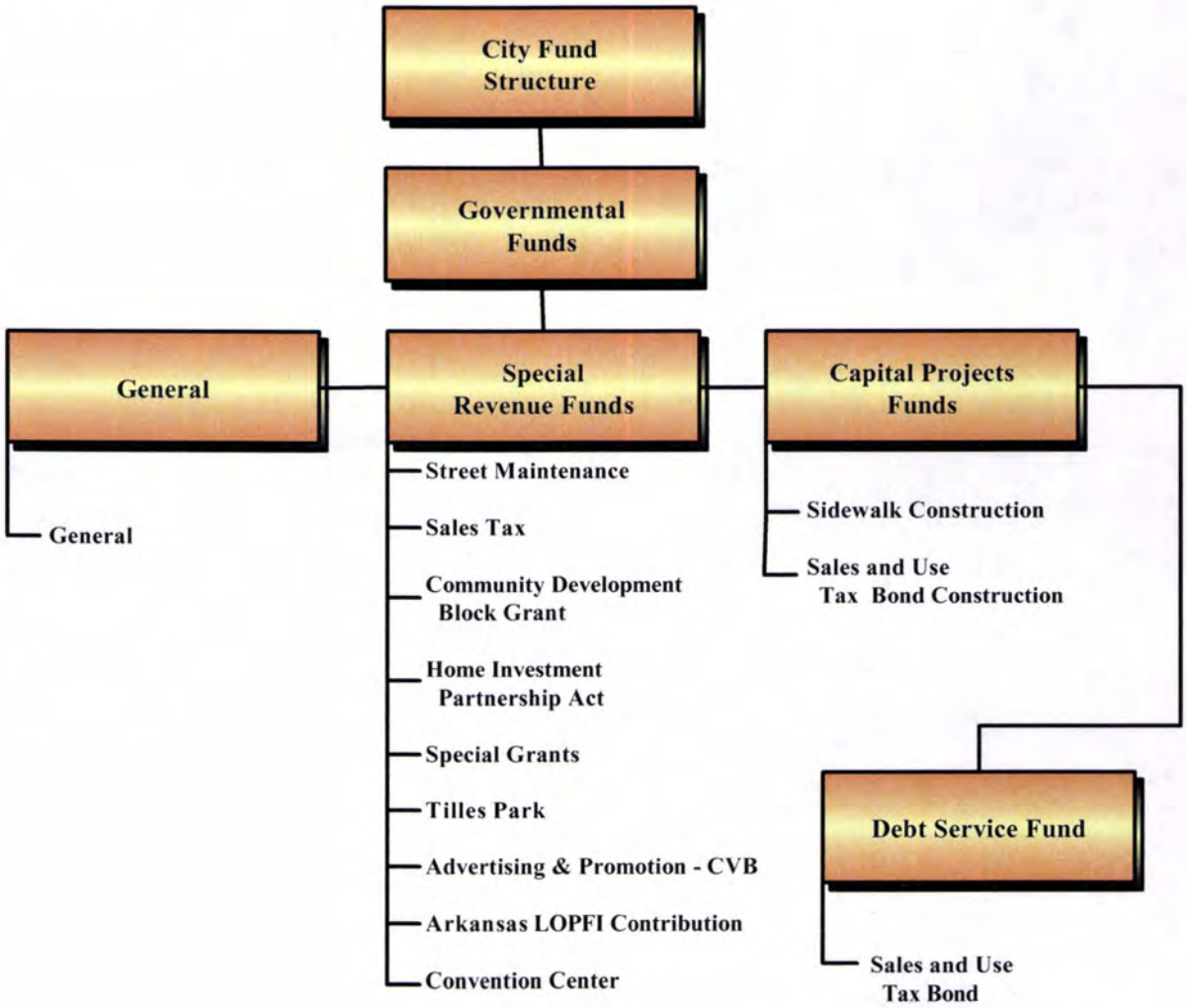
City of Fort Smith Financial Structure

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 40 and 41, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2012 Budget for each individual fund by fund type is presented.

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 for 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 by state statutes 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, 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- CVB- 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. The Advertising and Promotion Commission governs this fund and the operation of the convention and visitors buread (CVB).

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. Revenue is provided by rental revenues from operations and a subsidy from the city's general fund. The City and the Advertising and Promotion Commission entered into an agreement whereby the A&P Commission manages the convention center.

Debt Service Fund-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, 2008 and 2009. 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. The 2009 Bonds were issued for additional wastewater improvements.

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.

Sales and Use Tax Bond Construction Fund- A capital projects fund to account for the 2006, 2008 and 2009 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.

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 General Fund and 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.

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 and Sewer Revenue Refunding Bonds, Series 2005A, Water and Sewer Revenue Construction Bonds, Series 2005B, Water and Sewer Revenue Construction Bonds, Series 2007, Water and Sewer Refunding and Construction Bonds, Series 2008, and Water and Sewer Revenue Refunding Bonds, Series 2011.

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.

2012 Individual Fund Budgets-

General Fund

Revenues	
Intergovernmental	$ 3,225,286
Taxes and Assessments	28,587,880
Court Fines and Forfeitures	1,370,000
Licenses and Permits	2,050,000
Service Charges and Fees	660,000
Miscellaneous	5,000
Interest	1,027,954
Transfers In	2,786,030
Total	$ 39,712,150
Expenditures	
Operating:	
Policy and Administration Services	$ 2,727,248
Management Services	2,612,205
Development Services	2,640,871
Police Services	15,713,260
Fire Services	10,211,630
Operation Services	4,625,110
Non-Departmental	2,612,373
Total	$ 41,142,697
Excess (Deficiency) Revenues Over Expenditures	$ (1,430,547)
Fund Balance, Beginning of Year	4,532,317
Fund Balance, End of Year	$ 3,101,770

Special Revenue Fund

	Street	Sales Tax	Community Development Block Grant	Home Investment Partnership Act
Revenues				
Intergovernmental -				
State Turnback	$ 4,094,928	$ 0	$ 0	$ 0
Federal Grant	0	2,550,000	750,901	460,038
State Grant	0	0	0	0
Local Grant	0	0	0	0
Taxes and Assessments -				
Ad Valorem Tax	2,140,164	0	0	0
Sales Tax	0	19,230,698	0	0
Hotel/Motel Tax	0	0	0	0
Court Fines and Forfeitures	0	0	0	0
Service Charges & Fees	0	0	0	0
Interest	5,000	5,855	100	0
Contributions	0	300,000	0	0
Miscellaneous	5,000	0	2,500	0
Transfers In	0	0	0	0
Total	$ 6,245,092	$ 22,086,553	$ 753,501	$ 460,038
Expenditures				
Operating	$ 7,084,476	$ 0	$ 0	$ 0
Capital Improvements	0	30,244,382	0	0
Community Assistance -				
Development Services	0	0	312,530	0
Police Services	0	0	0	0
Public Works and Community Service Projects	0	0	188,371	0
Housing Assistance	0	0	250,000	460,038
Pension Benefits/Retirement Cont.	0	0	0	0
Other (Note 1)	0	0	0	0
Total	$ 7,084,476	$ 30,244,382	$ 750,901	$ 460,038
Excess (Deficiency) Revenues Over (Under) Expenditures	$ (839,384)	$ (8,157,829)	$ 2,600	$ 0
Fund Balance, Beginning of Year	2,098,143	11,269,637	4,009	0
Fund Balance, End of Year	$ 1,258,759	$ 3,111,808	$ 6,609	$ 0

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

Special Grants	Tilles Park	A&P CVB	Arkansas LOPFI Contribution	Convention Center	Total
$ 0	$ 0	$ 0	$ 850,000	$ 0	$ 4,944,928
651,800	0	0	0	0	4,412,739
5,000	0	0	0	0	5,000
4,800	0	0	0	0	4,800
0	0	0	2,853,552	0	4,993,716
0	0	0	0	0	19,230,698
0	0	738,330	0	0	738,330
0	0	0	134,000	0	134,000
0	0	0	0	600,000	600,000
350	20	50	3,800	2,400	17,575
0	400	3,800	1,279,810	0	1,584,010
0	0	0	500	0	8,000
0	0	0	0	777,000	777,000
$ 661,950	$ 420	$ 742,180	$ 5,121,662	$ 1,379,400	$ 37,450,796
$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,084,476
0	0	0	0	0	30,244,382
0	0	0	0	0	312,530
174,800	0	0	0	0	174,800
484,800	0	0	0	0	673,171
0	0	0	0	0	710,038
0	0	0	6,445,200	0	6,445,200
0	0	743,420	0	1,366,160	2,109,580
$ 659,600	$ 0	$ 743,420	$ 6,445,200	$ 1,366,160	$ 47,754,177
$ 2,350	$ 420	$ (1,240)	$ (1,323,538)	$ 13,240	$ (10,303,381)
120,601	9,852	64,403	10,202,838	301,629	24,071,112
$ 122,951	$ 10,272	$ 63,163	$ 8,879,300	$ 314,869	$ 13,767,731

Debt Service Fund

Sales and Use Tax Bond Fund

Revenues

Taxes and Assessments-		
Sales Tax	$	19,230,698
Interest		11,000
Total	$	19,241,698

Expenditures

Debt Service-		
Current		19,800,000
Excess Revenues Over Expenditures	$	(558,302)
Fund Balance, Beginning of Year		12,805,076
Fund Balance, End of Year	$	12,246,774

Capital Projects Fund

	Sidewalk Construction	Sales & Use Tax Bond Construction	Total
Revenues			
Taxes and Assessments			
Permit Assessments	$ 190,000	$ 0	$ 190,000
Bond Proceeds	0	106,000,000	106,000,000
Other	0	0	0
Interest	500	15,000	15,500
Total	$ 190,500	$ 106,015,000	$ 106,205,500
Expenditures			
Capital Improvements	433,200	20,520,000	20,953,200
Excess (Deficiency) Revenues Over (Under) Expenditures	$ (242,700)	$ 85,495,000	$ 85,252,300
Fund Balance, Beginning of Year	508,840	9,271,498	9,780,338
Fund Balance, End of Year	$ 266,140	$ 94,766,498	$ 95,032,638

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	$ 38,610,050	$ 0	$ 0	$ 0	$ 38,610,050
Interest	2,500	0	550	13,500	16,550
Miscellaneous	70,000	0	0	0	70,000
Transfers In	0	0	14,705,295	0	14,705,295
Total	$ 38,682,550	$ 0	$ 14,705,845	$ 13,500	$ 53,401,895
Expenses					
Operating	$ 38,646,079	$ 0	$ 0	$ 0	$ 38,646,079
Capital Improvements	0	0	0	12,766,900	12,766,900
Debt Service:					
Current	0	0	14,705,000	0	14,705,000
Total	$ 38,646,079	$ 0	$ 14,705,000	$ 12,766,900	$ 66,117,979
Excess (Deficiency) Revenues Over (Under) Expenses	$ 36,471	$ 0	$ 845	$ (12,753,400)	$ (12,716,084)
Working Capital, Beginning of Year	5,823,961	500,000	1,521,422	16,406,575	24,251,958
Working Capital, End of Year	5,860,432	500,000	1,522,267	3,653,175	11,535,874
Adjustment for CIP Projects Transfers	(1,750,000)	0	0	1,750,000	0
Adjusted Working Capital, End of Year	$ 4,110,432	$ 500,000	$ 1,522,267	$ 5,403,175	$ 11,535,874

Sanitation Funds

	Sanitation Operating	Cleanup/ Demolition	Sanitation Sinking/ Landfill Construction	Total
Revenues				
Service Charges and Fees	$ 12,345,000	$ 0	$ 0	12,345,000
Interest	5,000	50	3,000	8,050
Miscellaneous	50,000	210,000	0	260,000
Transfers In	0	370,000	955,010	1,325,010
Total	$ 12,400,000	$ 580,050	$ 958,010	$ 13,938,060
Expenses				
Operating	$ 12,095,656	$ 0	$ 0	12,095,656
Capital Improvements	0	0	2,591,900	2,591,900
Other	0	660,250	0	660,250
Total	$ 12,095,656	$ 660,250	$ 2,591,900	$ 15,347,806
Excess (Deficiency) Revenues Over (Under) Expenses	$ 304,344	$ (80,200)	$ (1,633,890)	$ (1,409,746)
Working Capital Beginning of Year	2,226,568	127,054	3,751,762	6,105,384
Working Capital, End of Year	2,530,912	46,854	2,117,872	4,695,638
Adjustment for CIP Transfers	(700,000)	0	700,000	0
Adjusted Working Capital, End of Year	$ 1,830,912	$ 46,854	$ 2,817,872	$ 4,695,638

Parking Authority Fund

	Enforcement	Facilities	Total
Revenues			
Service Charges and Fees	$ 33,600	$ 155,000	$ 188,600
Interest	0	350	350
Transfers In	250,000	0	250,000
Total	$ 283,600	$ 155,350	$ 438,950
Expenses			
Capital Improvements	$ 0	$ 104,870	$ 104,870
Other:			
Police Services	167,430	0	167,430
Finance	0	98,660	98,660
Debt Service:			
Current	0	137,150	137,150
Total	$ 167,430	340,680	508,110
Excess (Deficiency) Revenues Over (Under) Expenses	$ 116,170	$ (185,330)	(69,160)
Working Capital, Beginning of Year	0	476,371	476,371
Working Capital, End of Year	$ 116,170	$ 291,041	$ 407,211

Internal Service Funds

	Working Capital	Employee Health Wellness	Workers' Compensation	Total
Revenues				
Service Charges and Fees	$ 850,000	$ 6,384,000	$ 774,750	$ 8,008,750
Interest	0	3,000	550	3,550
Total	$ 850,000	$ 6,387,000	$ 775,300	$ 8,012,300
Expenses				
Health Insurance and Workers' Compensation Claims	$ 0	$ 8,430,000	$ 565,000	$ 8,995,000
Other - Materials and Supplies	850,000	0	0	850,000
Total	$ 850,000	$ 8,430,000	$ 565,000	$ 9,845,000
Excess (Deficiency) Revenues Over (Under) Expenses	$ 0	$ (2,043,000)	$ 210,300	$ (1,832,700)
Working Capital, Beginning of Year	63,011	2,959,897	377,135	3,400,043
Working Capital, End of Year	$ 63,011	$ 916,897	$ 587,435	$ 1,567,343

THIS PAGE INTENTIONALLY LEFT BLANK

OPERATING FUNDS BUDGET SUMMARIES

This section provides summaries of the four operating fund budgets which are legally required to be adopted by the Board of Directors.

The Budget Comparison Summary for the Operating Funds and individually for each fund compare FY11 Estimated to FY12 Budget.

The Statement of Revenue Comparisons for the Operating Funds and individually for each fund compares revenues based on Actual FY10, Budget and Estimated FY11, and Budget FY12. Projections for FY13 are presented for preliminary review purposes.

The Distribution of Appropriations for the Operating Funds is a schedule which reflects the allocation of each division's programs appropriation to each of the four Operating Funds as per the City's cost allocation formula. Distributions are presented for FY12 and FY13.

City of Fort Smith
FY12
Budget Comparison Summary-Operating Funds

	Estimated FY11	Budget FY12	Increase (Decrease)	Projected FY13
Revenues				
Intergovernmental	$ 8,554,826	$ 7,320,214	$ (1,234,612)	$ 7,292,272
Taxes and Assessments	30,664,448	30,728,044	63,596	31,127,927
Court Fines and Forfeitures	2,116,528	2,050,000	(66,528)	2,050,000
Licenses and Permits	1,386,772	1,370,000	(16,772)	1,388,300
Service Charges and Fees	52,717,478	51,615,050	(1,102,428)	52,050,800
Miscellaneous	1,243,887	1,170,454	(73,433)	1,249,718
Transfers	2,653,194	2,786,030	132,836	2,874,100
Total	$ 99,337,133	$ 97,039,792	$ (2,297,341)	$ 98,033,117
Expenditures/Expenses				
Policy and Administration Services	$ 3,253,864	$ 3,502,290	$ 248,426	$ 3,748,210
Management Services	6,080,582	6,378,170	297,588	6,614,630
Development Services	2,783,229	2,965,350	182,121	3,130,890
Police Services	15,164,945	15,713,260	548,315	17,244,280
Fire Services	9,660,787	10,211,630	550,843	11,072,400
Operation Services	53,849,339	55,517,045	1,667,706	57,227,030
Non-Departmental	5,228,119	4,681,163	(546,956)	4,454,660
Total	$ 96,020,865	$ 98,968,908	$ 2,948,043	$ 103,492,100
Excess (Deficiency) Revenues Over Expenditures/Expenses	$ 3,316,268	$ (1,929,116)	$ (5,245,384)	$ (5,458,983)
Fund Balance/Working Capital, Beginning of Year	12,029,721	14,680,989	2,651,268	10,301,873
Fund Balance/Working Capital, End of Year	$ 15,345,989	$ 12,751,873	$ (2,594,116)	$ 4,842,890
Adjustment for CIP Transfers	(665,000)	(2,450,000)	(1,785,000)	(2,300,000)
Adjusted Fund Balance/ Working Capital, End of Year	$ 14,680,989	$ 10,301,873	$ (4,379,116)	$ 2,542,890

City of Fort Smith
FY12
Budget Comparison Summary-General Fund

	Estimated FY11	Budget FY12	Increase (Decrease)	Projected FY13
Revenues				
Intergovernmental	$ 4,459,898	$ 3,225,286	$ (1,234,612)	$ 3,197,344
Taxes and Assessments	28,566,248	28,587,880	21,632	28,944,960
Court Fines and Forfeitures	2,116,528	2,050,000	(66,528)	2,050,000
Licenses and Permits	1,386,772	1,370,000	(16,772)	1,388,300
Service Charges and Fees	680,238	660,000	(20,238)	660,000
Miscellaneous	1,022,161	1,032,954	10,793	1,112,218
Transfers	2,653,194	2,786,030	132,836	2,874,100
Total	$ 40,885,039	$ 39,712,150	$ (1,172,889)	$ 40,226,922
Expenditures				
Policy and Administration Services	$ 2,614,783	$ 2,727,248	$ 112,465	$ 2,975,101
Management Services	2,503,933	2,612,205	108,272	2,739,941
Development Services	2,479,984	2,640,871	160,887	2,793,748
Police Services	15,164,945	15,713,260	548,315	17,244,280
Fire Services	9,660,787	10,211,630	550,843	11,072,400
Operation Services	5,685,717	4,625,110	(1,060,607)	5,210,485
Non-Departmental	2,843,089	2,612,373	(230,716)	2,618,160
Total	$ 40,953,238	$ 41,142,697	$ 189,459	$ 44,654,115
Excess (Deficiency) Revenues Over Expenditures	$ (68,199)	$ (1,430,547)	$ (1,362,348)	$ (4,427,193)
Fund Balance, Beginning of Year	4,600,516	4,532,317	(68,199)	3,101,770
Fund Balance, End of Year	$ 4,532,317	$ 3,101,770	$ (1,430,547)	$ (1,325,423)

City of Fort Smith
FY12
Budget Comparison Summary-Street Maintenance Fund

	Estimated FY11	Budget FY12	Increase (Decrease)	Projected FY13
Revenues				
Intergovernmental	$ 4,094,928	$ 4,094,928	$ 0	$ 4,094,928
Taxes and Assessments	2,098,200	2,140,164	41,964	2,182,967
Miscellaneous	12,297	10,000	(2,297)	10,000
Total	$ 6,205,425	$ 6,245,092	$ 39,667	$ 6,287,895
Expenditures				
Policy and Administration Services	$ 128,004	$ 150,318	$ 22,314	$ 151,071
Management Services	382,549	400,262	17,713	414,282
Development Services	72,005	74,656	2,651	76,076
Operation Services	5,502,992	6,032,980	529,988	6,193,205
Non-Departmental	400,945	426,260	25,315	430,500
Total	$ 6,486,495	$ 7,084,476	$ 597,981	$ 7,265,134
Excess (Deficiency) Revenues Over Expenditures	$ (281,070)	$ (839,384)	$ (558,314)	$ (977,239)
Fund Balance, Beginning of Year	2,379,213	2,098,143	(281,070)	1,258,759
Fund Balance, End of Year	$ 2,098,143	$ 1,258,759	$ (839,384)	$ 281,520

City of Fort Smith
FY12
Budget Comparison Summary-Water and Sewer Operating Fund

	Estimated FY11	Budget FY12	Increase (Decrease)	Projected FY13
Revenues				
Services Charges and Fees	$ 39,700,816	$ 38,610,050	$ (1,090,766)	$ 39,015,800
Miscellaneous	117,874	72,500	(45,374)	72,500
Total	$ 39,818,690	$ 38,682,550	$ (1,136,140)	$ 39,088,300
Expenses				
Policy and Administration Services	$ 345,704	$ 428,124	$ 82,420	$ 425,019
Management Services	2,470,619	2,605,317	134,698	2,674,322
Development Services	231,240	249,823	18,583	261,066
Operation Services	33,222,065	35,051,555	1,829,490	35,064,190
Non-Departmental	404,028	311,260	(92,768)	325,500
Total	$ 36,673,656	$ 38,646,079	$ 1,972,423	$ 38,750,097
Excess (Deficiency) Revenues Over Expenditures	$ 3,145,034	$ 36,471	$ (3,108,563)	$ 338,203
Working Capital, Beginning of Year	2,843,927	5,823,961	2,980,034	4,110,432
Working Capital, End of Year	5,988,961	5,860,432	(128,529)	4,448,635
Adjustment for CIP Transfers	(165,000)	(1,750,000)	(1,585,000)	(1,500,000)
Adjusted Working Capital, End of Year	$ 5,823,961	$ 4,110,432	$ (1,713,529)	$ 2,948,635

City of Fort Smith
FY12
Budget Comparison Summary-Sanitation Operating Fund

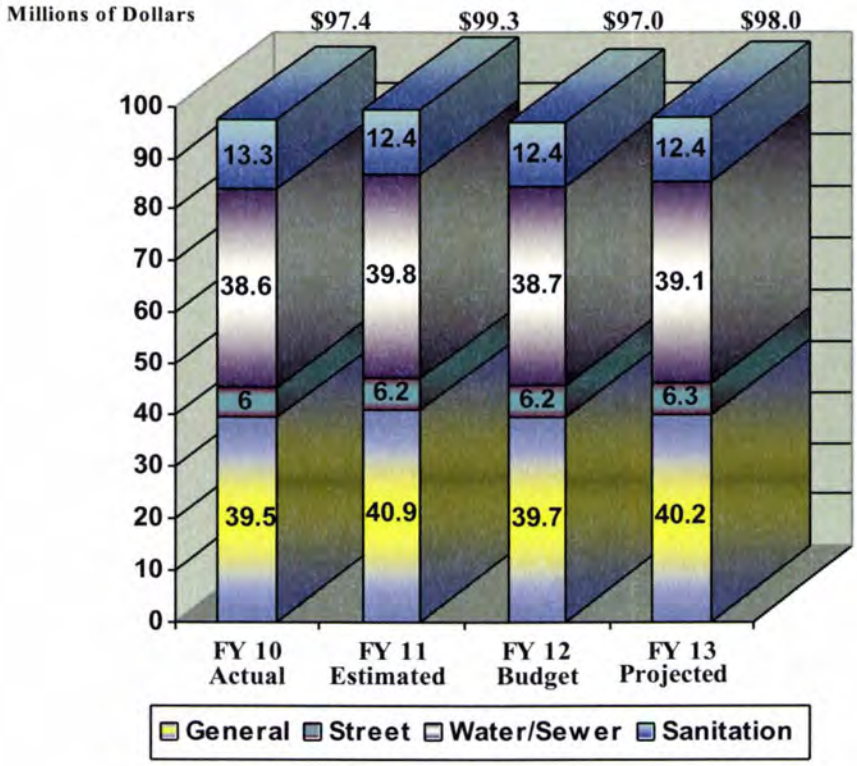
	Estimated FY11	Budget FY12	Increase (Decrease)	Projected FY13
Revenues				
Service Charges and Fees	$ 12,336,424	$ 12,345,000	$ 8,576	$ 12,375,000
Miscellaneous	91,555	55,000	(36,555)	55,000
Total	$ 12,427,979	$ 12,400,000	$ (27,979)	$ 12,430,000
Expenses				
Policy and Administration Services	$ 165,373	$ 196,600	$ 31,227	$ 197,019
Management Services	723,481	760,386	36,905	786,085
Operation Services	9,438,565	9,807,400	368,835	10,759,150
Non-Departmental	1,580,057	1,331,270	(248,787)	1,080,500
Total	$ 11,907,476	$ 12,095,656	$ 188,180	$ 12,822,754
Excess (Deficiency) Revenues Over Expenditures	$ 520,503	$ 304,344	$ (216,159)	$ (392,754)
Working Capital, Beginning of Year	2,206,065	2,226,568	20,503	1,830,912
Working Capital, End of Year	$ 2,726,568	$ 2,530,912	$ (195,656)	$ 1,438,158
Adjustment for CIP Transfers	(500,000)	(700,000)	(200,000)	(800,000)
Adjusted Working Capital, End of Year	$ 2,226,568	$ 1,830,912	$ (395,656)	$ 638,158

Combined Operating Funds
Statement of Revenue Comparisons

	Actual FY10	Budget FY11	Estimated FY11	Budget FY12	Projected FY13
Intergovernmental	$ 7,129,899	$ 7,074,212	$ 8,554,826	$ 7,320,214	$ 7,292,272
Taxes and Assessments	29,923,279	30,801,000	30,664,448	30,728,044	31,127,927
Court Fines and Forfeitures	2,164,608	1,950,000	2,116,528	2,050,000	2,050,000
Licenses and Permits	1,343,739	1,340,000	1,386,772	1,370,000	1,388,300
Service Charges and Fees	53,040,374	52,458,400	52,717,478	51,615,050	52,050,800
Miscellaneous	1,258,448	1,186,010	1,243,887	1,170,454	1,249,718
Transfers	2,527,312	2,653,290	2,653,194	2,786,030	2,874,100
Total	$ 97,387,659	$ 97,462,912	$ 99,337,133	$ 97,039,792	$ 98,033,117

Combined Operating Funds

Comparison of Total Revenue

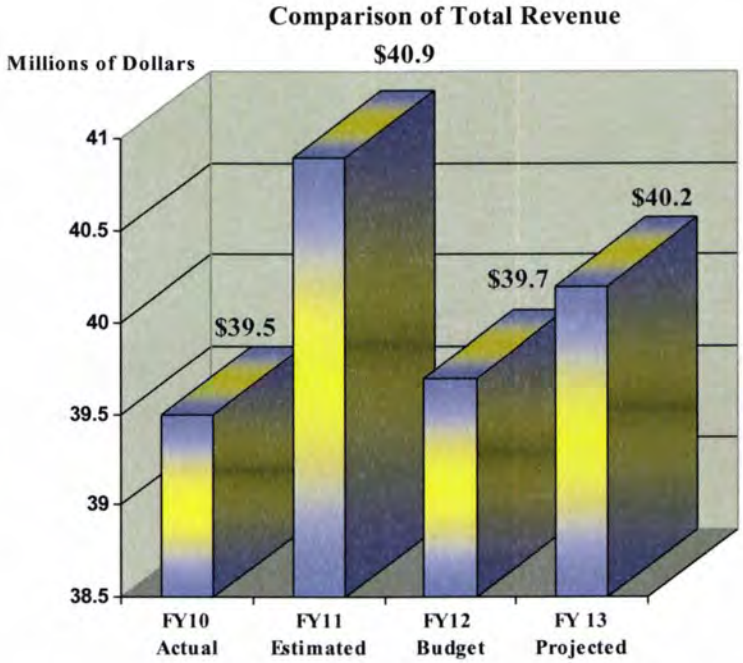


General Fund
Statement of Revenue Comparisons

	Actual FY10	Budget FY11	Estimated FY11	Budget FY12	Projected FY12
Intergovernmental					
State Turnback - General	$ 1,161,147	$ 1,244,154	$ 1,379,344	$ 1,379,344	$ 1,379,344
Transit Reimbursement	1,665,102	1,750,000	2,837,314	1,578,614	1,550,000
Airport Security Reimbursement	155,928	150,000	155,244	150,000	150,000
Federal Funded Fire Improvements	95,458	-	-	-	-
COPS Grant	-	117,328	87,996	117,328	118,000
Miscellaneous Grants	38	-	-	-	-
Taxes and Assessments					
Franchise	6,492,100	6,192,500	6,456,500	6,191,500	6,253,400
Ad Valorem	6,604,632	7,137,000	6,994,000	7,133,880	7,276,560
County Sales Tax	14,892,017	15,326,500	15,106,500	15,257,500	15,410,000
Gasoline Tax Refund-Transit	6,923	5,000	9,248	5,000	5,000
Court Fines and Forfeitures	2,164,608	1,950,000	2,116,528	2,050,000	2,050,000
Licenses and Permits					
Privilege	16,650	20,000	18,420	20,000	20,000
Construction	662,105	650,000	699,484	680,000	690,200
Alcohol	519,372	540,000	539,720	540,000	548,100
Other	145,612	130,000	129,148	130,000	130,000
Service Charges and Fees					
Convention Center	652,979	-	-	-	-
Community Center	38,514	36,000	39,536	36,000	36,000
Fire Protection Contracts	72,462	71,400	73,008	72,500	72,500
Port Authority	12,190	12,000	29,784	12,000	12,000
Parks & Aquatics	203,851	150,000	186,502	210,000	210,000
Oak Cemetery	59,474	55,000	66,136	55,000	55,000
Animal Control	2,607	2,500	2,200	2,500	2,500
False Alarm Fees	9,427	4,000	24,432	15,000	15,000
Mobile Data Support Fees	33,680	48,000	53,040	62,000	62,000
Transit System	198,539	185,000	205,600	195,000	195,000
Miscellaneous					
Reimbursement from Airport	3,163	3,163	3,163	3,163	3,163
Interest Earned	6,575	42,000	1,836	5,000	5,000
Sebastian County Participation	512,200	567,347	535,768	581,791	594,055
Reimbursement from Enhanced 9-1-1 Fund	255,000	255,000	255,000	255,000	255,000
Reimbursement from FSPS for SRO Positions	51,425	35,000	38,605	38,000	105,000
Other	299,854	150,000	187,789	150,000	150,000
Transfers					
Sales Tax Fund	2,272,200	2,385,810	2,385,810	2,505,100	2,580,250
A&P Fund	20,362	21,000	20,904	22,150	22,350
Street Maintenance Fund	78,250	82,160	82,160	86,260	90,500
Water and Sewer Operating Fund	78,250	82,160	82,160	86,260	90,500
Sanitation Operating Fund	78,250	82,160	82,160	86,260	90,500
Total	$ 39,520,944	$ 39,481,182	$ 40,885,039	$ 39,712,150	$ 40,226,922

See pages 171-173 for an explanation of each revenue source.

General Fund



Revenue Comment

Total revenue of the General Fund FY12 Budget is estimated to decrease by approximately $1.2 million or 3% from FY11 Estimated.

The general turnback from the state was $14.47 per capita for FY10.
The estimate for FY11 is $16.00, and is anticipated to be the same per capita for FY12 and FY13.

The transit reimbursement for FY12 is $1.3 million less than FY11 Estimated due to the stimulus funding for capital assets during 2011.

The franchise tax rate is 4% assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenue is expected to decrease by 4% in FY12 from FY11 fees. The decrease is due to lower electricity use in FY12 because of the extremely hot summer in FY11.

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 FY12 reflect a 2% increase over FY11 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY12 is 1% above the estimated FY11 revenue. The FY13 projection also reflects a 1% increase in sales tax revenue.

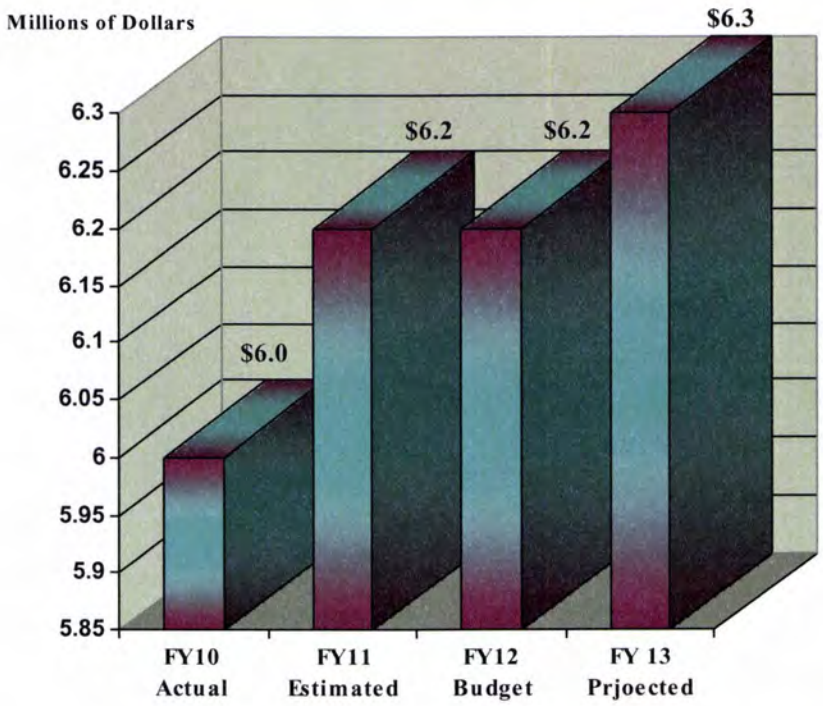
Street Maintenance Fund
Statement of Revenue Comparisons

	Actual FY10	Budget FY11	Estimated FY11	Budget FY12	Projected FY13
Intergovernmental					
State Turnback - Gasoline Tax	$ 4,052,226	$ 3,812,730	$ 4,094,928	$ 4,094,928	$ 4,094,928
Taxes and Assessments					
Ad Valorem	1,927,607	2,141,000	2,098,200	2,140,164	2,182,967
Miscellaneous					
Interest Earned	3,774	10,000	1,212	5,000	5,000
Other	3,601	5,000	11,085	5,000	5,000
Total	$ 5,987,208	$ 5,968,730	$ 6,205,425	$ 6,245,092	$ 6,287,895

See page 174 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 66% 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 $50.51 for FY10, and $47.50 for FY11 Estimated, FY12 and FY13.

Ad valorem tax revenue for the Street Maintenance Fund is anticipated to increase approximately 2% in FY12. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes. The increase is a result of increased property values.

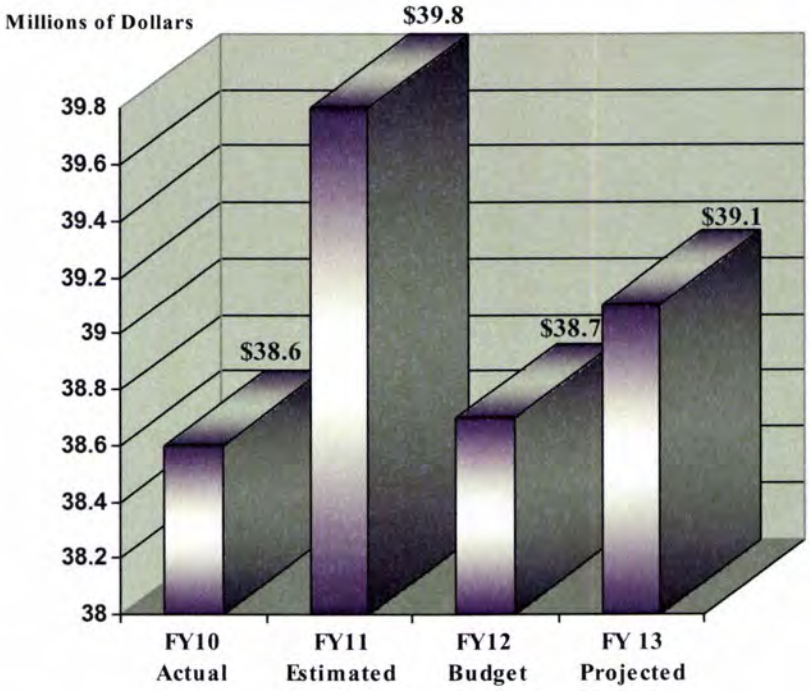
Water and Sewer Operating Fund
Statement of Revenue Comparisons

	Actual FY10	Budget FY11	Estimated FY11	Budget FY12	Projected FY13
Service Charges and Fees					
Water Sales	$ 18,574,685	$ 18,125,000	$ 19,056,728	$ 18,456,250	$ 18,640,800
Monthly Customer Charges	452,567	450,000	458,160	458,000	460,000
Contract Water Sales	7,093,118	6,999,700	7,453,380	7,150,000	7,222,000
Fire Protection	34,012	34,000	32,448	34,000	34,000
Installations - Water Service	161,495	150,000	165,924	175,000	185,000
Sewer Service Charges	12,046,062	12,100,800	12,432,368	12,221,800	12,344,000
Sewer Connection Charges	59,441	50,000	57,204	60,000	70,000
Industrial Waste Monitoring Fees	88,471	100,000	44,604	55,000	60,000
Miscellaneous					
Interest Earned	1,912	5,000	960	2,500	2,500
Other	95,752	70,000	116,914	70,000	70,000
Total	$ 38,607,515	$ 38,084,500	$ 39,818,690	$ 38,682,550	$ 39,088,300

See pages 175 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. Total revenue of the fund in FY12 is anticipated to be 1% below FY11 revenue. This is due to the extremely hot summer that increased concumption during 2011.

Water sales from residential, commercial, and industrial users is expected to decline 1.3% between FY11 and FY12. Water sales to Van Buren and the other contract users is anticipated to decrease by 1.7% between years. Sewer service charges for FY12 are expected to be in line with FY11 revenue due to the fact that residential customers are billed on a 5-month winter average for April through October which provides for a more stable revenue trend.

There are no water and sewer rate adjustments included in the FY12 budget.

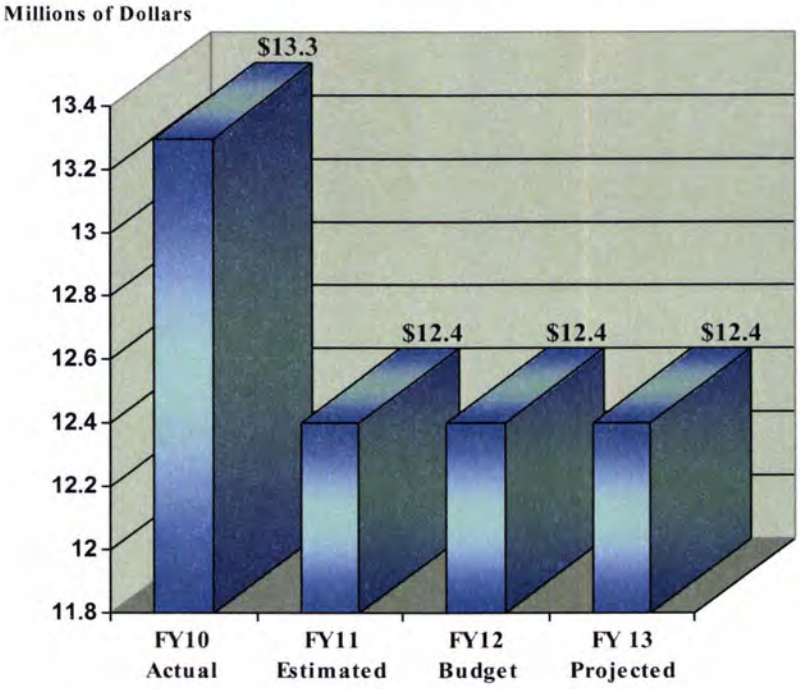
Sanitation Operating Fund
Statement of Revenue Comparisons

	Actual FY10	Budget FY11	Estimated FY11	Budget FY12	Projected FY13
Service Charges and Fees					
Residential Collections	$ 4,049,371	$ 4,550,000	$ 4,572,192	$ 4,575,000	$ 4,580,000
Commercial Collections	2,375,110	2,450,000	2,270,988	2,280,000	2,280,000
Sanitary Landfill Operations	4,514,295	4,675,000	3,234,444	3,250,000	3,250,000
Roll-Off Collections	1,928,153	1,950,000	1,960,428	1,950,000	1,975,000
Sale of Methane Gas	278,266	150,000	197,372	190,000	190,000
Recycling Operations	101,605	110,000	101,000	100,000	100,000
Miscellaneous					
Interest Earned	2,491	18,500	1,140	5,000	5,000
Other	22,701	25,000	90,415	50,000	50,000
Total	$ 13,271,992	$ 13,928,500	$ 12,427,979	$ 12,400,000	$ 12,430,000

See page 176 for an explanation of each revenue source.

Sanitation Operating Fund

Comparison of Total Revenue



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 FY12. Revenue from residential collections, commercial collections, and roll-off collections are expected to remain stable between FY11 and FY12. The landfill operations in FY12 are estimated at $3.25 million compared to the FY10 actual revenue of $4.5 million. Part of the decrease is due to the disposal of waste from the Altes residential area of the city being collected by the Sanitation Department so the landfill fees for these customers is reflected as an increase is residential collections rather than direct revenue to the landfill. Additionally, there is less waste being disposed at the landfill by private commercial haulers.

Distribution of Appropriations to the Operating Funds
FY12 Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 229,160	$ 98,539	$ 18,333	$ 84,789	$ 27,499
4101 Board of Directors	85,910	36,941	6,873	31,787	10,309
4102 City Administrator	720,450	309,793	57,636	266,567	86,454
4111 Economic Development	304,580	304,580	0	0	0
4201 District Court	1,502,170	1,502,170	0	0	0
4202 Prosecutor	171,990	171,990	0	0	0
4203 Public Defender	84,220	84,220	0	0	0
4204 City Attorney	231,000	115,500	57,750	0	57,750
4206 District Court-Seb. Co.	51,240	51,240	0	0	0
4405 Internal Audit	121,570	52,275	9,726	44,981	14,588
Total Policy and Administration Services Division	$ 3,502,290	$ 2,727,248	$ 150,318	$ 428,124	$ 196,600
Management Services Division					
4104 Human Resources	$ 556,310	$ 350,475	$ 38,942	$ 116,825	$ 50,068
4105 City Clerk	351,750	151,252	28,140	130,148	42,210
4301 Finance	1,111,760	478,057	88,941	411,351	133,411
4303 Collections	401,620	172,696	32,130	148,600	48,194
4304 Utility Billing/Cust Service	1,678,040	83,901	83,901	1,258,531	251,707
4306 Purchasing	540,551	232,437	43,244	200,004	64,866
4401 Info. & Tech. Services	1,699,290	1,104,538	84,965	339,858	169,929
6912 Parking Deck-Personnel	38,850	38,850	0	0	0
Total Management Services Division	$ 6,378,170	$ 2,612,205	$ 400,262	$ 2,605,317	$ 760,386
Development Services Division					
4103 Engineering	$ 1,493,120	$ 1,269,152	$ 74,656	$ 149,312	$ 0
4106 Planning and Zoning	670,070	569,559	0	100,511	0
4108 Building Safety	802,160	802,160	0	0	0
Total Development Services Division	$ 2,965,350	$ 2,640,871	$ 74,656	$ 249,823	$ 0
Police Services Division					
4701 Administration	$ 953,070	$ 953,070	$ 0	$ 0	$ 0
4702 Support Services	4,256,440	4,256,440	0	0	0
4703 Criminal Investigations	2,855,550	2,855,550	0	0	0
4704 Patrol Operations	7,068,270	7,068,270	0	0	0
4705 Radio Communications	385,090	385,090	0	0	0
4706 Airport Security	194,840	194,840	0	0	0
Total Police Services Division	$ 15,713,260	$ 15,713,260	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY12 Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 927,400	$ 927,400	$ 0	$ 0	$ 0
4802 Suppression and Rescue	9,284,230	9,284,230	0	0	0
Total Fire Services Division	$ 10,211,630	$ 10,211,630	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 461,250	$ 0	$ 461,250	$ 0	$ 0
5302 Street Construction	991,250	0	991,250	0	0
5303 Street Drainage	1,185,110	0	1,185,110	0	0
5304 Street Maintenance	967,340	0	967,340	0	0
5401 Traffic Control Operations	704,690	0	704,690	0	0
5402 Signals	158,120	0	158,120	0	0
5403 Street Lighting	1,200,000	0	1,200,000	0	0
5404 Sign Shop	114,980	0	114,980	0	0
Total Streets and Traffic Control	$ 5,782,740	$ 0	$ 5,782,740	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,639,800	$ 0	$ 0	$ 1,639,800	$ 0
5601 Water and Wastewater Treatment Administration	208,700	0	0	208,700	0
5603 Sewer Treatment	3,312,280	0	0	3,312,280	0
5604 Water Treatment	4,073,120	0	0	4,073,120	0
5605 Laboratory Services	996,540	0	0	996,540	0
5606 Wastewater Equipment Maintenance	436,340	0	0	1,380,050	0
5609 Industrial Waste Monitoring	2,043,090	0	0	436,340	0
5610 Water Line Maintenance	2,379,360	0	0	2,043,090	0
5611 Sewer Line Maintenance	0	0	0	2,379,360	0
5613 Metering/Transmission Line Maintenance	1,603,750	0	0	1,603,750	0
5615 Water and Wastewater Line Maintenance Administration	995,770	0	0	995,770	0
5616 Water Stationary Equipment Maintenance	1,277,460	0	0	1,277,460	0
6700 Debt Service	14,705,295	0	0	14,705,295	0
Total Water and Sewer	$ 35,051,555	$ 0	$ 0	$ 35,051,555	$ 0

Distribution of Appropriations to the Operating Funds
FY12 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	$ 159,800	$ 159,800	$ 0	$ 0	$ 0
6201 Parks Maintenance	1,527,210	1,276,970	250,240	0	0
6202 Oak Cemetery	161,120	161,120	0	0	0
6204 Community Centers	179,550	179,550	0	0	0
6205 Aquatics	208,070	208,070	0	0	0
6206 Riverfront	287,890	287,890	0	0	0
6207 The Park at West End	35,610	35,610	0	0	0
Total Parks and Community Services	$ 2,559,250	$ 2,309,010	$ 250,240	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 713,300	$ 0	$ 0	$ 0	$ 713,300
6302 Residential Collection	2,649,970	0	0	0	2,649,970
6303 Commercial Collection	1,408,310	0	0	0	1,408,310
6304 Fleet & Grounds Maintenance	902,100	0	0	0	902,100
6305 Sanitary Landfill	3,140,710	0	0	0	3,140,710
6307 Roll-Off Collection	993,010	0	0	0	993,010
Total Sanitation	$ 9,807,400	$ 0	$ 0	$ 0	$ 9,807,400
Operation Services Division - Transit					
6550 Public Transit	$ 2,316,100	$ 2,316,100	$ 0	$ 0	$ 0
Total Operation Services Division	$ 55,517,045	$ 4,625,110	$ 6,032,980	$ 35,051,555	$ 9,807,400
Non-Departmental					
6600 Non-Departmental	$ 4,681,163	$ 2,612,373	$ 426,260	$ 311,260	$ 1,331,270
Total Appropriations	$ 98,968,908	$ 41,142,697	$ 7,084,476	$ 38,646,079	$ 12,095,656

Distribution of Appropriations to the Operating Funds
FY13 Projected Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 193,160	$ 83,059	$ 15,453	$ 71,469	$ 23,179
4101 Board of Directors	94,690	40,717	7,575	35,035	11,363
4102 City Administrator	736,020	316,489	58,882	272,327	88,322
4111 Economic Development	471,410	471,410	0	0	0
4201 District Court	1,572,750	1,572,750	0	0	0
4202 Prosecutor	178,140	178,140	0	0	0
4203 Public Defender	86,750	86,750	0	0	0
4204 City Attorney	236,700	118,350	59,175	0	59,175
4206 District Court-Seb. Co.	53,760	53,760	0	0	0
4405 Internal Audit	124,830	53,676	9,986	46,188	14,980
Total Policy and Administration Services Division	$ 3,748,210	$ 2,975,101	$ 151,071	$ 425,019	$ 197,019
Management Services Division					
4104 Human Resources	$ 573,530	$ 361,324	$ 40,147	$ 120,441	$ 51,618
4105 City Clerk	282,070	121,290	22,566	104,366	33,848
4301 Finance	1,154,720	496,530	92,378	427,246	138,566
4303 Collections	445,240	191,453	35,619	164,739	53,429
4304 Utility Billing/Cust Service	1,698,100	84,904	84,904	1,273,576	254,716
4306 Purchasing	585,670	251,838	46,854	216,698	70,280
4401 Info. & Tech. Services	1,836,280	1,193,582	91,814	367,256	183,628
6912 Parking Deck-Personnel	39,020	39,020	0	0	0
Total Management Services Division	$ 6,614,630	$ 2,739,941	$ 414,282	$ 2,674,322	$ 786,085
Development Services Division					
4103 Engineering	$ 1,521,520	$ 1,293,292	$ 76,076	$ 152,152	$ 0
4106 Planning and Zoning	726,090	617,176	0	108,914	0
4108 Building Safety	883,280	883,280	0	0	0
Total Development Services Division	$ 3,130,890	$ 2,793,748	$ 76,076	$ 261,066	$ 0
Police Services Division					
4701 Administration	$ 1,047,520	$ 1,047,520	$ 0	$ 0	$ 0
4702 Support Services	4,651,940	4,651,940	0	0	0
4703 Criminal Investigations	3,034,310	3,034,310	0	0	0
4704 Patrol Operations	7,802,140	7,802,140	0	0	0
4705 Radio Communications	507,070	507,070	0	0	0
4706 Airport Security	201,300	201,300	0	0	0
Total Police Services Division	$ 17,244,280	$ 17,244,280	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY13 Projected Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 1,186,930	$ 1,186,930	$ 0	$ 0	$ 0
4802 Suppression and Rescue	9,885,470	9,885,470	0	0	0
Total Fire Services Division	$ 11,072,400	$ 11,072,400	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 473,340	$ 0	$ 473,340	$ 0	$ 0
5302 Street Construction	1,024,250	0	1,024,250	0	0
5303 Street Drainage	1,129,880	0	1,129,880	0	0
5304 Street Maintenance	993,950	0	993,950	0	0
5401 Traffic Control Operations	727,840	0	727,840	0	0
5402 Signals	176,610	0	176,610	0	0
5403 Street Lighting	1,252,520	0	1,252,520	0	0
5404 Sign Shop	134,940	0	134,940	0	0
Total Streets and Traffic Control	$ 5,913,330	$ 0	$ 5,913,330	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,664,240	$ 0	$ 0	$ 1,664,240	$ 0
5601 Water and Wastewater Treatment Administration	212,740	0	0	212,740	0
5603 Sewer Treatment	3,296,090	0	0	3,296,090	0
5604 Water Treatment	3,994,460	0	0	3,994,460	0
5605 Laboratory Services	855,370	0	0	855,370	0
5606 Wastewater Equipment Maintenance	1,570,900	0	0	1,570,900	0
5609 Industrial Waste Monitoring	388,700	0	0	388,700	0
5610 Water Line Maintenance	2,092,755	0	0	2,092,755	0
5611 Sewer Line Maintenance	2,481,130	0	0	2,481,130	0
5613 Metering/Transmission Line Maintenance	1,659,120	0	0	1,659,120	0
5615 Water and Wastewater Line Maintenance Administration	913,500	0	0	913,500	0
5616 Water Stationary Equipment Maintenance	1,331,400	0	0	1,331,400	0
5618 Debt Service	14,603,785	0	0	14,603,785	0
Total Water and Sewer	$ 35,064,190	$ 0	$ 0	$ 35,064,190	$ 0

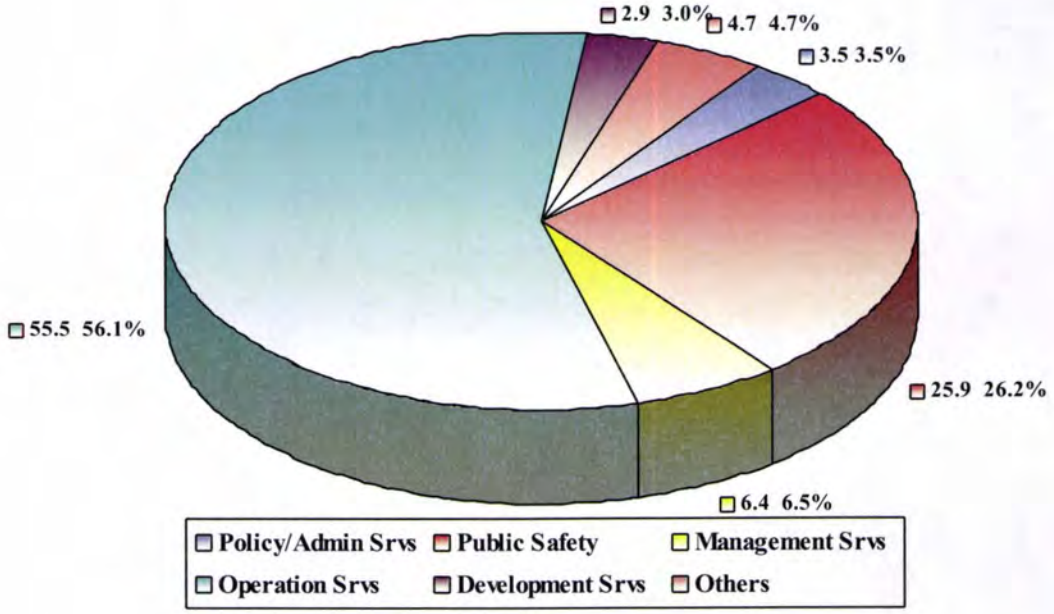
Distribution of Appropriations to the Operating Funds
FY13 Projected Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Operation Services Division - Parks and Community Services					
6101 Health	$ 136,940	$ 136,940	$ 0	$ 0	$ 0
6201 Parks Maintenance	1,996,210	1,716,335	279,875	0	0
6202 Oak Cemetery	290,000	290,000	0	0	0
6204 Community Centers	213,300	213,300	0	0	0
6205 Aquatics	226,760	226,760	0	0	0
6206 Riverfront	301,630	301,630	0	0	0
6207 The Park at West End	46,700	46,700	0	0	0
Total Parks and Community Services	$ 3,211,540	$ 2,931,665	$ 279,875	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 736,170	$ 0	$ 0	$ 0	$ 736,170
6302 Residential Collection	2,804,580	0	0	0	2,804,580
6303 Commercial Collection	1,514,870	0	0	0	1,514,870
6304 Fleet & Grounds Maintenance	916,290	0	0	0	916,290
6305 Sanitary Landfill	3,425,840	0	0	0	3,425,840
6306 Debt Service	0	0	0	0	0
6307 Roll-Off Collection	1,361,400	0	0	0	1,361,400
Total Sanitation	$ 10,759,150	$ 0	$ 0	$ 0	$ 10,759,150
Operation Services Division - Transit					
6550 Public Transit	$ 2,278,820	$ 2,278,820	$ 0	$ 0	$ 0
Total Operation Services Division	$ 57,227,030	$ 5,210,485	$ 6,193,205	$ 35,064,190	$ 10,759,150
Non-Departmental					
6600 Non-Departmental	$ 4,454,660	$ 2,618,160	$ 430,500	$ 325,500	$ 1,080,500
Total Appropriations	$ 103,492,100	$ 44,654,115	$ 7,265,134	$ 38,750,097	$ 12,822,754

Combined Division Summary
Operating Funds

	Actual FY10	Amended Budget FY11	Estimated FY11	Budget FY12	Projected FY13
By Division Classification					
Policy and Administration Services	$ 3,482,709	$ 3,648,311	$ 3,253,864	$ 3,502,290	$ 3,748,210
Management Services	6,071,104	6,490,165	6,080,582	6,378,170	6,614,630
Development Services	2,769,453	2,938,919	2,783,229	2,965,350	3,130,890
Police Services	15,166,245	16,492,834	15,164,945	15,713,260	17,244,280
Fire Services	9,540,954	10,104,690	9,660,787	10,211,630	11,072,400
Operation Services	52,504,837	56,771,496	53,849,339	55,517,045	57,227,030
Non-Departmental	4,434,069	4,075,124	5,228,119	4,681,163	4,454,660
Budget Appropriations	**$ 93,969,371**	**$ 100,521,539**	**$ 96,020,865**	**$ 98,968,908**	**$ 103,492,100**

2012 Operating Budget
Appropriations by Division Classification
$98,968,908



In Millions

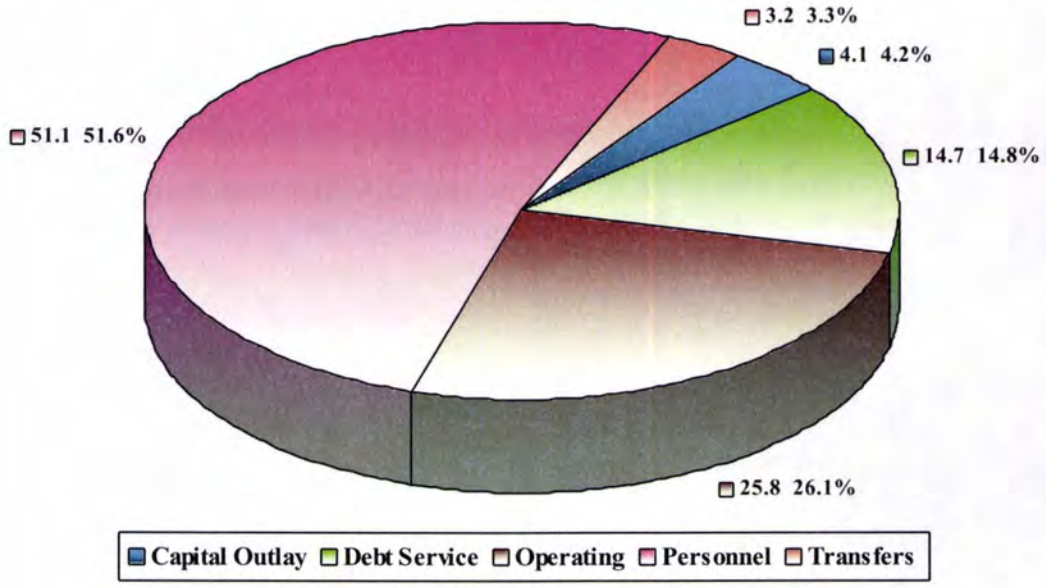
Combined Division Summary
Operating Funds

	Actual FY10	Amended Budget FY11	Estimated FY11	Budget FY12	Projected FY13
By Expenditure/Expense Classification					
Personnel	$ 48,425,467	$ 51,352,790	$ 48,648,879	$ 51,101,310	$ 53,574,370
Operating	22,524,972	25,141,935	23,962,248	25,804,720	28,759,270
Operating Budget	$ 70,950,439	$ 76,494,725	$ 72,611,127	$ 76,906,030	$ 82,333,640
Capital Outlay	2,604,110	3,995,186	3,970,949	3,228,740	5,554,955
Debt Service	16,624,934	16,448,370	15,505,413	14,705,295	14,603,785
Transfers	3,789,888	3,583,258	3,933,376	4,128,843	3,340,100
Budget Appropriations	**$ 93,969,371**	**$ 100,521,539**	**$ 96,020,865**	**$ 98,968,908**	**$ 105,832,480**

2012 Operating Budget

Appropriations by Expenditure/Expense Class

$98,968,908



In Millions

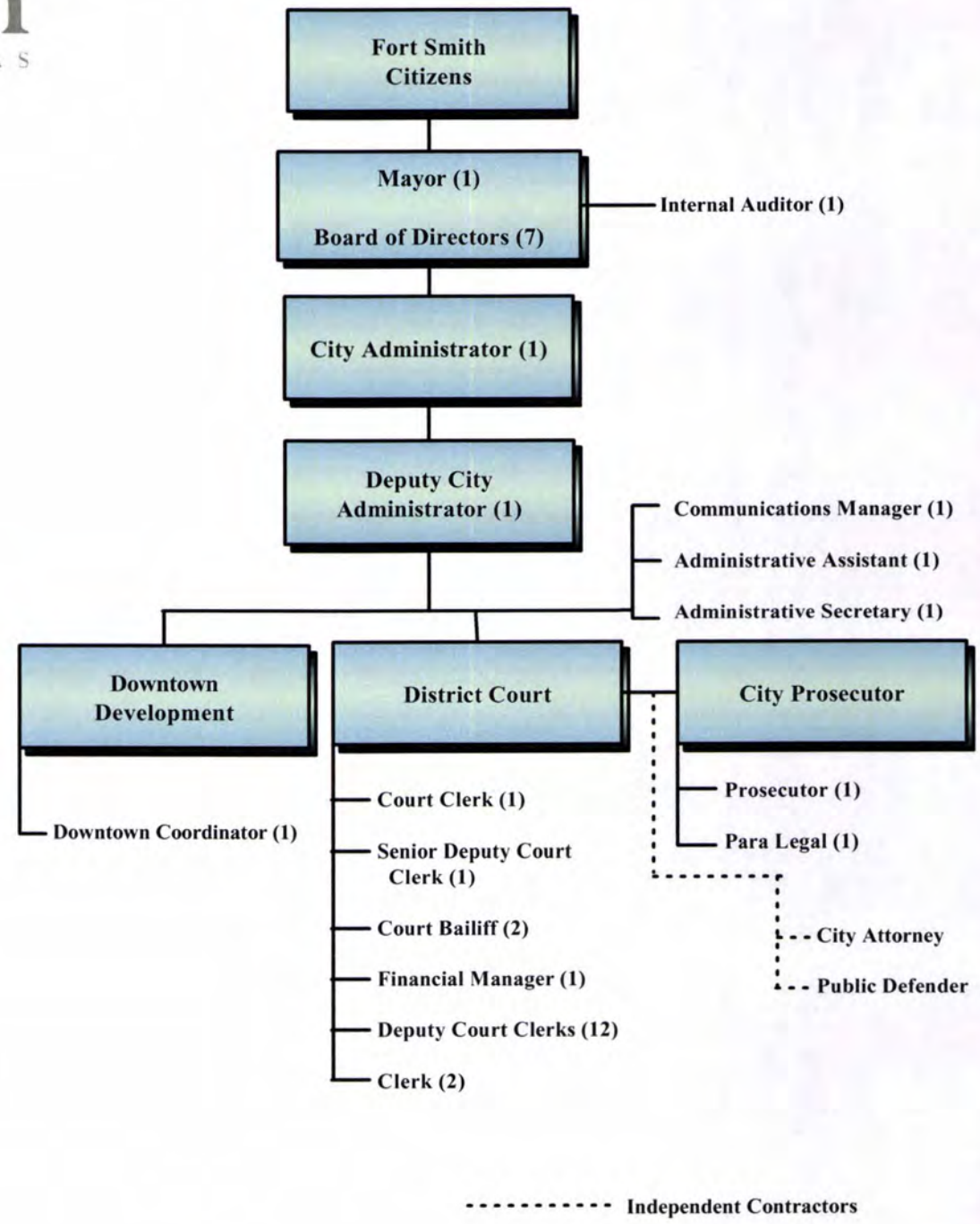
DIVISION SUMMARIES

This section provides position and budget summaries for all divisions of the City. The position summaries are based on January 1 authorizations with the exception of Estimated FY11 which is based on September 30, 2011 authorizations. The dollar summaries reflect Actual FY10, Budget FY11, Estimated FY11, Budget FY12 and projected for Budget FY13.

Also, provided is a narrative of each division which reflects the purpose, overview, 2012 service objectives, 2011 service objectives and outcomes, service measures/key performance indicators, and workload/demand statistics.

A line-item budget detail for each program within each division is provided in the FY12 Budget Supplement.

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 Downtown 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. Downtown Development is involved with promoting downtown development and the CBID.

The FY12 Budget is $200,841 or 13% less than the FY11 Budget level due to the discontinuance of televising board of directors regular meetings, the reduction in lobbying fees, the splitting of the 9th Street streetscape project between FY12 and FY13, and a decrease in downtown projects for FY12. Major priorities planned for 2012 are those outlined in the Budget Message and highlighted as: stimulate development along the downtown riverfront and plan for phased infrastructures; continue advocacy of the I-49 project; enhance regional recreational offerings by pursuing water park and ballfield improvements with Sebastian County; plan for future by updating or preparing a new comprehensive plan; improve public safety by constructing an additional fire station and replacing aging fire apparatus; improve sanitary sewer services for next phase of wet weather improvements; initiate and develop economic growth strategies to increase the job market; and continue the green initiative for energy efficiencies in city facilities. The Mayor's program will provide funding for the Tales of the Crypt at $5,000 and Christmas lighting at $16,000 for FY12.

Total personnel for these programs is 14FTE for FY12 which is the same as FY11. During 2011, the ED Coordinator position responsibilities were revised as a Communications Manager and the position was transferred from program 4111 to 4102 for FY12.

POLICY & ADMINISTRATION	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 688,447	$ 660,180	$ 584,648	$ 663,560	$ 683,780
Operating Expenditures	688,521	880,761	610,242	616,540	625,500
Operating Budget	$ 1,376,968	$ 1,540,941	$ 1,194,890	$ 1,280,100	$ 1,309,280
Capital Outlay	222,868	0	65,000	60,000	186,000
Budget Appropriation	$ 1,599,836	$ 1,540,941	$ 1,259,890	$ 1,340,100	$ 1,495,280
Authorized Positions	14.00	14.00	14.00	14.00	14.00

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

POLICY/ADMINISTRATION 2012 SERVICE OBJECTIVES

Mayor:

1. Focus efforts on economic development; In conjuction wih the Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission, work with businesses and industries to retain existing jobs and support efforts to attract new jobs.
2. Take a leadership role emphasizing regional development, including partnering with organizations such as Western Arkansas Planning and Development District, Frontier Metropolitan Planning Organization, Regional Intermodel Transportation Authority and area city and county governments.
3. Re-energize efforts focusing on city clean-up and beautication.
4. Maintain close working relationships with local, state and federal elected officials and staff members.
5. Develop and maintain effective contacts with agencies impacting Fort Smith, including the Corps of Engineers, Federal Highway Administration, Federal Aviation Adnministration, Arkansas Highway and Transportation Department and the Environmental Protection Agency.
6. Represent the City at appropriate events and activities.
7. Recognize individuals and organizations contributing to the city's growth and progress.

8. Continue to work in the following areas:
   - Good Neighbors Program
   - Orchid Awards
   - Visual and Performing Arts
   - Patriotic and historical events and activities
9. Promote Fort Smith to residents, businesses and visitors.
10. Advocate for the 2012 sales tax continuation election campaign for wet weather sewer improvements, and fire service improvements.

Board of Directors:

1. Develop a master plan for the Riverfront Development that includes buy-in from property owners. Review standards and modify as necessary. Plan for phased infrastructure (water, sewer, roadway) extensions, complete with financing plans.
2. Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators, and the Federal Highway Administration to develop time frames for its completion.
3. Enhance Fort Smith's recreational offerings by pursuing water park and athletic/recreation field improvements at Ben Geren Regional Park.
4. Vision 2025 Plan. Assess progress of implementing the existing comprehensive land use plan. Incorporate newer components such as the TIP strategies report, riverfront opportunity analysis, and beautification. Learn from other cities' experiences and develop a game plan, including economic health tied to distribution center and tourism, make downtown happen, and address quality of life/place issues to attract younger citizens and knowledge-based jobs for young professionals.
5. Improve public safety by constructing an additional fire station, by replacing aging fire apparatus, and re-deploying aerial fire companies. Involve insurance agents to help communicate the need to the public. Public education in support of securing funding through an election to authorize partial use of an existing retail sales and use tax.
6. Continue commitment to wet weather sanitary sewer system improvements by securing authorization from the voters to fund the next four years work of improvement projects through continuation of an existing retail sales and use tax.

Administration:

1. Transfer the communications component of Economic Development to the City Administrator program and broaden its focus city-wide through use of the Communications Manager position.
2. Direct the Citizens Academy program, provide staff suppor to the Citizens Academy Alumni Association, and act as a resource for all City departments in reaching our directly to citizens and through traditional and social media.
3. Develop and implement aggressive and innovative ideas for transparent communication with the public about city services, programs, economic development, and quality of place related issues, in collaboration with community partners. Engage local media decision-makers and reporters through regular lunch conversations with administration and senior staff. Improve inter-department communication as part of this effort in order to help provide a better overall product to the public.
4. Develop and implement a citizen-centered approach to customer service.
5. Identify and promote funding sources for ongoing operations and capital improvements, both to the Board of Directors and to the public. This is particularly challenging in departments and programs supported by the general fund. Promote the use of innovation and technology to better utilize resources.
6. Continue to identify and promote energy efficiency and "green" initiatives in all city operations, for both economic and environmentally responsible purposes.
7. Refine performance measurement in five initial departments to provide measures that will better help us allocate resources and evaluate progress. Implement city-wide in FY2013 budget.
8. 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.
9. Act as a resouce for other City of Fort Smith departments in proactively reaching out directly to citizens and through media outlets.
10. Direct Citizens Academy classes, scheduling, recruiting members, and communicating with alumni.

11. Tell Fort Smith's story to broader-regional and national members, and when appropriate, assisting other departments and community partners in this regard.
12. Continue to work with the Board approinted citizen panel with reviewing applications from outside agencies.

Downtown Development:

1. To continue success with fewer empty buildings in Downtown, continue to work with Downtown property owners in the entire Central Business Improvement District to encourage the sale, lease or renovation of their properties. Work with new Downtown business owners during the permitting process and opening of their businesses in the District. As we do this we will focus on attracting quality businesses.
2. Create a database of numbers which will include growth patterns, property and business inventories, employment and increased property values.
3. Implement the first phase of the street scape program on Towson Avenue beginning at Garrison Avenue and continuing south.
4. Work on the continuation of the Riverfront Master Plan which will include additional improvements to the area along Riverfront Drive. This may also include a splash park in the area of Compass Park as well as working with our local railroad companies to clean up the area just west of the Glass Pavilion. Continue the effort to find funding for the construction of shelters to improve functionality of the municipal parking lot at 2nd and Garrison Avenue in Downtown to accommodate small events.
5. In partnership with the Chamber of Commerce, develop a marketing plan to be used for the purpose of promoting a 50,000 square foot corporate headquarters along the Riverfront.
6. Continue to work with elected officials on a local and state level to lobby for votes on the various efforts to improve Downtowns in Arkansas and throughout the United States.
7. Work with other city departments to improve the maintenance standards that we are able to use as tools to increase neighboring property values.
8. Continue the effort for branding the Downtown as a Live, Work, and Play environment.
9. Create additional marketing tools to promote the urban option with various corporate and business leaders regionally. In partnership with the Advertising and Promotion Commission, we will continue to market the Park at West End in all out promotional pieces.
10. Financially support through marketing and even infrastructure, economic engines such as the Fort Smith Riverfront Blues Festival, the Cox Community Concert, the Mayor's 4th of July, The Heritage Festival, and Festival on the Border, while looking to add other activities to the mix. In addition to these large activities, smaller events with the Downtown Business Owners will be included.

DOWNTOWN DEVELOPMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Continue to work with Downtown property owners in the Central Business Improvement District to encourage the sale, lease or renovation of their properties. While working with new Downtown business owners during the permitting process and opening of their businesses in the District. New processes need to be implemented to make it easier and more user friendly.*

   Outcome: As we continue to learn what actually makes an easier process of opening a business in Downtown, we have made significant strides. Better communication internally has made this possible. There are plans to review in a more timely manner and fewer are being routed incorrectly. We have 10 new businesses, 0 have closed. We have 3 large development projects that have already started, and several in the planning stages.

2. ***Service Objective:*** *Complete the revision of the Downtown Design Guidelines in order to have the tools necessary to encourage consistency during the renovation project and new construction within the CBID.*

   Outcome: The 2010 Design Guidelines have been completed. We have also placed them online for easier access to developers. We also have more unification within our own departments on the Design Guidelines and also the boundary that it covers.

3. ***Service Objective:*** *Work with other City departments to complete the final phase of street scape along Garrison Avenue and additional trolley track. Identify areas inside the boundary which will be tagged for specific uses. Be the driving force to emphasize the need for a new City Hall in the core business district.*

   Outcome: The street scape along Garrison Avenue from 9th to 13th streets will complete the phases for Garrison Avenue. This should go to bid soon and we will hopefully begin construction by the end of 2011. In addition to this we have been awarded a grant from the Arkansas Highway Department for enhancement to begin on Towson Avenue at Garrison Avenue to South A street. We are not sure how far the funding will go until the design process has begun.

4. ***Service Objective:*** *Continue to work with elected officials on a local and state level to lobby for votes on the State Tax Credit Bill for CBID's throughout Arkansas. This will continue to be a statewide effort to provide additional financial incentives for redevelopment in the core business districts in Arkansas.*

   Outcome: The CBID Tax Credit Bill passes during the year's general assembly and has been signed by the governor. This bill, once funded, will provide an incentive for new construction projects within the boundary of the CBID.

5. ***Service Objective:*** *Continue the effort to find funding for the construction of shelters to improve the functionality of the municipal parking lot at 2nd street and Garrison Avenue in Downtown to accommodate small events.*

   Outcome: Due to budget constraints, this project has not been funded. This is a continuing effort. Presently we continue to use the parking lot for activities and events including the very successful Downtown Farmers Market.

6. ***Service Objective:*** *Improve the effort for branding the Downtown area as a Live, Work and Play environment. Create additonal marketing tools to promote the urban option with various corporate and business leaders regionally. In partnership with the Advertising and Promotion Commission we will continue to market the Park at West End in all of our promotional pieces.*

   Outcome: We have had tremendous success with our branding efforts this year. Through outdoor advertising, we have added a location exactly 9 miles from the Roland, Oklahoma exit with a back up board asking potentional visitors to continue on for some fun On the Border. We have been told that this effort has changed travelers minds to come in to Downtown instead of continuing on traveling for the night. We have also added efforts in the top heritage tourism magazine in the U.S. Our branding of the Live, Work and Play has been so successful that other economic development players in our region are using it in their marketing efforts. In addition, the web site for Downtown has had a 40% increase in traffic due to linking this site with other sites that are heavily used.

7. ***Service Objective:*** *Financially support through marketing and event infrastructure, economic engines such as the Fort Smith Riverfront Blues Festival, the Cox Community Concert, the Mayor's 4th of July, the Heritage Festival and River Jam Fest while looking to add other activities to the mix. In addition to these large activities, smaller events with the Downtown Business Owners will be included.*

   Outcome: Events in the Downtown are bringing thousands to the district and many of these visitors spend money at the restaurants, shops, museums, etc. We want to continue to support these events as we add new activities to attract larger crowds of people. Looking back at the very successful Blues Festival and the Fourth of July event which gave the Park at West End their largest ticket sales in history on a given day, we look forward to upcoming events. With our help and guidance, we have great volunteers who step up and plan events like the upcoming Festival on the Border which has partnered with the Cox event to bring in two great nights back to back in Downtown at Riverpark. Although other events are planned in association with thje Festival, Downtown Development has played a significant role in planning and implementation.

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.

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 2012 Budget represents the City's share of costs for the year.

The FY12 Budget is $45,330 or 2.3% more than the FY11 Budget for these programs. The increase is due to the FY12 pay increases.

Total Legal Department personnel is 21FTE which is the same as last year.

LEGAL DEPARTMENT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 1,549,981	$ 1,686,290	$ 1,631,125	$ 1,735,620	$ 1,792,900
Operating Expenditures	283,401	309,000	250,735	305,000	335,200
Operating Budget	$ 1,833,382	$ 1,995,290	$ 1,881,860	$ 2,040,620	$ 2,128,100
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 1,833,382	$ 1,995,290	$ 1,881,860	$ 2,040,620	$ 2,128,100
Authorized Positions	21.00	21.00	21.00	21.00	21.00

LEGAL DEPARTMENT 2012 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 and the National Association for Court Management.
2. Increase court revenues by utilizing resources available to the Court to reduce expenditures and through aggressive collection procedures/programs.
3. Review and update the Court's Procedural Manual to implement legislative changes.
4. Increase technology and automation by: implementing the use of a Smart Board in the courtrooms to allow evidence to be seen by all parties involved in the case. This will also enable the Court to access and view the Police Department's mobile video footage which is being used in most arrests. This will also allow all parties involved in the case to see the evidence without having to gather around a small laptop on the Judges bench.
5. Continue to identify further measures to improve court services and performance by establishing data collection methods for reporting the court's administrative functions. These methods will enable the court to determine various clearance rates, such as case processing, resolution of warrants and accounts receivable.

City Prosecutor:

1. Establish a pre-trial system for defendants and defense counsel in District Court.
2. Continue streamlining process of review for cases appealed from District Court to Circuit Court.
3. Continue accessibility to city agencies by being available for consultation and advice.
4. Continue training and legal assistance for law enforcement officers.

DISTRICT COURT
2011 SERVICE OBJECTIVE AND OUTCOMES

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

   Outcome: 9 employees were required to learn a new position.
   73% of the Court's personnel have earned certification through the Arkansas City and District Court Clerks Association. 1 deputy clerk earned certification in 2011.

2. ***Service Objective:*** *Increase revenue.*

   Outcome: District Court began accepting online payments in 2011 as an additional method of payment. The vendor used for this payment option also contacts defendants on payment plans to remind them of their scheduled payments.
   14% of the Court's collections were derived from methods such as the State Tax Intercept Program, commissary account withholdings, credit card payments, bond forfeitures and the use of a collection agency, as compared to the prior year 7%.
   40% of the warrants issued were administratively handled by the District Court Business Office without involving law enforcement or use of the detention center.
   Court collections are not immune to the economic conditions and therefore have declined 11% in comparison to the previous year. The City's share of revenue derived from court collections the previous year exceeds expenditures by $1,346,428. The County's share of revenue exceeds expenditures by $815,295.

3. ***Service Objective:*** *Work toward the completion of Procedural Manual.*

   Outcome: Cash handling procedures were reviewed and updated. Various procedures that were not in a written format were created and completed. Establishing procedures and protocol for an electronic monitoring program is on-going. Revamping procedure for reporting traffic violations to Driver Control to meet statutory requirements enacted during the 2011 legislative session is on-going.

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

   Outcome: Implementation of the Smart Board in the three district courtrooms is ongoing. Assessments by the City's IT department have been made to determine the type of equipment needed to achieve this objective. Funds for the equipment have been removed from previous budgets due to budget constraints, but it is hopeful that this objective can be completed in 2012.

5. ***Service Objective:*** Participate in efforts to reduce jail population.

   Outcome: Various procedures have been used to reduce the number of prisoners and the number of days that a prisoner serves in the detention center, such as reducing jail sentences, court ordered community service in lieu of jail time, electronic monitoring, consideration of signature bonds, meritorious good time jail credit, etc. The Court's community service program provided 97,220 labor hours to the community, which is the equivalent of 47 full time employees and contributed to a reduction of incarceration costs.

CITY PROSECUTOR
2011 SERVICE OBJECTIVE AND OUTCOMES

1. ***Service Objective:*** *Maintain and expand a mandatory pre-trial appearance date for defendants and defense cousel.*

   Outcome: Although this remains a worthy goal, implementation of this program is not feasible at this time.

2. ***Service Objective:*** *Establishing a system whereby cases appealed from District Court can be more readily processed by this office.*

   Outcome: On-going

3. ***Service Objective:*** *To be more accessible to city agencies in the prosecution of Envorinmental Court cases.*

   Outcome: Goal accomplished, but must remain an on-going priority.

4. ***Service Objective:*** Continue to expand teaching and legal assistance to law enforcement.

   Outcome: Goal is on-going and being met.

DISTRICT COURT

Caseload Efficiency: The court strives to provide quality service to the patrons of the court, through prompt resolution of court related matters.

	ACTUAL FY09	ACTUAL FY10	ESTIMATED FY11
Traffic Cases			
Workload	22,505	24,051	20,069
Completed	19,453	21,125	17,930
Completion Rate	88%	87%	89%
Criminal Cases			
Workload	14,116	13,517	13,332
Completed	10,866	11,255	10,986
Completion Rate	76%	83%	82%
Civil Cases			
Workload	2,078	2,056	1,867
Completed	2,158	1,884	1,718
Completion Rate	103%	91%	92%

Fines Assessed/Collected Efficiency: The court, through its aggressive collection procedures, strives to maximize its collections and enforcement of court ordered fines.

Assessed	$5,366,367	$6,057,576	$5,549,585
Collected	$5,197,092	$5,406,835	$5,101,564

Note: Collections include monetary payments as well as jail/community service credits on fines assessed in previous years, therefore, collections can at times appear to exceed assessments.

Both assessents and collections reflect a decrease. The decrease in assessments can be attributed to the number of traffic violations filed. Less assessments also result in less collections. Economic hardships have also influenced collections.

Warrant Efficiency: The court wishes to reduce the number of outstanding warrants by administratively resolving warrants in the District Court Business Office to assist law enforcement and to reduce incarceration costs.

	ACTUAL FY09	ACTUAL FY10	ESTIMATED FY11
Issued by the Court	8,121	8,700	8,473
Served by Law Enforcement	3,774	3,132	2,726
Resolved by Court	3,479	3,582	3,531
% Served by Law Enforcement	46%	36%	32%
% Resolved by the Court	42%	41%	41%
% Outstanding Warrants	12%	23%	27%
Total	100%	100%	100%

INTERNAL AUDIT OVERVIEW:

The purpose of this program, 4405, is to review internal control procedures, assist with the annual external audit examination and provide performance audits of various procedures and departments.

The FY12 Budget is $9,490 or 8.5% more than the FY11 Budget. The increase is related to classifying consultant work with the internal audit plan from Finance to this program.

INTERNAL AUDIT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 100,585	$ 98,900	$ 99,544	$ 101,310	$ 104,650
Operating Expenditures	11,783	13,180	12,570	20,260	20,180
Operating Budget	$ 112,368	$ 112,080	$ 112,114	$ 121,570	$ 124,830
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 112,368	$ 112,080	$ 112,114	$ 121,570	$ 124,830
Authorized Positions	1.00	1.00	1.00	1.00	1.00

INTERNAL AUDIT 2012 SERVICE OBJECTIVES

1. Assist departments with required audit procedures for outside regulating entities.
2. Perform performance audits determined based on risk assessment and audit plan approval.
3. Develop internal procedures citywide to aid in the process of continuous auditing and monitoring.
4. Educate managers and department heads in the benefits of internal controls focusing on reducing the risk of the highest fraud risk areas in the City.
5. Aid departments in establishing key perfornance indicators so that administration and the Board of Directors as well as the public can see the continuous improvement that all city departments strive for.

INTERNAL AUDIT 2011 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: Goal achieved, this is an on-going process.

2. ***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 an on-going process.

3. ***Service Objective:*** *Perform performance audits as considered necessary.*

   Outcome: Many of the performance audits that were planned for 2011 will be added to the 2012 audit plan because of additional work begun in 2011 with the new administrator and board members regarding key performance measures and the water and sewer operations efficiency study, this is an on-going process.

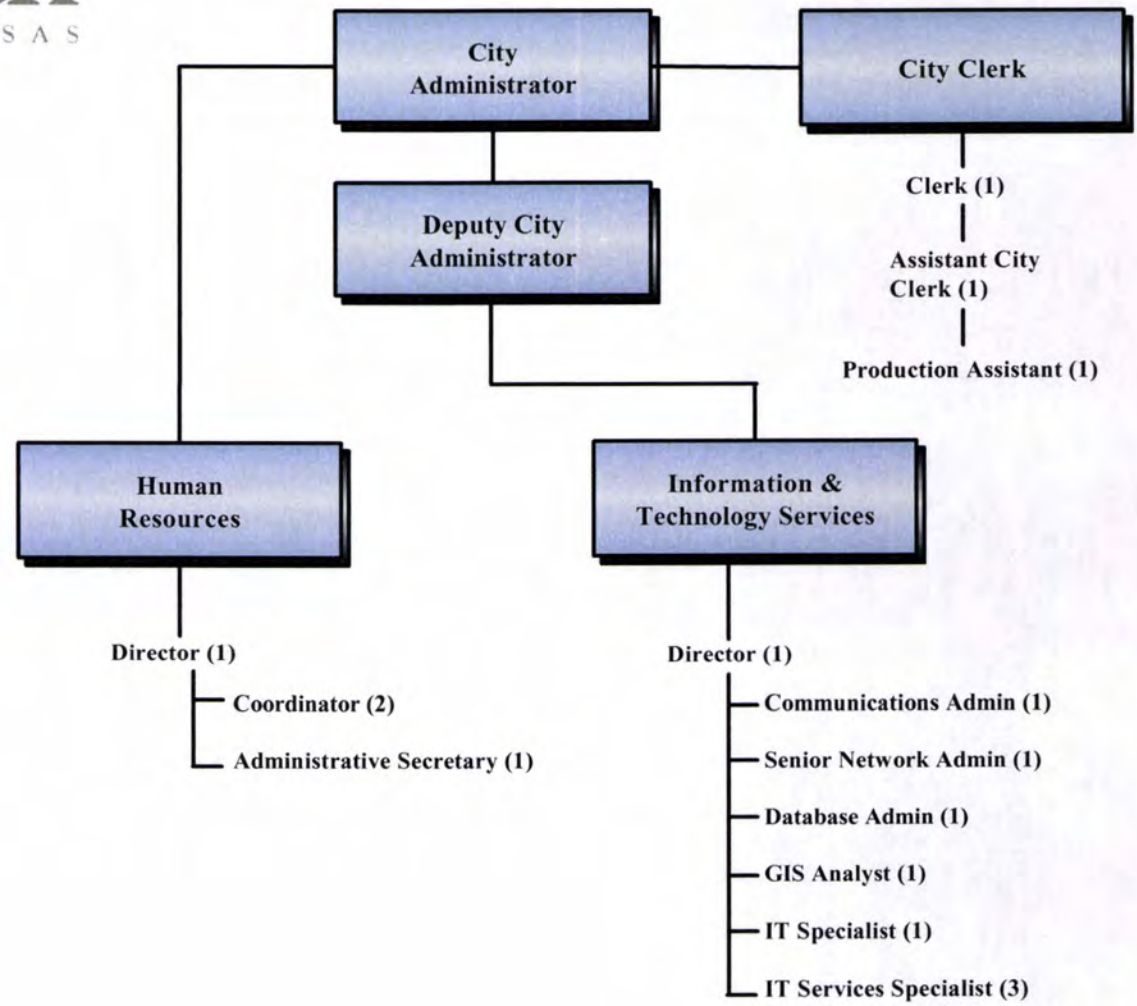
4. ***Service Objective:*** *Develop internal procedures city-wide to aid in the process of continous auditing and monitoring.*

   Outcome: City departments have begun maintaining records indicating homes that are not owner occupied. This recordkeeping enables the city and county to reduce homestead credit fraud. The internal audit department intends to continue to implement continuous monitoring throughout the day.

5. ***Service Objective:*** *Educate managers and department heads in the benefits of internal controls focusing on reducing the risk of highest fraud risk areas in the city.*

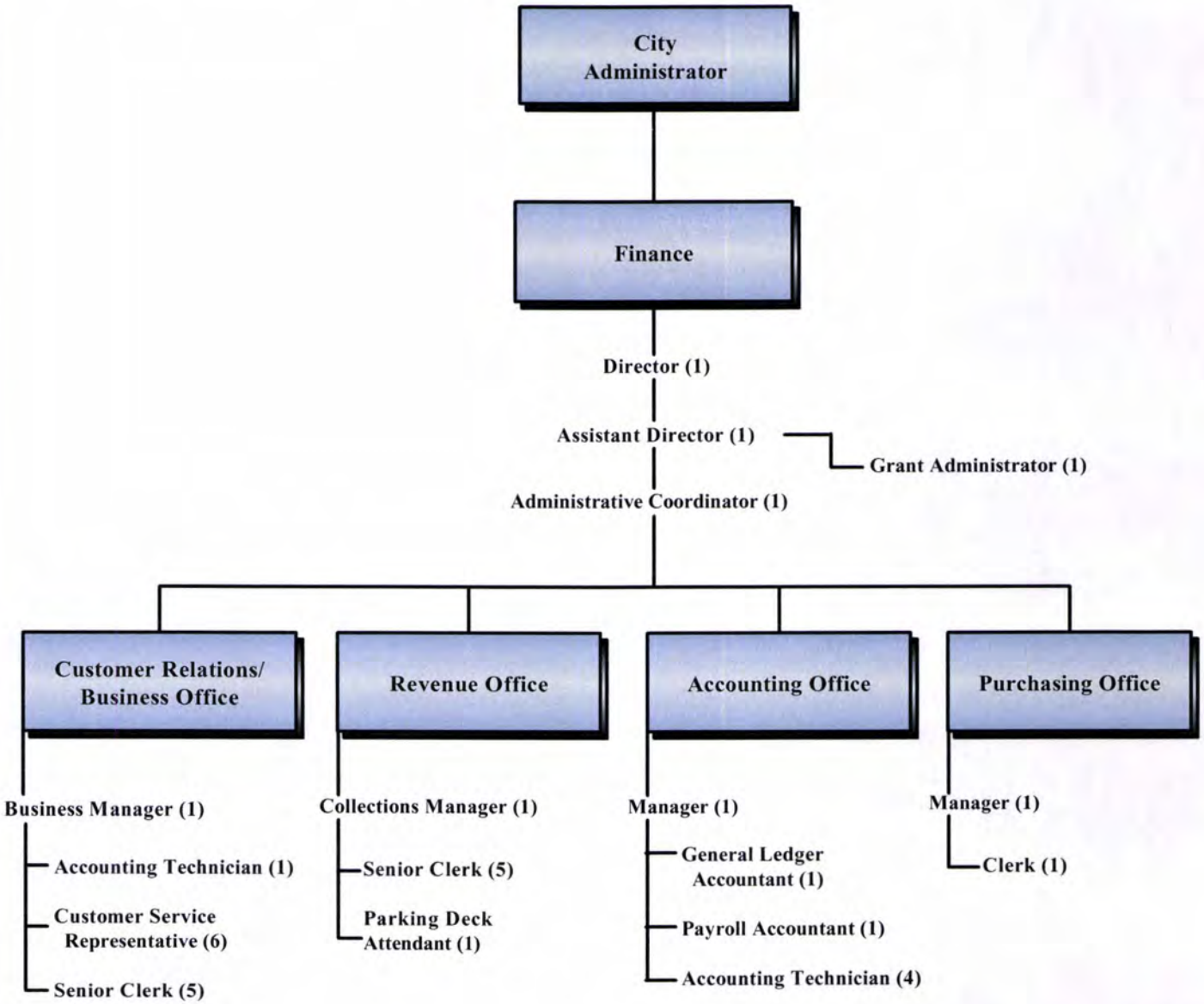
   Outcome: Goal achieved- this is an on-going process. A new cash handling policy and inventory and capital assets policy has been introduced and many of the departments have increased their controls on cash and inventory during 2011.

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, Program 4104, 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 FY12 Budget is $52,070 or 10.3% more than the FY11 Budget. The increase is due to higher unemployment compensation claims that are accounted for in this program for the entire city.

Total Human Resource Department personnel is 4.0FTE. There is no change in the level of positions for 2012.

HUMAN RESOURCES	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 417,971	$ 399,540	$ 444,112	$ 446,210	$ 460,930
Operating Expenditures	97,432	104,700	103,967	110,100	112,600
Operating Budget	$ 515,403	$ 504,240	$ 548,079	$ 556,310	$ 573,530
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 515,403	$ 504,240	$ 548,079	$ 556,310	$ 573,530
Authorized Positions	4.00	4.00	4.00	4.00	4.00

HUMAN RESOURCES DEPARTMENT 2012 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 ITS to set up an intranet for city employees.

HUMAN RESOURCES 2011 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 final review stage.

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 2011 projection for cost, we are on budget.

4. ***Service Objective:*** *Manage a cost-effective workers' compensation program.*

   Outcome: This is an on-going process. Based on our 2011 projection for cost, we are on budget.

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

   Outcome: The review process is being led by Finance.

6. ***Service Objective:*** Work with IT to set up and intranet for the city's employees.

   Outcome: The review process is being led by Finance.

HUMAN RESOURCES
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY10	BUDGET FY11	ESTIMATED FY11	BUDGET FY12
Employees governed by personnel policies and procedures (FTE)	913.78	913.28	913.78	907.03
Civil Service Commission Meetings	6	6	4	2
Civil Service applicant tests administered	6	6	5	4
Employment Applications Received	2,000	2,500	2,500	2,500

CITY CLERK DEPARTMENT OVERVIEW:

The City Clerk, Program 4105, 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 meetings 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 services and community events; and 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 effectiveness of City services.

The FY12 Budget is $9,490 or 2.8% more than the FY11 Budget for this program. The increase is due to the anticipated city elections during FY12.

The department has 3FTE which is the same as FY11.

CITY CLERK	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 228,443	$ 215,490	$ 182,998	$ 191,680	$ 198,010
Operating Expenditures	100,508	126,770	128,836	160,070	84,060
Operating Budget	$ 328,951	$ 342,260	$ 311,834	$ 351,750	$ 282,070
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 328,951	$ 342,260	$ 311,834	$ 351,750	$ 282,070
Authorized Positions	3.00	3.00	3.00	3.00	3.00

CITY CLERK 2012 SERVICE OBJECTIVES

1. Provide educational opportunities to staff to ensure knowledge and skills are increased to benefit both staff and citizens.
2. Provide prompt processing of official documents, legal publications and codification of ordinances.
3. Provide various administrative services to the public, mayor, board of directors, administration, and staff.
4. Provide up to date information on the department web page.
5. Ensure quality programming of the Government Access Channel 6, including live telecasts and rebroadcast of the regular meetings of the Board of Directors.
6. Conduct 2012 municipal elections in compliance with city and state codes.

CITY CLERK
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Process official documents, legal publications, codification of ordinances efficiently and expeditiously.*

   Outcome: As required by law, all resolutions and ordinances are presented to the mayor for signature within the same week they are adopted. If codification is required, ordinances are forwarded for inclusion in the next code supplement.

2. ***Service Objective:*** *Provide quality programming on the City Government Access Channel 6 including televised regular meetings of the Board of Directors, and information/promotional videos about the community/current events.*

   Outcome: An average of 270 announcements aired continually providing information on city services and events, and promoting activities of community organizations. The following videos have aired in 2011 as well:

   The Greater Fort Smith Region (Chamber of Commerce production)
   Fort Smith Promotional (A&P production)
   Live it Up Downtown Fort Smith (Downtown Development production)
   Farmers Market (Downtown Development production)
   Tales of the Crypt-2011 (Parks Department production)

   Regular meetings of the Board of Directors are televised live on the access channel and rebroadcast three (3) times daily, except Tuesday or Wednesdays until the next regular meeting.

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 website.

4. ***Service Objective:*** *Provide training opportunities to staff to continually increase knowledge and skill for benefit of staff and citizen customers.*

   Outcome: Staff participates in certification programs conducted by professional associations and other educational/training opportunities.

5. ***Service Objective:*** *Provide diverse administrative services to support the public, mayor, board of directors and staff.*

   Outcome: Staff is accessible at all times.

6. ***Service Objective:*** Review office operations for implementation of best practices to ensure a productive *work flow.*

   Outcome: Existing practices are continually being reviewed to ensure operational efficiency.

7. ***Service Objective:*** Conduct special election on the question of a prepared food tax.

   Outcome: A special election on the question of a 1% prepared food tax was held in November 2011.

CITY CLERK
2011 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 five (5) 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 7 days	100%
Government Access Channel 6 announcements received/airing	100%
Municipal Code of Ordinances semiannual updates	50%
Document imaging of records (a daily process)	100%
Issuance of Oak Cemetery Deeds (45 at 12/31/11)	100%

CITY CLERK
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY10	BUDGET FY11	BUDGET FY12	BUDGET FY13
Sets of Board Minutes approved as written	25	27	30	30
Code of Ordinances Updates	1	2	2	2
Government Channel Announcements (average per week)	250	275	300	325
Document Imaging (average documents per week)	550	550	600	625

CITY CLERK
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY10	BUDGET FY11	BUDGET FY12	BUDGET FY13
Board Meetings attended (voting sessions)	25	27	28	30
Agendas prepared	50	55	50	50
Ordinances and Resolutions Adopted	295	400	425	450
Minutes Prepared	25	28	30	30
Action Center Contacts	1,900	1,900	1,900	1,900
Coordinate Elections	2	1	2	2
Permanent Records Retention	34,000	35,000	36,000	37,000
Government Channel Ads	300	300	300	300
Staff Hours for Government Channel Productions	2,080	2,080	2,080	2,080
1 Government Channel Total Cablecast Hours	8,760	8,760	8,760	8,760

1- Channel provided free as a part of the franchise agreement with Cox Communications, Inc. The hours indicate 24 hours a day, 365 days a year.

FINANCE DEPARTMENT OVERVIEW:

The Finance Department contains six programs: 4301 Finance Administration, 4303 Collections, 4304 Utility Billing/ Customer Service, 4306 Purchasing, 6912 Parking Deck Personnel, and 6921 Parking Facilities (operations only). The Finance Department provides 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; hospitality tax 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 FY12 Budget is $125,500 or 3% less than FY11 Budget. The decrease is due to a decrease in consulting fees and a reduction in the programming costs with the City's service provider during FY12. The decrease is offset by an increase in capital for structural repairs to the parking deck of $104,870 as well as the pay increases.

Total FY12 Finance Department personnel is 33FTE which is consistent with FY11.

FINANCE	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 2,012,892	$ 2,026,900	$ 2,014,788	$ 2,053,260	$ 2,121,020
Operating Expenditures	1,762,896	2,149,510	1,752,141	1,892,180	2,037,040
Operating Budget	$ 3,775,788	$ 4,176,410	$ 3,766,929	$ 3,945,440	$ 4,158,060
Capital Outlay	11,236	20,800	17,050	126,270	22,470
Budget Appropriation	$ 3,787,024	$ 4,197,210	$ 3,783,979	$ 4,071,710	$ 4,180,530
Authorized Positions	33.00	33.00	33.00	33.00	33.00

FINANCE DEPARTMENT 2012 SERVICE OBJECTIVES

1. Adopt and implement key performance indicators relevant to the department as presented in the chart that follows.
2. Refine the web based system for the general ledger for implementation by the end of 2013.
3. Continue succession planning for financial reporting within the department in lieu of adding a senior management position that was recommended by the Audit Advisory Committee.
4. Initiate and develop financial alternatives and budgets for the fire department capital assets and operations needs; recreational opportunities with Sebastian County; and water and sewer operating and capital asset requirements.
5. Enhance financial systems programs to include more access for outside departments and employees; internet access for customers; and real-time reporting.

Finance Department-Key Performance Indicators

Name	Frequency	Purpose	Measurement
Number of days to close the year/month	Yearly/Monthly	Each month and yearly period requires that the acounting records be closed to complete the cycle of transactions. The duration of the close shows the efficiency of the entire process including the journal entries, reconciliations, and other required steps.	Manual measurement at the beginning of the closing period until the ending of the closing period. Target: for month & quarter end-10th day of the following month; for year-end-by February 5 of the following year.
Bond rating	Yearly	The Bond rating determines the interest rate the City is able to receive on long-term debt issuances. This rating is determined by a series of measurements including financial condition, internal controls, and other similar items. It relates to the financial health of the City.	Report from the appropriate bond rating agency. Target: S&P rating of A for senior bonds.
Average days outstanding - A/P	Yearly/Monthly	The average days outstanding for accounts payable transactions provides a good measurement for the efficiency and effectiveness of the process. If invoices are not smoothly moving from receipt to payment, the average days outstanding will likely increase.	Calculation on the average invoice date versus check date. Target: 30 days or less
Net collection ratio - A/R	Yearly/Monthly	The net collection ratio of accounts receivable measures the percentage average of collections against total accounts receivable. It is a good barometer of the effectiveness of the A/R collection process.	Calculation based on the total received versus outstanding receivables for the period. Target for Water-95% or higher Target-for others-80% or higher
Quick ratio	Monthly	The quick ratio shows the basic liquidity of the City by taking the cash and short-term investments (nearly cash) and dividing it by the current liabilities. This ratio provides a good performance measurement of short-term cash availability for operations.	Calculation on a monthly basis compared to prior month. Target: 85% liquidity.
Efficiency hours recognized	Yearly	Each employee will examine their day to day duties to determine any steps that may be eliminated or could be automated in order to take less time to perform. More efficient equals less expensive in the long-term.	Calculatoin performed on a yearly basis. Target: 5%-7% hours saved per department; $ savings reported.

FINANCE DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Provide for succession planning and continuity in the finance department by reviewing and implementing the audit advisory committee recommendation to add a senior management position.*

   Outcome: Due to budget constraints, an additional position has not been approved. However, the training of the Accounting Manager as an assistant for financial reporting is in progress. The 2011 training and delegation of financial reporting responsibilities included debt management. Capital asset management was transferred during 2009-2010.

2. ***Service Objective:*** *Design a web based system, for the general ledger that integrates all other financial systems with it. Implement the system by September 2013.*

   Outcome: The department began this process in May 2011 with the systems provider. However, work on the design has been delayed by the financial systems review that is currently in progress. The purpose of the review is to determine the feasibility of continuing with the current financial systems provider or choosing another systems provider. The decision was made to remain with the current provider so objective will continue for 2012.

3. ***Service Objective:*** *Coordinate internal control, risk management, and/or antifraud training for the management team as an annual requirement.*

   Outcome: Training modules for the management team have not been scheduled. The plan is to conduct at least one training session before year end.

4. ***Service Objective:*** *Realign duties in the utility billing/customer service program to provide for an additional customer service representative in the field due to recent annexations without adding staff.*

   Outcome: This was accomplished in March 2011 with the elimination of the switchboard position and hiring a customer service representative in its place.

5. ***Service Objective:*** *Provide more budget analysis and trend reporting.*

   Outcome: The department has provided more analyses as requested. Examples include the police and fire benefits comparison; average employee pay; and updated LOPFI funding projections.

6. ***Service Objective:*** *Expand the use of online bid solicitation and cooperative buying programs to achieve measureable savings and true market value.*

   Outcome: This has been successful by a significant increase in cooperative buying that assists in decreasing departmental time to solicit bids. The police, utilities, transit, sanitation, and information and technology services departments have become frequent users.

FINANCE DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY10	BUDGET FY11	ESTIMATED FY11	BUDGET FY12
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	12	12	10	10
Debt Management	$417M	$381M	$273M	$336M
Interim Reports	160	160	160	160
Investments Managed	$177M	$135M	$115M	$191M
Funds Maintained	34	34	34	34
Bank Accounts Managed	10	12	12	11
Revenue/Exp Accounts	5,019	6,000	5,070	5,700
A/P Checks Issued	14,937	13,300	15,032	15,500
1099 Forms Issued	179	300	182	185
Purchase Orders	1,623	1,800	1,800	1,800
Formal Bids Awarded	38	40	42	40
Payroll Checks Issued	1,578	1,628	1,736	1,788
Payroll Direct Deposits	22,767	23,097	22,892	23,123
W-2 Forms Issued	1,024	1,017	1,045	1,066
401(a) Loans Processed	266	183	271	276
Utility Accounts Billed/Month	33,008	33,500	33,500	33,700
Utility Deposits	4,800	4,900	4,900	4,900
Utility Payments	363,000	365,000	365,004	367,000
License Registration	5,407	5,300	5,406	5,640
Alcohol Licenses	231	240	240	250
Value of Fixed Assets	$770M	$780M	$790M	$850M

INFORMATION AND TECHNOLOGY SERVICES (ITS) DEPARTMENT OVERVIEW:

The ITS Department, Program 4401, provides network computer services and support to the City departments. ITS also maintains the City's GIS system.

The FY12 Budget is $11,675 or 0.7% less than the FY11 Budget. The decrease is due to reducing computer equipment replacement as well as reducing other operating accounts in an effort to be fiscally responsible. The decrease is offset by the pay increases for FY12.

The ITS Department continues with 9.0FTE.

INFORMATION & TECHNOLOGY/GIS	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 691,295	$ 699,310	$ 693,608	$ 711,790	$ 735,280
Operating Expenditures	930,112	1,011,655	914,434	987,500	1,101,000
Operating Budget	$ 1,621,407	$ 1,710,965	$ 1,608,042	$ 1,699,290	$ 1,836,280
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 1,621,407	$ 1,710,965	$ 1,608,042	$ 1,699,290	$ 1,836,280
Authorized Positions	9	9	9	9	9

INFORMATION & TECHNOLOGY DEPARTMENT 2012 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. Update the Voice-over-Internet-Protocol (VOIP) Telephone system. In order to ensure efficient use of communication technology, the telephone system is maintained through a series of software and hardware upgrades. The system currently utilizes a series of servers which have been in place for five plus years. As existing equipment reaches end of life for support and sale, it becomes necessary to replace it with products that are supported and readily-available. In the replacement planned for 2012, this system upgrade will provide full redundancy of the communications systems. The new, streamlined system allows for smaller footprint in the data center with less power consumption as well as a decrease in the cooling requirements. In the planned upgrade, the system will be updated with new hardware which is capable of operating up to four physical machines. The upgrade will include two of these servers which will allow up to eight servers to run inside the two machines. This upgrade will allow redundancy of the voicemail system as well as the emergency 911 systems and other sub-systems.
4. In an effort to continue with the City's ITS virtualization strategy, additional data storage is required. Shared data storage technology such as Storage Area Network (SAN) allows multiple systems access the same storage array which allows for a quick failover and added redundancy. ITS plans to purchase an additional SAN solution to complement the existing SAN purchased a few years ago. The existing SAN has reached capacity and additional storage is required to support more virtual servers. The additional SAN will provide service to the various departments and applications ITS supports. This is part of our on-going effort to reduce physical footprint which in turn reduces energy costs and the cost of physical servers.
5. Continue to promote the Request Partner web portal in an effort to advance technology based interaction between citizens and City of Fort Smith offices.
6. Continue to provide GIS support to the Fort Smith Regional Chamber of Commerce. This support will enhance the Chamber's economic goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Economic Development properties GIS.

7. Begin utilizing more cloud-based data for the public-facing GIS portal. This effort will help minimize traffic across the City's infrastructure and serve as a first-step towards future utilization of Software-As-A Service (SaaS) within the GIS Department.
8. Increase the wireless coverage of city buildings. This includes both public and private offerings. This will allow internal users to avoid having to transfer files using standard physical connections. This will allow time savings for users that work in the field and have to dock each day to transfer their work to city servers.
9. Continue with desktop lifecycle management program. The existing life cycle management program has allowed IT to manage aging desktops in the city which are the greatest cause of support issues and user downtime. By continuing to remove dated desktops from city departments which haven't been managed in the past, we are able to give end users stability and uptime while also being able to quickly replace faulty systems due to standardizations. By the end of 2012, all desktop systems will be on this lifecycle management program, inventoried and tracked by the IT department. Systems will be replaced proactively based on their support requirements.

INFORMATION & TECHNOLOGY DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: As in previous years, the backlog of support requests/trouble tickets has consistently been held to less than 10 at any given time. Customer satisfaction is maintained by maintaining communication with City staff to ensure needs/requests for service are being met in a timely manner.

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

   Outcome:
   ITS staff played a key role in assisting Utilities with an effort to migrate an existing desktop, MS Access-driven application used to inventory electronic drawings/designs to a browser-based application which stores the information in the City's enterprise relational database.
   Assisted Economic Development Department with deploying a web-based registration system for the Citizen's Academy.
   Assisted Parks Department with an in-house upgrade/redesign of the Oak Cemetary website. The new application provides the ability to update all information via a browser interface.
   Coordinated placement of video surveillance cameras at the Kelley Highway facility fuel pumps, transit facility and several public park locations.
   Assisted the Department of Sanitation with deploying a voice recording system for enhancing customer service and logistical support.
   Provided labor for several re-cabling projects in several locations including: Kelley Highway Warehouse, Sanitation and the Police Department. ITS has also assisted several departments with implementing/upgrading technology-related software.

3. ***Service Objective:*** *Continue to promote the RequestPartner web portal in an effort to advance technology-based interaction between citizens and City of Fort Smith offices.*

   Outcome: In progress- The ITS director appears regularly on the KWHN morning show and public speaking engagements to promote the use of the RequestPartner application. Articles have been written for various publications which call attention to the Request Partner application.

4. ***Service Objective:*** *Continue to provide GIS support to the Fort Smith Regional Chamber of Commerce. This support will enhance the Chamber's ability to pursue their economic development goals by using GIS and mapping technology. This goal includes the continued maintenance and support of the online Economic Development properties GIS.*

   Outcome: ITS/GIS continues to maintain the Economic Development Properties online GIS database which us updated regularly via partnerships with the Fort Smith Regional Chamber of Commerce and various real estate and development firms.

5. ***Service Objective:*** *Publish and maintain a series of map services to the internet. These map services can be consumed by other City departments and outside organizations wishing to use Fort Smith GIS data. This will enable those participating departments and agencies to always have the most up to date GIS datasets available from the City and help eliminate duplication of effort with regards to data maintenance.*

   Outcome: GIS staff began and continues to publish public-facing GIS map services. These map services are used in the City GIS website as well as for consumption by various government agencies including Sebastian County, the State of Arkansas and Google Maps.

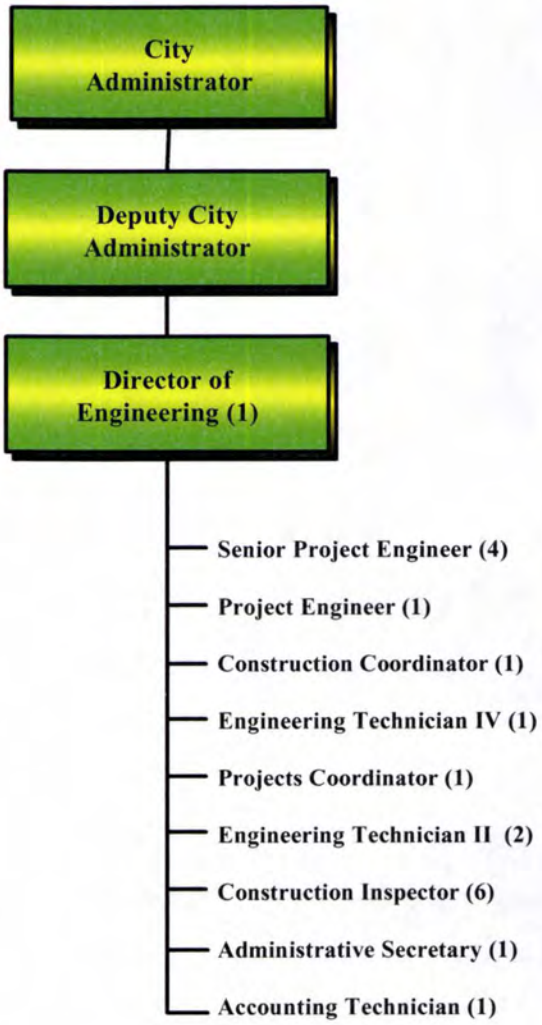
6. ***Service Objective:*** *Increase the wireless coverage of City buildings including both public and private offerings. This will allow users to avoid having to transfer files using standard physical connections, creating a time savings for users that work in the field and have to dock daily to transfer their work to City servers.*

   Outcome: In 2011, ITS staff continued to implement and/or enhance the availability of wireless Internet/network access in various City buildings/properties including the new transit transfer facility, Kelley Highway (Utilities and Streets), Convention Center and several public parks.

7. ***Service Objective:*** *Continue with desktop lifecycle management program. The existing lifecycle management program has allowed IT to manage the aging desktops in the City which are the greatest cause of support issues and user downtime. By continuing to remove dated desktops from City departments, we are able to give end users stability and uptime while also being able to quickly replace faulty systems due to standardizations. By the end of 2011, all desktop systems will be on this lifecycle management program, inventoried and tracked by the IT department. Systems will be replaced proactively based on their support requirements.*

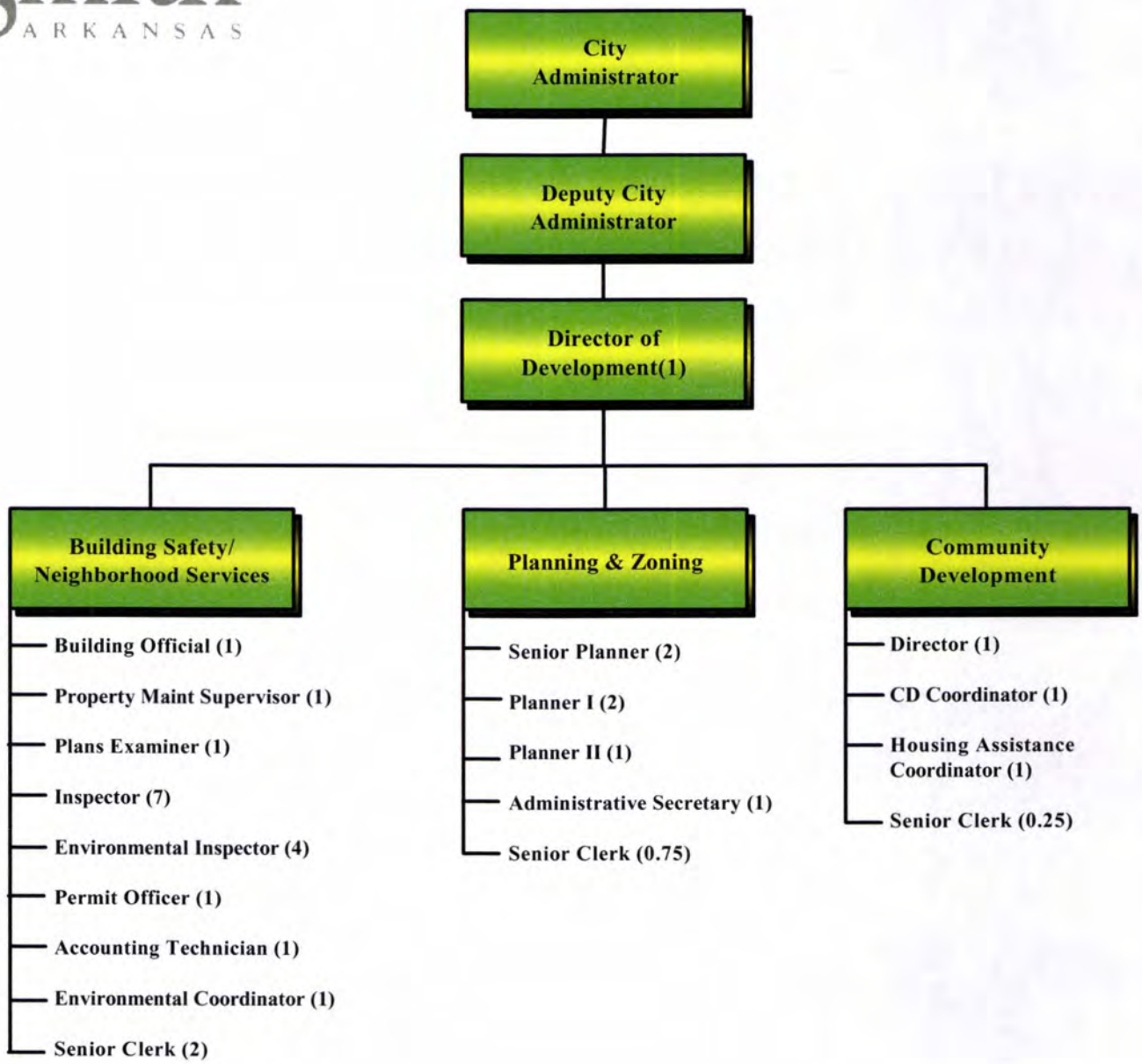
   Outcome: The ongoing effort to replace aging/outdated PC's and related equipment continues throughout 2011. The four-year replacement cycle for desktop PCs has enabled the City to provide to users current technology as well as ensure both the efficiency and timeliness of support/repairs.

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, Program 4103, 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 FY12 Budget is $27,690 or 1.9% more than the FY11 Budget authorization. The increase is due to the pay increases for FY12.

The Engineering Department has 19.0FTE positions for FY12 which is the same level as FY11.

ENGINEERING	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 1,358,034	$ 1,370,930	$ 1,365,337	$ 1,394,020	$ 1,440,020
Operating Expenditures	56,439	79,500	60,560	77,700	81,500
Operating Budget	$ 1,414,473	$ 1,450,430	$ 1,425,897	$ 1,471,720	$ 1,521,520
Capital Outlay	0	15,000	14,205	21,400	0
Budget Appropriation	$ 1,414,473	$ 1,465,430	$ 1,440,102	$ 1,493,120	$ 1,521,520
Authorized Positions	19.00	19.00	19.00	19.00	19.00

ENGINEERING DEPARTMENT 2012 SERVICE OBJECTIVES

1. Support the livability of neighborhoods by constructing street overlays/reconstruction projects, sidewalk projects and by alleviating drainage problems, all as identified in the 2012 Capital Improvement Program.
2. Encourage economic development and enhance traffic flow by contracting and completing the Jenny Lind thoroughfare project between Zero Street and Cavanaugh Road in 2012-2013.
3. Manage construction contracts to maintain change orders to within 10% of the original contract amount.
4. Implement special projects which evolve during the year.

ENGINEERING DEPARTMENT 2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Support the livability of neighborhoods by constructing street overlays/ reconstruction projects, sidewalk and by alleviating drainage problems as identified in the 2011 Capital Improvement Program.*

   Outcome: The 2011 projects include four overlay/reconstruction projects, three drainage projects, one traffic signal project, one traffic signal coordination timing project and one sidewalk project. Construction contracts for the four resurfacing projects and the sidewalk project have been awarded. The remaining projects are under design with construction scheduled to begin later this year.

2. ***Service Objective:*** *Encourage economic development and enhance traffic flow by contracting and completing thoroughfare projects as follows: Chad Colley Boulevard Extension in 2010-2011. Jenny Lind Road (Zero to Cavanaugh) in 2010-2012.*

   Outcome: The construction contract for the Chad Colley Boulevard Extension project is approximately 90% complete. Completion of the project is scheduled for September 2011. On the Jenny Lind Road project, the City received authorization in June from the Arkansas Highway and Transportation Department to begin the appraisals for the right of way acquistion process. The construction plans are approximately 90% complete and pending completion of the appraisal and right of way acquisition process, the anticipated start of construction for this section of Jenny Lind Road is early summer 2012.

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

   Outcome: Several projects have been added which include; inspection and evaluation of the numerous flooded areas as a result of the heavy spring rains including execution of several ongoing preliminary engineering contracts to determine possible projects and associated costs for the 2012 Capital Improvement Program; updating and adoption of the amendments to the City's Fill and Grading ordinance to be in compliance with Arkansas Department of Environmental Quality requirements; updating of the City's storm drainage standards and adoption in fall 2011.

2011 PERFORMANCE MEASURES

	Thru 10/25/11
Building Permit Site Plan Reviews	116
Subdivision Plat Reviews	120
Construction Plan Reviews	45
Miscellaneous Reviews (Rezoning, conditional use, street/alley closures)	112
Floodplain Development Permits Issued	6
Grading Permits	2
Lane Miles of Street Resurfaced	22.7
Miles of Sidewalk Built/Reconstructed	2.2

2011 OUTCOME MEASURES

Percent of Time Staff Provided Review Comments Within Allotted Time Frame	97%

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 income households and other programs to help provide affordable housing. The program also seeks and administers grants for economic development, 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 30.50FTE positions for FY12 that reflects the reduciton of a position in CDBG by 1FTE due to the decrease in funding from HUD.

The FY12 Budget is $57,547 or 2.4% more than the FY11 Budget. The increase is due to the pay increases for FY12 as well as including $38,000 for an update to the city's comprehensive plan. The increase is offset by deletion of the 1FTYE for FY12.

DEVELOPMENT DEPARTMENT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 1,914,675	$ 1,890,204	$ 1,890,204	$ 1,921,290	$ 2,050,550
Operating Expenditures	415,713	491,779	419,558	518,240	505,790
Operating Budget	$ 2,330,388	$ 2,381,983	$ 2,309,762	$ 2,439,530	$ 2,556,340
Capital Outlay	9,814	0	0	0	25,410
Budget Appropriation	$ 2,340,202	$ 2,381,983	$ 2,309,762	$ 2,439,530	$ 2,581,750
Authorized Positions	31.00	31.00	31.00	30.00	30.00

DEVELOPMENT DEPARTMENT 2012 SERVICE OBJECTIVES

1. Improve the quality of life and place by developing neighborhood friendly programs and ordinances. Continue to expand the Good Neighbors Program by partnering with World Changers. We will also continue implementation and citizen awareness of the neighborhood related codes and ordinances.
2. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs. The staff will continue to implement the described objectives contained within the Five Year Consolidated Program which will be more challenging given the funding cuts to the Program Year 2011 programs and the anticipated further reductions in FY2012 funding.
3. Review the 2002 Fort Smith Comprehensive Plan. Provide applicable updated and suggest appropriate and timely revisions. Continue implementation of the goals identified for the development services department.
4. Continue implementation of green practices around the office and continue to research green development and building ordinances. Discuss with the development and construction community about possible implementation of green standards and codes.
5. Continue to work with the Old Fort Homeless Coalition to implement the recommendations of the Homelessness Task Force and the Board of Directors.
6. Continue to review, revise and edit portions of the development codes and maps such as the Unified Development ordinance, zoning map, coordinate planning area, ETJ and other development maps, codes, and standards.

DEVELOPMENT DEPARTMENT 2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Improve the quality of life and place by developing neighborhood friendly programs and ordinances. Initiate corrective rezonings to protect existing neighborhoods by working with neighborhood associations and the Fort Smith Neighborhood Coalition. Continue to expand the Good Neighbors Program by soliciting partnerships with neighborhood associations, churches, civic groups and local businesses. Continue the implementation and citizen awareness of the neighborhood related codes and ordinances.*

   Outcome: We continued the implementation of neighborhood friendly ordinances such as the Property Maintenance Code and the parking ordinances. Also, we implemented a new ordinance regarding fencing material standards on residential property. Staff worked conscientiously with citizens to identify issues and solve problems. We also utilized events such as the Greater Fort Smith Home Show to talk with citizens. We organized the annual Good Neighbor's event. Again in 2011, we collaborated with the World Changers Organization and hosted a Good Neighbor's week. With World Changer's providing the labor force of 150 volunteers from across the nation, we were able to successfully assist sixteen (16) homeowners. The projects varied from siding work, painting, roofing, and general repair.

2. ***Service Objective:*** *The CDBG program will implement a new 5 year Consolidated Plan for Program Years 2011-2015. (The Plan is expected to be presented to the Board of Directors in late 2010).*

   Outcome: The 5 Year Consolidated Plan for Program Years 2011-2015 was approved by the Board of Directors by Resolution R-201-10 on November 16, 2010. Implementation of projects and activities recommended by CDAC and subsequently approved by the Board of Directors by Resolution R-57-11 for Program Year 2011 are scheduled to start on July 1, 2011 or when the U.S. Department of Housing and Urban Development has transmitted the grant agreement to the Mayor for execution. The CDBG program was awarded $750,901 and the HOME program award was $460,038 which represents substantial cuts to both programs. A detailed report which contains performance measures, objectives and outcomes is available online and titled as the Consolidated Annual Performance Evaulation Report (CAPER). Additionally, an "Analysis of Impediments to Fair Housing" was completed during 2010 and the recommended actions will be implemented by staff over a five year period.

3. ***Service Objective:*** *Continue to incorporate and implement as many improvements in technology within all divisions. Develop better ways to serve citizens through the internet to make the development services department more accessible.*

   Outcome: We strive to make the development services department as accessible as possible. All of the inspectors are equipped with laptops and cellular phones to make them efficients and available throughout the day. Also, we utilize online permitting software to make requesting and receiving building permits very easy.

4. ***Service Objective:*** *Strengthen customer service and communication with citizens by collaborating with stakeholders and neighborhoods on development and neighborghood issues. Continue the outreach and implementation of newly adopted programs.*

   Outcome: Within the development services division communication is essential. Staff is always available to make presentations, attend neighborhood meetings, or answer customer questions. We have made several presentations this year to various groups including the Citizens Alumni Association and the Fort Smith Neighborhood Coalition. To further the message of newly adopted programs, staff works at the Greater Fort Smith Home Show.

5. ***Service Objective:*** *Continue to review, edit and revise portions of the development codes and maps such as the zoning map, the Unified Ddevelopment Ordinance, coordinate planning area, ETJ and other development maps and begin a review of the sign ordinance.*

   Outcome: We continue to work on the Unified Development Ordinance. Several amendments to the code have been adopted. These amendments were a collaboration of city staff and stakeholders within the community and they provide for more interpretive understanding.

6. ***Service Objective:*** Continue to research green building and development ordinances. Implement green practices around the office. Discuss with the development and construction community about possible implementation of green codes and standards.

   Outcome: Staff continues to enter and keep information available electronically versus printing. The Planning Division places Planning Commission packets online in order to move toward paperless packets. We also have the development applications online in a format that is easily filled out and submitted.

7. ***Service Objective:*** Continue to work with the Old Fort Homeless Coalition to implement the recommendations of the Homelessness Task Force and the Board of Directors.

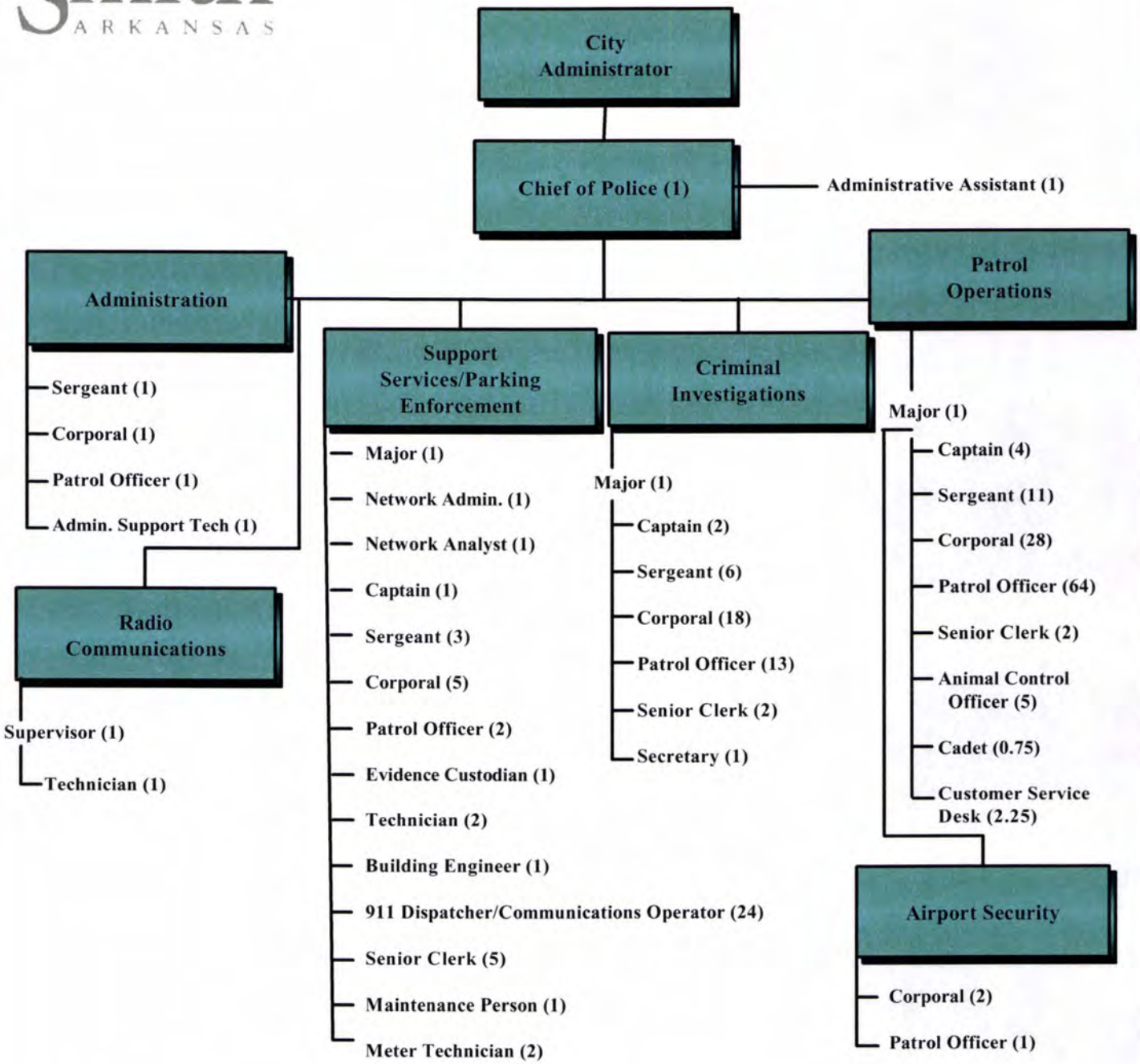
   Outcome: Planning staff participates in regular meetings with the Homeless Campus Development Study Ad Hoc Committee. The committee was organized by the Fort Smith Housing Authority to create a master plan for a homeless campus in an area south of Garrison Avenue as recommended by the Board of Directors with Resolution R-91-10. The committee is comprised of representatives from the planning department, Old Fort Homeless Coalition, homelessness task force committee, Salvation Army, Next Step Day Room, Inc., Fort Smith Housing Authority and the United Way. The committee performed the following tasks: 1-obtained signed resolutions from three homeless service providers; 2-identifed space and square footage needs for potential service providers within a future campus; 3-explored possible funding sources for a campus; 4-toured potential sites in an area south of Garrison Avenue for a homelessness campus; and 5- met with officials with Haven For Hope in San Antonio, Texas and toured the campus.

DEVELOPMENT DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY10	BUDGET FY11	ESTIMATED FY11	BUDGET FY12
Master Land Use Plan Amendments	3	15	15	15
Rezoning Cases	26	35	30	35
Home Occupation Applications	13	45	30	45
Conditional Use Applications	26	45	40	45
Zoning Ordinance Variances	35	50	50	55
Subdivision Variances	2	4	4	4
Minor Plats Filed	43	40	40	40
Major Plats Filed	6	5	5	5
Minor Subdivision Plats Reviewed	46	45	45	45
Street/Alley/Easement Closings	3	3	3	3
Business Registration Applications	723	1,000	1,000	1,000
Temporary Revocable License	7	7	7	7
Residential Accessory Use Applications	95	140	140	140
Sign Permits Reviewed	100	250	250	250
Zoning/Subdivision Ordinance Amendment	2	10	8	10
Planning Commission, Board of Director, and Special Meetings	61	80	80	80
Planning Commission Agendas Prepared	13	12	12	12
Public Hearings/Meetings	12	25	15	15
CDBG & HOME Applications	22	20	20	20
Fair Housing Activities	0	1	1	1
Sub-Recipient Monitoring	13	12	12	12
Contract Administration	46	65	65	50
Housing Rehab Projects	8	4	4	8
Rehab Full/Emergency Apps	54	80	85	80
Emergency Housing Rehab	38	60	55	60
Home Projects	14	12	10	10
Agency Rehab Projects	1	1	1	1
Public Service Projects	10	10	10	10
Homeless Projects	1	1	1	2
Neighborhood Development Projects	4	4	4	4
Good Neighbors Day Projects	13	15	15	15
Historic District Meetings	16	24	24	24
Certificates of Appropriateness	27	30	30	30
Substandard Building Complaints Worked	50	55	55	55
Substandard Buildings Demolished by City	7	10	10	10
Substandard Buildings Demolished or Repaired by Property Owners	16	25	25	25
Environmental Complaints Received	7,792	8,500	8,500	8500
Warnings Issued	7,212	7,500	7,500	7500
Properties Cleared by Contractor	943	750	750	750
Commercial, Industrial, Multifamily Plans Submitted and Reviewed for Permits	230	350	350	350
Residential Plans Submitted and Reviewed for Permits	408	450	450	450
Inspections Requested and Conducted	12,674	14,500	14,500	14,500
Total Building Permits	2,570	2,700	2,700	2,700

Significant Permit Categories				
New Single Family	237	220	220	220
New Multifamily	42	45	45	45
New Commercial & Industrial	41	55	55	55
Residential Additions/Alterations	1,463	1,400	1,400	1,400
Commercial/Industrial Additions & Alterations	330	360	360	360
Properties Cleared by Property Owner	6,269	6,000	6,000	6,000
Property Housing Cases (Active)	229	350	350	350
Property Housing Inspections	3,452	3,500	3,500	3,500
Housing Court Cases (Active)	76	50	50	50
Overcrowding Complaints	5	20	20	20
Commercial Vehicle Complaints	65	55	55	55
Recreation & Utility Vehicle Complaints	150	150	150	150
General Residential Parking Complaints	192	250	250	250

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 FY12 Budget is $842,454 or 5% less than the FY11 Budget. The decrease is due to the 7.75FTE reduction in personnel that includes 4 patrol officer positions, 3 part-time call taker positions and a .75FTE cadet. The decrease is also due to the continued decrease in employee health plan contributions and reducing a significant amount of estimated retirement benefit pay outs during 2012. If these retirements do occur, it is estimated that vacancies in positions will provide the necessary funds. Also, even though the City will continue to lower the threshhold for overtime pay to sworn personnel, the overall budget for overtime is only slightly above the prior year. Almost all capital requests were deleted from the FY12 Budget.

The Police Department has 222FTE positions for FY12 that reflects the elimination of 7.75FTE from 2011.

POLICE DEPARTMENT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 11,794,917	$ 12,898,300	$ 11,659,306	$ 12,147,740	$ 12,637,360
Operating Expenditures	3,309,310	3,769,154	3,559,491	3,747,560	4,458,430
Operating Budget	$ 15,104,227	$ 16,667,454	$ 15,218,797	$ 15,895,300	$ 17,095,790
Capital Outlay	259,125	97,100	146,960	25,000	412,500
Budget Appropriation	$ 15,363,352	$ 16,764,554	$ 15,365,757	$ 15,920,300	$ 17,508,290
Authorized Positions	226.75	229.75	229.75	222.00	222.00

POLICE DEPARTMENT 2012 SERVICE OBJECTIVES

ADMINISTRATION DIVISION

By October 1, 2012, the department will develop and implement performance measures that help quantify and and qualify nine dimensions of contemporary policing, including external performance measures such as delivering quality service; reducing fear; increasing safety and enhancing order; increasing legitimacy and customer satisfaction; reducing crime and victimization; and increasing effectiveness in response to crime through solving cases and promoting disorder-free neighborhoods. Internal performance measures include: maintaining high ethical standards and values; improving organizational environment and employee morale; implementing and reinforcing policies and training that prepare employees to handle routine and non-routine situations; striving for efficiencies in conducting all police activities; supplementing the budget with external funding sources; ensuring fair and impartial use of police authority in compliance with the law in a fair and impartial manner and with minimum amounts of force; and tracking average sick days per employee and days off due to injury.

SUPPORT SERVICES

EOC Project:

The network team will continue to support the development of a Disaster Recovery site at the Emergency Operations Center/Training Facility in conjunction with Sebastian County. Prioritized objectives for the EOC/Training Center Facility include:

1. Design and implement network and wireless infrastructure that will support installation of City VOIP phones and data services back to the police department headquarters. Complete by the end of the second quarter.
2. Design a disk-to-disk (D2D) backup solution. Critical data and servers will be replicated to the EOC as part of the FSPD Business Continuity/Disaster Recovery Plan. Project will drastically reduce the current backup window and time to recover from a system failure. Complete by the end of the third quarter.
3. Design an EOC VM server infrastructure. This project will be partially completed in the D2D backup project. This project will require time in 2012 and through additional budget cycles to complete and will require the purchase of additional equipment as funds are available.

Virtual Desktop Integration Project:

The network team will expand the trial version of the Desktop VM technology that was installed on a trial basis during 2011. This system, which will centralize computer operations and reduce the future cost of replacement desktop computers, is expected to be completed by the end of the fourth quarter. Installation of this system will require the purchase of software licensing and additional hardware. The objective of this project is evaluating VDI as a possible solution to reduce current Citrix environment, thus eliminating Citrix license and maintenance cost.

CRIMINAL INVESTIGATIONS

Due to a reduction in personnel, the division was temporarily without a certified computer forensics examiner. Of the three member computer forensics team, one member recently received his certification. In order to maintain and continue to develop this important service to the community, the division plans to have the remaining two members of our Cyber Crimes Unit be certified computer forensics examiners during 2012.

PATROL DIVISION

Call-Load Differential:

By the end of the second quarter, the division will develop a "low priority" call list and will implement differential response to reduce patrol call loads and fuel consumption, incfease investigative traffic stops, improve problem solving skills and concentrate on goal outcomes while monitoring call loads, fuel usage and costs.

B.E.A.T. Plan:

By the end of the third quarter the division will develop new patrol procedures that concentrate on community problem solving methods and strategies that eliminate crime through criminal interdiction patrol, intelligence led policing and tactical patrol operations.

Beat Health:

By the end of the third quarter the division will develop a Beat Health Program to identify priorities that foster criminal activity, and enlist property owner cooperation with police and other city departments to eliminate underlying causes, reduce crime, reduce call load and improve quality of life.

POLICE DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

Administration Division

Service Objective: *The department will optimize budget expenditures through the use of external funding sources and incorporate enhanced monitoring of relevant data to leverage maximum use of available resources.*

Outcome: The department was notified that a prior application for grant funding for two new officers through the Community Oriented Policing Services (COPS) office was approved. The officers will be assigned to work on community problem-solving issues in the city neighborhoods. Two officers were hired in May to facilitate the selection of two experienced officers who will be assigned to carry out problem-solving duties. Currently, the department has utilized asset forfeiture funds to purchase equipment and vehicles in addition to authorized budget expenditures that have enhanced the departments ability to deliver services to citizens. For example, the department has increased the number of canines in the canine unit from one to four, the most recent canine was purchased using forfeiture money.

Service Objective: *The Department will contribute to the City's GO GREEN program to assist in achieving cost and energy savings for department facilities.*

Outcome: The department continues to take steps to reduce the amount of resources it takes to operate the police facility. Recently, occupancy sensors (automatic light switches) were installed in patrol briefing, report, gym, and break room areas in police headquarters to conserve energy. The department recently received approval to purchase six Segway personal transportation devices for use in special events, downtown patrols, and other areas within the city. These devices operate on batteries and have an extensive life cycle and range, which will reduce fuel consumption and operation of patrol vehicles.

Service Objective: *The department will continue to provide cost effective services to citizens that are efficient and enhance communication between our citizens and the department.*

Outcome: Department staff continues its outreach to citizens through neighborhood problem-solving meetings, timley media releases on criminal investigations and departmental activities and other communication efforts.

Support Services

Service Objective: *The Services Division will work toward obtaining and implementing a new Computer Aided Dispatching/Records Management System (CAD/RMS) to be utilized throughout the department.*

Outcome: An advisory committee evaluated several products from various vendors resulting in a list of five preferred vendors. Due to budget constraints, funding for the continuation of this project was not possible at this time. However, this continues to be a goal for the division once a funding source has been identified and becomes available.

Service Objective: The communications center will work toward achieving fully authorized staffing levels by the end of 2012.

Outcome: In spite of hiring several telepcommunicators, the Comunications Center is still understaffed due to attrition. Availability of qualified staff within the Center restricts the number of new personnel that can be hired at any given time.

Service Objective: If it is not included with the CAD/RMS system, the Communications Center will also work toward obtaining and implementing an Automated Vehicle Locator (AVL) system.

Outcome: As funding is not available for a new CAD/RMS system, we are begnning to look at AVL systems that will not only be compatible with our existing system, but are also capable of being compatible with the top choices for future replacement CAD/RMS system

Service Objective: The Network team will continue to implement the server virtualization program initiated in FY2010, with a goal of reaching 60% completion during FY2011.

Outcome: Virtualization of servers is continuing on schedule, with year-end expectations of exceeding this goal.

Criminal Investigations Division

Service Objective: *To increase customer service, we will make investigators more accessible via the departments website. Citizens and victims will be able to contact the assigned investigator directly by email, enabling information sharing, tips on suspects or suspected criminal activity, and other information pertinent to the investigation. We will also establish and maintain a presence on selected public media, highlighting wanted persons, soliciting information on cold cases and other important information.*

Outcome: Contacts have been created on the department website via the Criminal Investigations Division page, including the email address of our criminal investigators. Additionally, email links have been created to link the division with Narcotics and Street Crimes. This is an additional tool for citizens to send tips and other information. A Facebook page has also been created enabling us to solicit leads on suspects and suspected criminal activity as well as publishing a variety of information about the police department, such as application procedures and upcoming police probation testing.

Patrol Division

Service Objective: *The division will initiate the Patrol Training Office (PTO) program. This probationary officer training program was developed by the Community Oriented Police Institute and provides quality training and instruction on all formal police disciplines, as well as crime prevention, community policing methods and a diverse range of problem solving techniques.*

Outcome: During the first quarter of 2011 division supervisors met with Community Oriented Police Institute personnel to coordinate and facilitate PTO training for the department and interested surrounding agencies. FSPD patrol officers were interviewed and' selected for the position of Patrol Training Officers and COPI personnel administered the necessary training. During the second quarter, FSPD Patrol Training Officers met weekly and worked independantly to establish the departments Patrol Training Officers manual and make it appropriate FSPD policy and procedure adjustments to accommodate this new field training method. By the end of the seond quarter and into the third quarter, FSPD PTO's had completed the training manual and began utilizing the practices established by the Community Oriented Police Institute, and those methods unique to the FSPD. Follow-up training for program completion with the Community Oriented Police Institute is scheduled for the beginning of the fourth quarter of 2011.

Service Objective: *The division will be training officers how to teach third party citizens (usually owners and managers) in control of property where criminal and disorderly behavior has been identified through the crime analysis problem solving tools they can implement themselves creating an innovative component of public duty. This is called "Third Party Policing".*

Outcome: Due to low staff levels, the Third Party Policing goal was postponed until the 2012 budget cycle. Referred to as "Beat Health" in the Patrol Divisions goals and objectives, this practice will be assigned to two officers in the Bike Unit. Training is anticipated to begin in the first quarter of 2012.

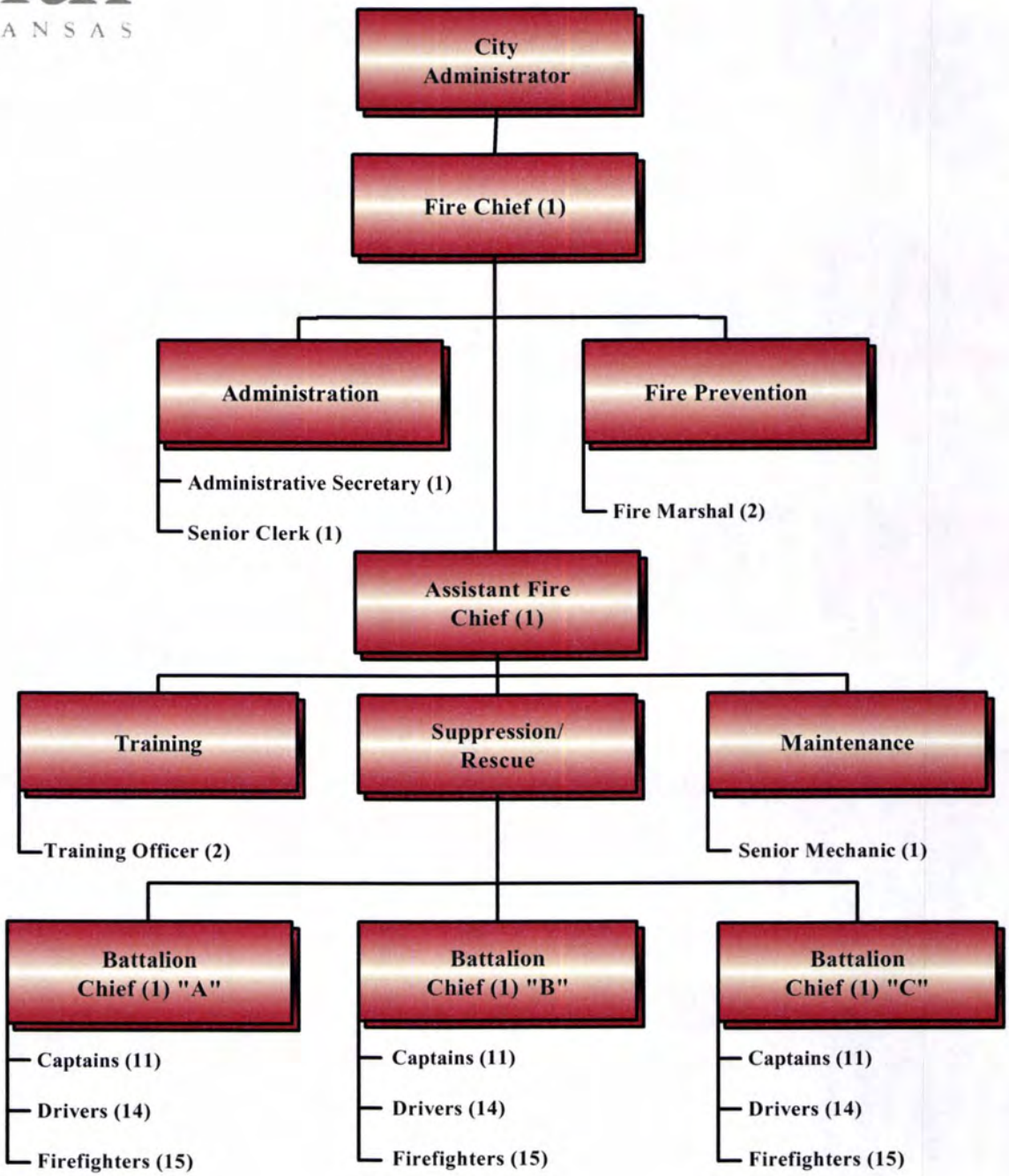
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY08	ACTUAL FY09	ACTUAL FY10	ACTUAL FY11
Community Relations-				
PCR Programs Performed	296	237	222	81
PCR Program Attendance	18,443	14,550	9,674	4,687
Crime Stopper Calls	326	343	307	340
Training-				
In Service/Officers	1,244	1,208	2,010	2,458
In Service/Hours	8,435	14,562	12,935	18,270
Schools and Seminars/Officers	167	118	127	188
Schools and Seminars/Hours	6,222	5,038	2,292	3,013

WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	ACTUAL FY09	ACTUAL FY10	ACTUAL FY11
Murder-Manslaughter-				
Reported	5	7	6	6
Cleared	5	5	6	6
Rape-				
Reported	76	133	141	69
Cleared	67	117	115	55
Robbery-				
Reported	142	144	126	61
Cleared	141	101	96	47
Battery-				
Reported	2,776	2,514	2,535	1,392
Cleared	2,122	1,878	2,113	1,100
Burglary-				
Reported	1,051	1,129	1,083	1,140
Cleared	329	183	226	203
Larceny-				
Reported	4,219	3,977	3,618	3,532
Cleared	1,298	986	1,113	1,057
Vehicle Theft-				
Reported	331	209	223	192
Cleared	317	111	180	136
Arrests-				
Adults	9,713	9,010	8,998	7,903
Juvenile	1,121	766	1,075	917
Calls for Assistance-				
Total Calls	78,034	92,426	75,747	73,999
Burglar Alarms	5,244	6,123	5,951	3,401
Actual Alarm Responses	3,734	3,963	3,359	541
Animal Control-				
Complaints Received	9,308	9,083	8,499	9,769
Animals Captured	3,301	3,072	3,180	3,123
Animal Bites Investigated	74	102	87	81
Parking Meter Collections	$ 78,813	$ 83,060	$ 84,768	$ 82,696
Overtime Parking Tickets Issued	3,887	5,702	7,622	5,984
Overtime Ticket Collections	$ 20,035	$ 30,091	$ 42,209	$ 34,990

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, suppression 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 FY12 Budget is $132,270 or 1.3% more than FY11 Budget. The increase is attributable to the planned pay increases for FY12.

The major priority for the Department is to begin construction of a new fire station in the Chaffee Crossing area and staff it accordingly to meet the requirements of National Fire Protection Association's (NFPA) 1710 requirements.

The total personnel of the Fire Department is 132FTE for FY12 that is the same as FY11.

FIRE DEPARTMENT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 8,676,646	$ 9,008,860	$ 8,799,753	$ 9,212,690	$ 9,666,720
Operating Expenditures	749,763	1,070,500	836,528	972,040	1,118,680
Operating Budget	$ 9,426,409	$ 10,079,360	$ 9,636,281	$ 10,184,730	$ 10,785,400
Capital Outlay	114,545	0	24,506	26,900	287,000
Budget Appropriation	$ 9,540,954	$ 10,079,360	$ 9,660,787	$ 10,211,630	$ 11,072,400
Authorized Positions	132.00	132.00	132.00	132.00	132.00

FIRE DEPARTMENT 2012 SERVICE OBJECTIVES

Administration

1. Improve public and firefighter safety and assist in holding down consumer's property insurance costs by beginning construction of a new fire station at Chaffee Crossing.
2. Develop a comprehensive set of Standard Operating Guidelines (SOGs) that will enhance public and firefighter safety, promote increased operating efficiency, and define accountability within the fire department.
3. Improving our Insurance Service Office's (ISO) Fire Public Protection Classification score by implementing the Fire Department Improvement Plan released in June, 2011.
4. Develop and implement emergency response protocols to align with the standards of the National Fire Protection Association (NFPA) and ISO.
5. Continue to build funding and begin the planning for a NFPA compliant training facility with a burn building.

FIRE DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

Administration:

1. ***Service Objective:*** *Improve public safety by reducing times in Chaffee Crossing/Riley Farm area with the construction of a new fire station at Chaffee Crossing.*

   Outcome: Due to budget constraints, this project has been delayed. We are in the process of hiring an architect to do a needs assessment, conceptual drawing, and a master site plan for the Chaffee Crossing Fire Station.

2. ***Service Objective:*** *Develop a comprehensive set of Standard Operating Guidelines (SOG's) that will enhance public and firefighter safety, promote increased operating efficiency, and define accountability within the fire department.*

   Outcome: We are in the process of selecting an intern from Arkansas Tech University to help write a new Standard Operating Guideline.

3. ***Service Objective:*** *Maintain and/or obtain the best Insurance Service Office's (ISO) Fire Public Protection Classification possible for the City.*

   Outcome: The department was successful in maintaining our ISO Class 2 rating for another three (3) years. The department has reviewed the ISO report and recommended improvements before the next review in 2013.

4. ***Service Objective:*** *Develop and implement emergency response protocols to align with the standards of the National Fire Protection Association (NFPA) and ISO.*

   Outcome: Emergency response protocols were developed and implemented as recommended by NFPA and ISO. We do not meet the required response times in the Chaffee Crossing or other areas of south Fort Smith. To fully meet the recommended response times, the new station will need to be constructed and staffed at Chaffee Crossing.

   Service Objective: Seek funding and begin the planning for a NFPA compliant training facility with a burn building.

   Outcome: The department has developed a plan and secured preliminary funding for this project. It will take 3 to 4 years to raise the remainder of the funding to begin construction. Initial planning has begun for this project.

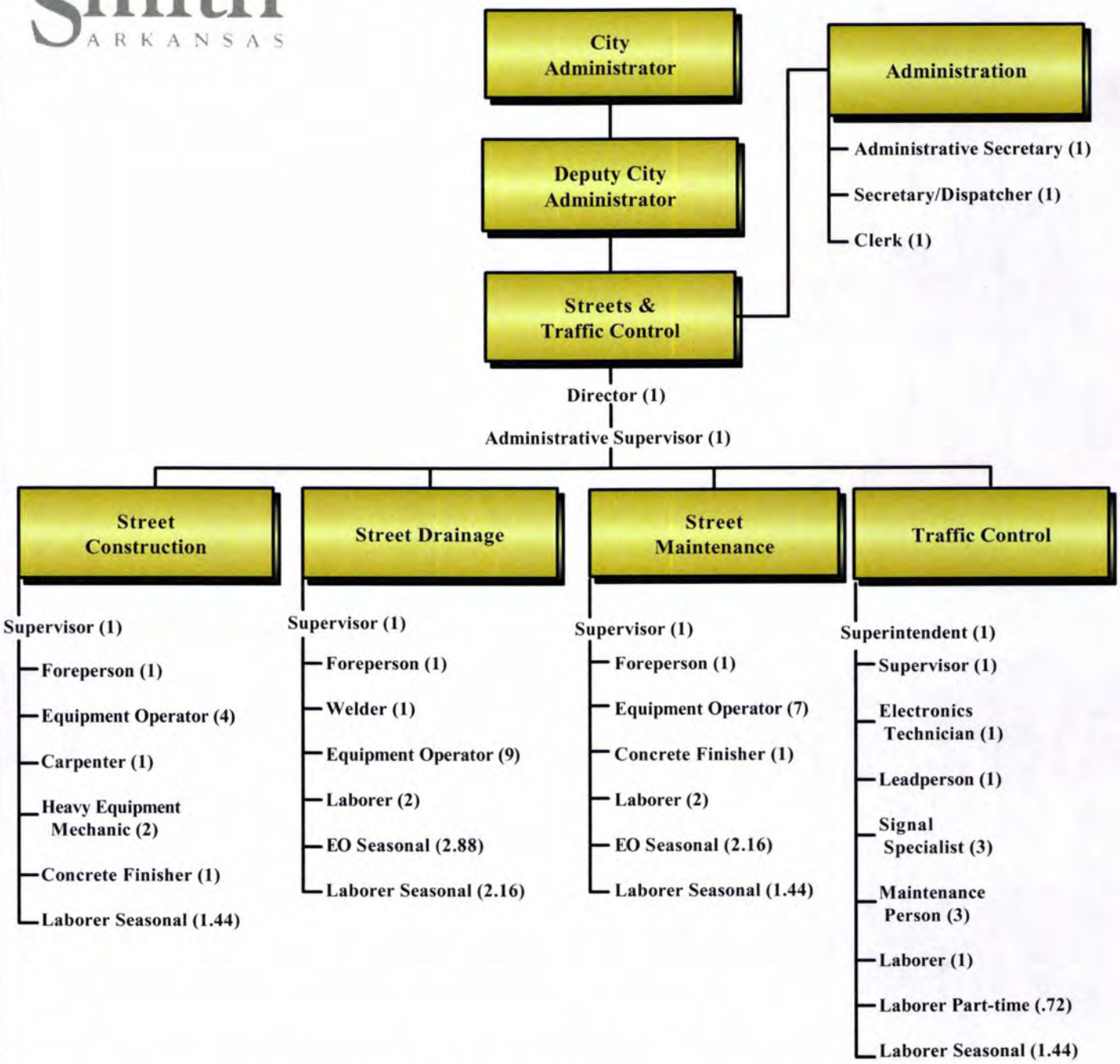
FIRE DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY10	BUDGET FY11	ACTUAL FY11	BUDGET FY12
Alarm Responses	8,026	7,800	8,158	7,800
Number of Fires or incidents involving property loss	248	250	245	250
Value of Property Responded To	$ 108,314,600	$ 150,000,000	$ 301,465,951	$ 150,000,000
Total Property Loss	$ 4,495,550	$ 15,000,000	$ 6,057,841	$ 150,000,000
Total Property Saved	$ 103,819,550	$ 135,000,000	$ 295,408,110	$ 135,000,000
Total Percent Lost	4.15%	10%	2.01%	10%
Total Percent Saved	95.85%	90%	97.99%	90%

FIRE DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	ACTUAL FY09	ACTUAL FY10	ACTUAL FY11
Alarm Statistics:				
Fire-				
Structure	206	147	157	188
Vehicle Fires	89	64	82	85
Brush, Grass, Leaves	128	69	86	121
Trash, Rubbish	60	68	53	60
Explosions, No After Fire	1	0	1	3
Outside Spill with Fire	0	0	0	0
Other Fires	22	6	34	18
Rescue and Emergency-				
Overpressure Rupture	7	2	1	4
Emergency Medical Call	5,518	5,012	4869	5047
Locked In, Trapped	2	0	0	4
Search	4	1	0	2
Extrication	13	20	22	19
Rescue, Not Classified	48	39	171	309
Spill, Leak- No Fire	91	86	93	87
Electrical/Hazardous Response-				
Power Line Down	166	94	76	108
Arching Electric Equipment	122	108	58	98
Chemical Spill	1	2	6	6
Hazardous Condition	14	13	4	8
Smoke Removal	17	13	17	16
Other Responses:				
Animal/Rescue	8	3	3	0
Assist Police	24	25	40	32
Unauthorized Burning	138	166	118	148
Other Service Calls	207	142	142	172
Smoke Scare	129	119	116	162
Steam, Gas Mistaken for Smoke	31	33	45	54
Malicious False Alarm	8	10	8	9
Bomb Scare	15	6	4	8
Alarm Malfunction	327	300	121	166
Unintentional False	342	277	305	331
Other	244	282	655	816
Controlled Burn	6	7	5	10
Bomb Removal	21	20	20	20
Haz-Mat Investigation	5	17	14	20
Water Rescue	12	7	13	24
Construction Plan Reviews	356	151	151	217
Citizens Reached in Education Programs	6,791	19,405	13,271	14,212
New Business Occupation Fire and Life Safety Inspections	714	543	661	673
Fire Safety Surveys Performed	4,800	4,376	4,508	4,644
Fire Hydrants Maintained	6,950	6,950	7,942	7,950

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 2012 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 FY12 is 64.24FTE which is consistent with FY11.

The FY12 Budget is $52,643 or 0.9% more than the FY11 Budget. The increase is attributable to an additional tractor that was not included in the depreciation schedule as well as the FY12 pay increases.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 2,686,637	$ 2,951,110	$ 2,740,247	$ 3,020,370	$ 3,134,740
Operating Expenditures	2,390,745	2,778,987	2,492,172	2,666,370	2,778,590
Operating Budget	$ 5,077,382	$ 5,730,097	$ 5,232,419	$ 5,686,740	$ 5,913,330
Capital Outlay	0	0	35,322	96,000	0
Budget Appropriation	$ 5,077,382	$ 5,730,097	$ 5,267,741	$ 5,782,740	$ 5,913,330
Authorized Positions	64.24	64.24	64.24	64.24	64.24

STREETS AND TRAFFIC CONTROL DEPARTMENT 2012 SERVICE OBJECTIVES

1. Continue to respond to citizens request for service in a timely, effective and efficient manner.
2. Lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches and channels.
3. Preserve the appearance of public property by mowing detention ponds, levees and city owned right-of-way.
4. Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.)
5. Implement certain key performance indicators to measure the effectiveness of the Streets and Traffic Control Department as outlined below:

KEY PERFORMANCE INDICATORS

DEPARTMENT	PERFORMANCE MEASURE	FY 2010 Target	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Target	FY 2012 Actual
Traffic Control (5401 and 5405)	% of traffic light repairs completed within 4 hours	100%	98%	100%	98%	100%	N/A
Street Maintenance (5304)	% of repairs (utility cuts, driveway cuts and sidewalks) within 4 days	100%	90%	100%	90%	100%	N/A
Drainage Department (5303)	Regrade major creeks (12 locations) annually	100%	80%	100%	54%	100%	N/A
Street Construction (5302)	Regrade 30% (400 blocks) of alley road ways annually	100%	95%	100%	108%	100%	N/A
Drainage Department (5303)	Complete mowing cycle every 4 weeks during the growing season	100%	80%	100%	80%	100%	N/A

STREETS AND TRAFFIC CONTROL DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Provide excellent customer service to the citizens of Fort Smith by answering all calls and requests within 24 hours, keeping the citizens of Fort Smith informed and maintaining a good relationship with them.*

   Outcome: Quick response remains a top priority. Continue to respond to citizen requests in a timely, effective and efficient manner, and directing calls to the appropriate department if not a street issue.

2. ***Service Objective:*** *Insure the safety of the traveling public by repairing and/or replacing traffic signs and signal lights in a timely manner. Perform preventive maintenance on all signal lights, replacing light bulbs with more dependable and longer lasting LED traffic signal lamps and study the history of traffic accidents in the City.*

   Outcome: Made frequent inspections and maintenance on traffic signals and paint/stripe paving as needed. Perform maintenance on all signal lights by replacing as technology advances (LED).

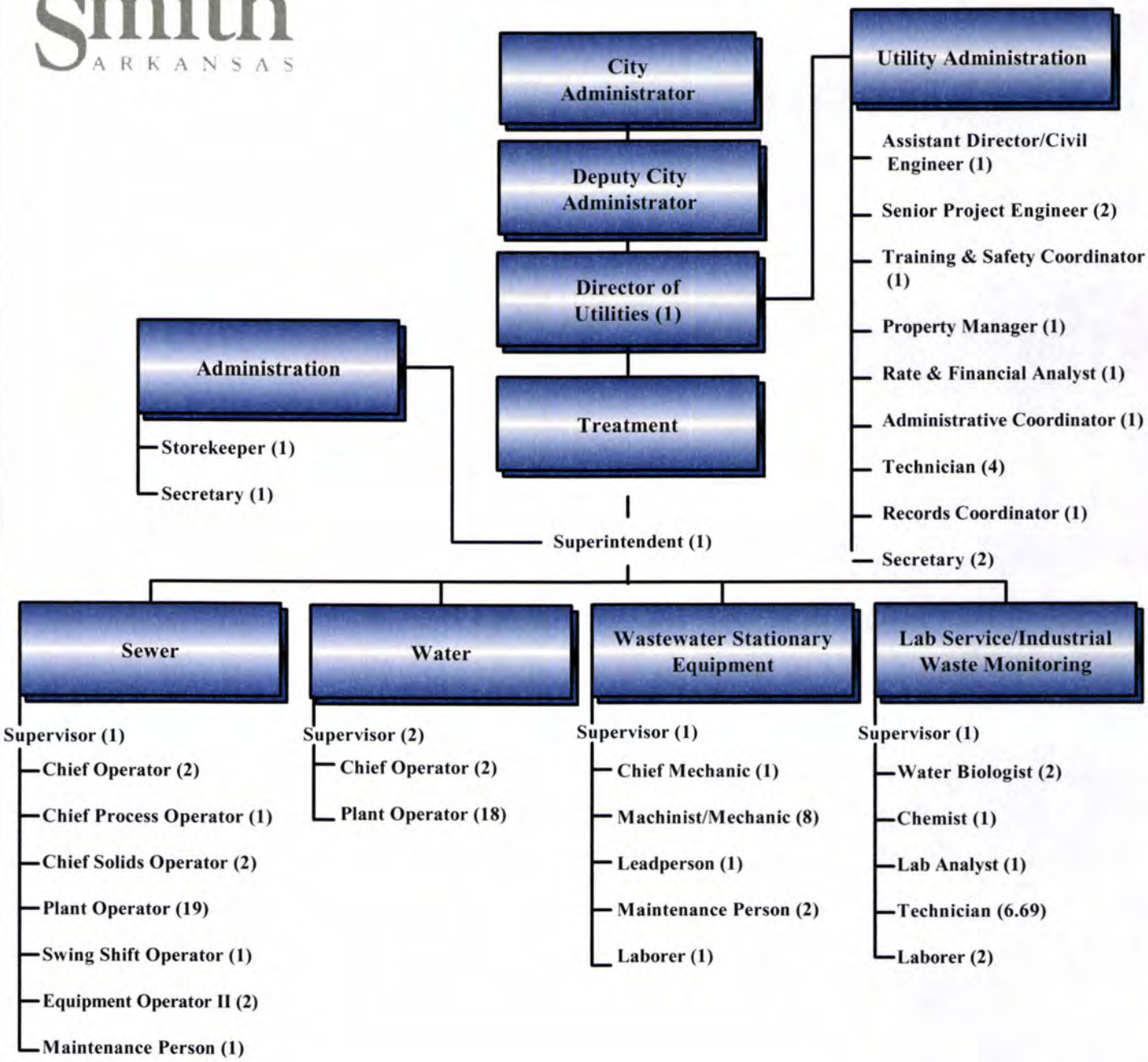
3. ***Service Objective:*** *Control and prevent flooding by constantly working to keep drainage easements free of debris and vegitation.*

   Outcome: Carry out regular inspections on major storm water channels. Also respond to citizens requests by analyzing the problem, developing a plan and making the necessary improvements.

4. ***Service Objective:*** *Protect the investment of City street rights-of-way by repairing potholes, crack sealing and keeping free of debris.*

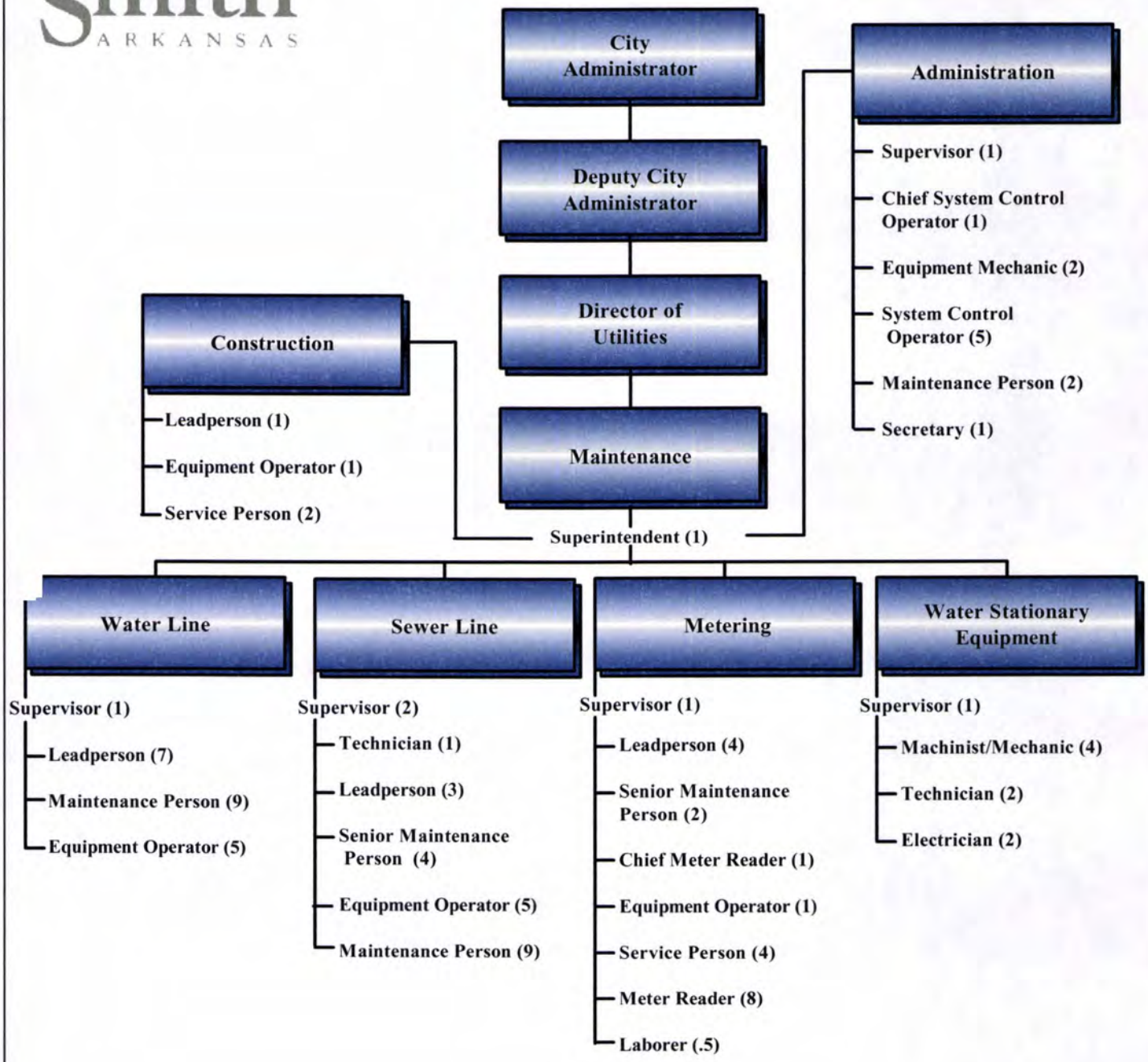
   Outcome: Regular maintenance of street surfaces and alleyways. Potholes and utility cuts are repaired as soon as they are reported.

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 FY12 Budget is $1.5 million or 4.5% more than the FY11 Budget. The largest part of the increase is for capital asset replacements for the fleet and large equipment. The water and sewer programs have had to delay replacement of capital due to fiscal constraints over the past few years. Additionally, the planned pay increases for FY12 and the addition of 2FTE have increased personnel costs. Even though debt service for the water and sewer system decreased by $644,000 between years, operating costs have increased due to higher costs of chemicals and electricity to run the pumps. In FY12, the payment to the landfill for sludge disposal has been reinstated, $360,000.

Total positions for the Department are 193.19 for FY12 that is two positions more than FY11. One part-time position, 1FTE, for the industrial waste monitoring program has been reinstated for FY12. One (1) FTE position has been added for FY12 to provide safety at the plants.

WATER AND SEWER OPERATING FUND	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenses	$ 9,852,886	$ 10,577,420	$ 10,013,576	$ 10,802,040	$ 11,007,640
Operating Expenses	22,767,740	22,481,401	22,498,442	23,009,915	23,002,515
Operating Budget	$ 32,620,626	$ 33,058,821	$ 32,512,018	$ 33,811,955	$ 34,010,155
Capital Outlay	277,902	823,390	773,866	1,591,600	1,422,635
Budget Appropriation	$ 32,898,528	$ 33,882,211	$ 33,285,884	$ 35,403,555	$ 35,432,790
Authorized Positions	192.19	189.19	189.19	191.19	191.19

WATER AND SEWER DEPARTMENT 2012 SERVICE OBJECTIVES

1. Use innovation and improved uses of technology to better utilize resources for serving the community. Continue the "green initiatives" in planning for utility system and building projects.
   - Continue planning, design and construction practices that assure reliability and lower operations costs.
2. Cost effective execution of the Wastewater Management Plan to meet EPA required implementation schedule for wet weather wastewater treatment and collection system improvements.
   - Initiate construction of wet weather improvements in Zero Street drainage basin consisting of pump station capacity, equalization storage, relief sewers and collection system improvements.
   - Evaluate equalization storage and force main options and complete preliminary design for the Mill Creek pump station.
   - Development of technical positions related to negotiations with Department of Justice and EPA for resolution of draft Consent Decree.
3. Plan for water and wastewater services to support growth and better serve neighborhoods.
   - Identify funding source and initiate design for initial section of 48 inch water transmission line replacement for the Lake Fort Smith water treatment plant to allow delivery of 40MGD capacity.
   - Identify funding source and initiate construction of Chaffee Crossing wastewater pump station and force main to deliver wastewater flows from Fort Smith's portion of Chaffee Crossing and the city's southern growth area to the Massard wastewater treatment plant.
   - Improve water service and upgraded fire protection through line replacement projects within older residential areas.

WATER AND SEWER DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Use innovation and improved uses of technology to better utilize resources for serving the community. Continue the "green initiatives" in planning for utility system and building projects.*

   Outcome: Produces planning, design and construction practices that assure reliability and lower operations costs.

2. ***Service Objective:*** *Cost effective execution of the Wastewater Management Plan to meet EPA required implementation schedule for wet weather treatment and collection system improvements.*

   Outcome: Place the Sunnymede Pump station and equalization wet weather flow management improvements into operation. These improvements offset the need for additional downstream sewer main and treatment plant capacity upgrades. Completed the construction of Phase I and II relief sewers design of the Zero Street pump station and equalization storage. The preliminary design of the Mill Creek pump station wet weather capacity improvements and evaluation of the Mill Creek force main are currently underway. EPA's Capacity Management Operation and Maintenance (CMOM) program and the Emergency Sanitary Sewer Overflow Response Plan as anticipated to be implemented under the draft Consent Decree were completed and a comprehensive review of the department's staffing, operations and work order management is being developed. All of the above will suppor the city's negotiation of the draft Consent Decree with the Department of Justice.

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

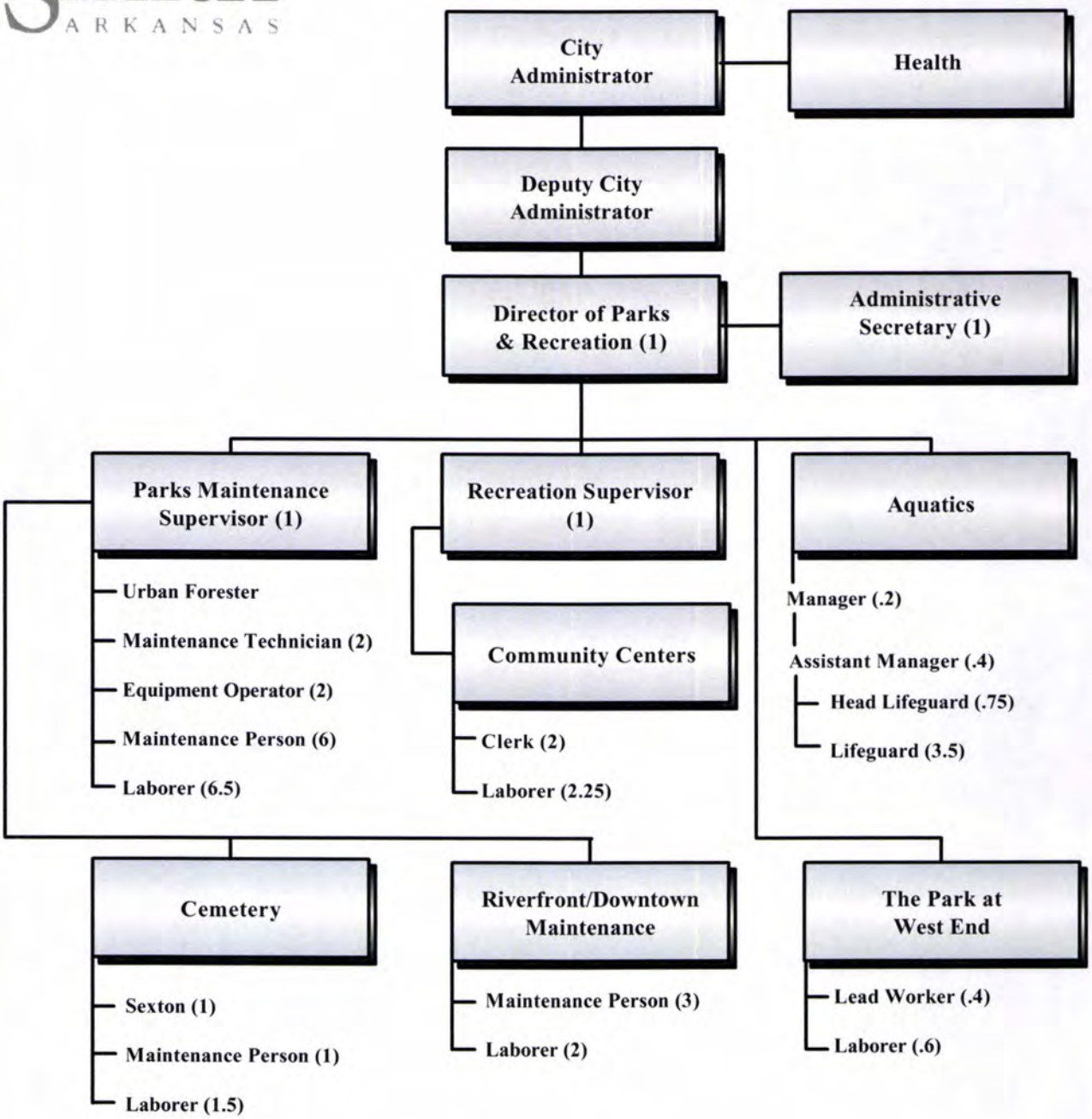
   Outcome: Complete the corridor study and route selection for the new 48 inch water transmission line for the Lake Fort Smith water supply project. Phase I through IV of the Rye Hill outfall sewer are now complete and the trunk sewer improvements identified by the southern growth area master plan will soon be ready for service. Engineering design and final plans and specifications for two niles of neighborhood water line replacement and upgraded fire protection projects are complete and ready for bidding.

WATER AND SEWER DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY10	BUDGET FY11	ESTIMATED FY11	ACTUAL FY11
Water Service Line Installations	438	408	380	430
Sewer Service Line Installations	101	68	82	62
Sewer Service Line Replacements	369	300	220	173
Water Line Replacements	1,926 LF	3,695 LF	no projects	no projects
Sewer Line Replacements	5,587 LF	8,160 LF	3,414 LF	4,252 LF
Water System Work Orders	30,445	34,250	*	18,734
Sewer System Work Orders	3,341	3,344	3,586	4,053
Sewer Lines Cleaned	361,091 LF	351,130 LF	371,718 LF	436,256 LF
Sewer Lines TV Inspected	65,216 LF	78,366 LF	68,082	67,792 LF
Locate Tickets Completed	8,937	8,242	8,472	8,877
Leaks Repaired	938	1,163	738	1,016

*Data not available

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 seven programs: 6101 Health, 6201 Parks Maintenance, 6202 Oak Cemetery, 6204 Community Centers, 6205 Aquatics; 6206 River Park/Downtown Maintenance, and 6207 The Park at West End. 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, and management of 30.27 acre Oak Cemetery which is on the register of national historic places. Also, the department 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, operates the Creekmore Train, and operates The Park at West End.

The FY12 Budget is $81,107 or 3.1% below FY11. This is primarily due to adjusting some of the hours for staffing the community centers and reducing operating costs.

The Department has 39.10FTE positions allocated for FY12 that is consistent with FY11.

PARKS & RECREATION	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 1,416,173	$ 1,504,790	$ 1,388,938	$ 1,516,950	$ 1,660,080
Operating Expenditures	1,058,200	1,133,512	983,188	1,012,300	1,151,460
Operating Budget	$ 2,474,373	$ 2,638,302	$ 2,372,126	$ 2,529,250	$ 2,811,540
Capital Outlay	132,020	2,055	0	30,000	400,000
Budget Appropriation	$ 2,606,393	$ 2,640,357	$ 2,372,126	$ 2,559,250	$ 3,211,540
Authorized Positions	38.10	39.10	39.10	39.10	39.10

PARKS AND RECREATION DEPARTMENT 2012 SERVICE OBJECTIVES

1. Enhance Fort Smith's recreational offerings by pursuing water park and recreation field improvements at Ben Geren Regional Park in partner with Sebastian Couty.
2. Work with the Parks and Recreation Commission and Oak Cemetery Commission in provding goals and objectives for the new comprehensive plan-Vision 2025.
3. Continue to monitor energy use at each facility and study ways to reduce energy consumption.

PARKS AND RECREATION DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Operate the department efficiently within the limits of reduced funding.*

   Outcome: Implement management strategies to monitor receivables, inventories, and operations:
   1- Work with the Internal Auditor in establishing an inventory system to monitor inventories of various chemicals, tools and supplies.
   2- Monitoring the system tracking revenues and expenses for The Park at West End.
   3- Monitor the system tracking revenues and expenses, water quality and chemical use at Creekmore Park.
   4- Monitoring fuel usage through the new fuel system.
   5- Programmable thermostats are used at each facility to ensure that room temperatures during non-operational hours are kept at optimum levels for utility usage.

2. ***Service Objective:*** *Evaluate existing services and programs for effectiveness and usefullness.*

   Outcome: Participation in the Punt, Pass and Kick, Pitch, Hit and Run and Hershey Track and Field was low and not cost effective. These events have been cancelled. Other fitness programs are currently being researched for participation. Recreational activities that have good attendance and are a benefit to the community include the Father/Daughter dance, the Mother/Son Fishing Derby, Movies in the Park series, and Concerts in the Park series will continue to be offered.

3. ***Service Objective:*** *Minimize the effect of reduced services and programs to citizens.*

   Outcome: Rescheduled mowing crews to offset the loss of one of the lawn and landscape contracts due to budget constraints. Adjusted staffing scheduled to meet demand, reduce overtime, and optimize work loads. The hours of operation at The Park at West End were adjusted to meet demand and optimize costs as well.

4. ***Service Objective:*** *Provide citizens quality facilities and programs.*

   Outcome: The department pays attention to detail in maintaining the facilities; and has evaulated the recreation programs to offer programming that is well attended. The staff also assists organizations in producing quality events with recognized entertainers.

5. ***Service Objective:*** *Maintain parks, playgrounds, and facilities to provide a safe environment.*

   Outcome: Monitoring and inspection of playgrounds and parks for safety is continuous. Staff training for safe maintenance operations and aquatics is also continous.

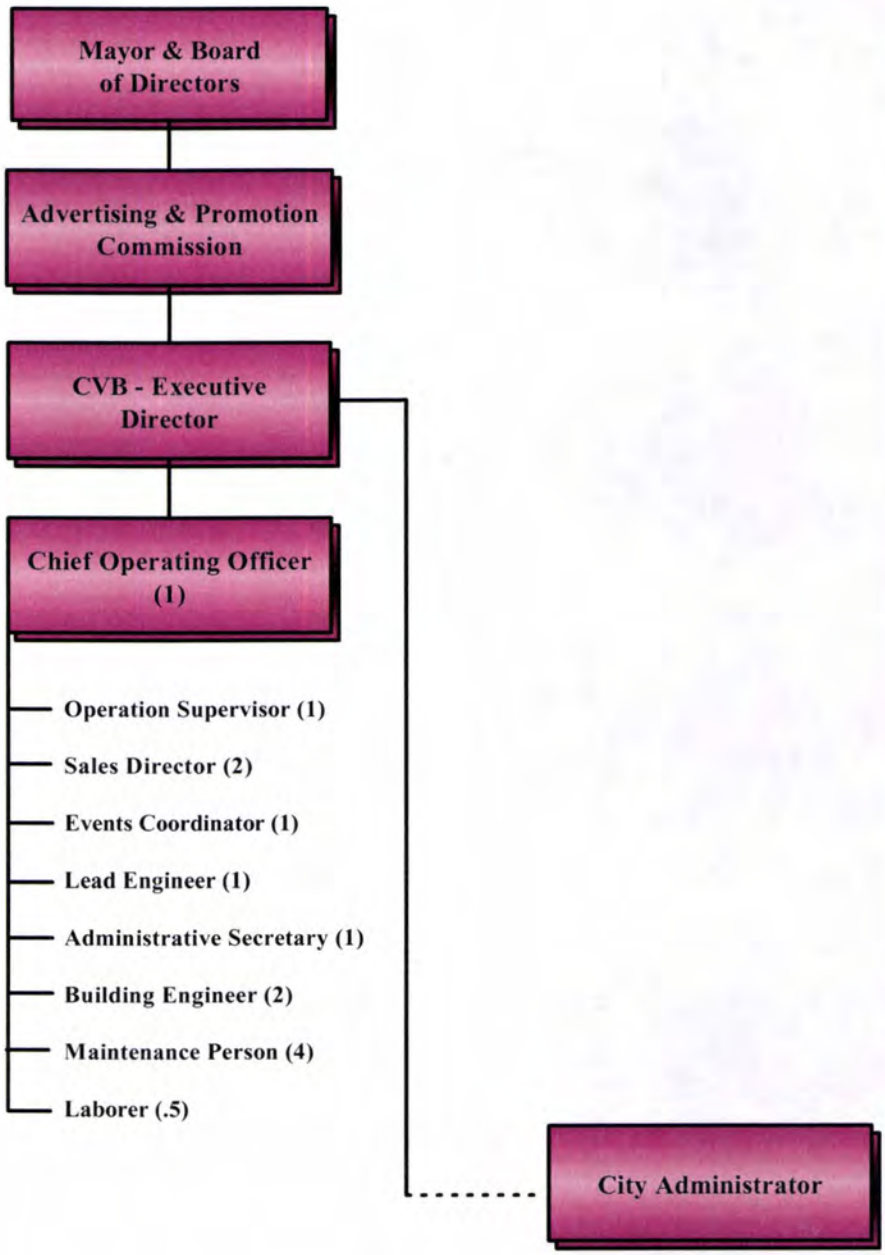
6. ***Service Objective:*** *Enhance recreational opportunities by partnering with Sebastian County Parks Development to develop a water park and additional softball fields.*

   Outcome: No directive has been given to date.

PARKS AND RECREATION DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY10	BUDGET FY11	ACTUAL FY11	BUDGET FY12
Flowerbed Square Footage	90,242	90,242	90,242	90,242
Median Flowerbeds Maintained	165	165	165	165
Median Square Footage	328,000	330,000	328,000	330,000
Medians Maintained	50	60	50	60
Street Easements Maintained-Miles	8	8	8	8
Trees Planted	100	120	239	120
Park Acres Maintained	273.21	273.21	273.21	273.21
Park Flowerbeds Maintained	90	90	90	90
Parks	25	25	25	25
Trails	2	2	2	2
Miles	3.90	3.90	3.90	3.90
Train Revenue	$12,466	$11,500	$11,046	$11,500
Train Riders	49,864	46,000	44,184	46,000
Cemetery Spaced/Niches Sold	83	40	71	40
Cemetery Interments/Interments/ Scatterings	77	50	71	50
Cemetery Revenue	$59,474	$50,000	$66,084	$50,000
Community Center Bookings	1,121	650	1,065	900
Community Center Patrons	44,840	35,000	45,000	45,000
Community Center Revenue	$40,857	$36,000	$39,123	$35,000
Number of Community Centers	2	2	2	2
Aquatic Admissions	38,536	33,000	34,783	35,000
Aquatic days of Operations	87	90	84	90
Aquatic Revenue	$76,223	$65,000	$79,553	$70,000
Number of Swimming Pools	1	1	1	1
Number of Wading Pools	3	3	3	3
Splashpad	1	1	1	1
Riverpark Bookings	627	450	570	500
Riverpark Patrons	40,755	55,000	42,000	40,000
RiverPark Revenue	$61,408	$50,000	$44,310	$50,000
Number of Facilities	3	3	3	3
Total Events	67	75	55	70
Total Events Patrons	47,000	100,000	85,000	60,000
Private Events	43	40	40	40
Private Event Patrons	35,000	40,000	35,000	40,000
Parks and Recreation Events	24	35	15	30
Parks and Recreation Events Patron	12,000	60,000	50,000	20,000
The Park at West End Patrons	21,753	20,000	23,610	23,000

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, Program 6203, is responsible for operating the facility. This program is now managed by the Advertising and Promotion Commission. 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 FY12 Budget for the Convention Center is $56,191 or 4% less than the FY11 Budget. The decrease is a result of lower operating costs as well as budgeting no capital for FY12. The city General Fund will provide $777,000 to the Convention Center Fund in FY12.

The Convention Center has 13.50FTE positions for FY12 that is the same as FY11.

CONVENTION CENTER	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 720,320	$ 751,930	$ 709,643	$ 753,230	$ 778,090
Operating Expenditures	520,459	635,421	611,383	612,930	615,500
Operating Budget	$ 1,240,779	$ 1,387,351	$ 1,321,026	$ 1,366,160	$ 1,393,590
Capital Outlay	6,229	35,000	0	0	0
Budget Appropriation	$ 1,247,008	$ 1,422,351	$ 1,321,026	$ 1,366,160	$ 1,393,590
Authorized Positions	13.50	13.50	13.50	13.50	13.50

CONVENTION CENTER 2012 SERVICE OBJECTIVES

1. Attract new clients and retain the curent client base by emphasizing excellent customer service. The Center team will continually seek opportunities to ensure that our customers receive the best value and service for their money
2. Next to customer service, operational efficiencies will be a top priority for every member of the staff. Each team member will establish on-going programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.
3. Capitalize on the new working relationship with the Convention and Visitors Bureau with regard to integrated marketing. The partnership allows the Center to be better poised to achieve brand recognition, credibility and greater market share. We will emphasize this new partnership in our marketing strategies to maximize our customers understanding of the benefits and opportunities this partnership creates.
4. The Center will create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. A thriving Convention Center increases business for the local hospitality, service and restaurant sectors capturing revenue that would not be there otherwise.
5. The Convention Center will maximize revenue to allow for future growth by controlling costs, adding additional services, increasing utilization and creating a price schedule that properly reflects market and economic realities to maximize bookings and regain customers who might have chosen an alternative venue based on affordability.

REVENUE GOALS FOR 2012

We will establish a diverse customer base that will optimize the versatility of the facility concentrating on revenue and utilization in the following categories:

35	Large Center Programs/Concerts	$	141,000
21	Exhibits and/or Tradeshows		130,800
10	State Conventions/Meetings/Events		38,500
15	Regional/National/Conventions/Meetings/Events		39,700
65	Local Events		75,250
40	Theater Events		125,200
	Total	$	550,450

STRATEGIES

1- Maintain membership with several industry related organizations such as Arkansas Society of Association Executives (ASAE), Religious Conference Management Association (RCMA), and National Association of Sports Councils (NASC).

2- Drive short-term booking revenue and increase awareness of the Fort Smith Convention Center by developing new client lists through referrals, social networking, internet, magazines and newspapers. Generate repeat bookings and new local short-term business by maintaining communication with active client leads.

3- Provide timely and precise followup on all sales and event related inquries, every inquiry is a potential client.

4- Provide our clients with quality sales collateral to include facility portfolio, meeting space diagram, hotel and local business and attraction information in conjunction with the Fort Smith Convention and Visitors Bureau.

5- Market in conjunction with the Fort Smith Convention and Visitors Bureau to have a broader reach not only locally, but regionally and nationally.

6- Work with the Fort Smith Convention and Visitors Bureau to provide walk-through tours, brochures, and facility collateral to all potential client and site selection committees.

7- Work with the Fort Smith Convention and Visitors Bureau/A&P Commission to extend incentives/ discounting for conventions through the co-operative program currently in place. Groups must meet criteria (i.e. attendance numbers, event days meeting room rentals) to be considered for funding assistance from sleeping rooms that can help cover the Fort Smith Convention Center rental costs.

8- Participate in industry trade shows to develop a high level of awareness of the center as a meeting and convention destination through participation in industry trade shows will colleagues from the Convention and Visitors Bureau as well as networking at local events.

9- Maintain memberships in organizations that promote local development and growth, such as Chamber of Commerce. Western Arkansas Mountain Frontier (WAMF), and Arkansas Hospitality Association (AHA).

10- Remain abreast of industry information to discover new trends that could be successful in our area.

11- Maintain continous assessment of the center, schedule regular servicing of equipment, provide ongoing preventive maintenance and search for energy efficient opportunities.

CONVENTION CENTER
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Maximize revenue potential and increase current client base. maintaining current client base.*

   Outcome: 57 new accounts have been added through June.

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, 427 people took site tours to date.

4. ***Service Objective:*** *Exhibiting in three 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:*** *Make a minimum of 40 follow up contacts a week to build relationships to secure future bookings.*

   Outcome: Goal achieved, repeat business for future dates has been secured.

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: 8 large center programs have been held through June; 7 exhibits/tradeshows have been held through June, 2 state convention/meeting/events are booked through December, 2 regional/national/ convention/meeting events have been held through June, 31 local events have been held through June, and 26 theater events have been held through June.

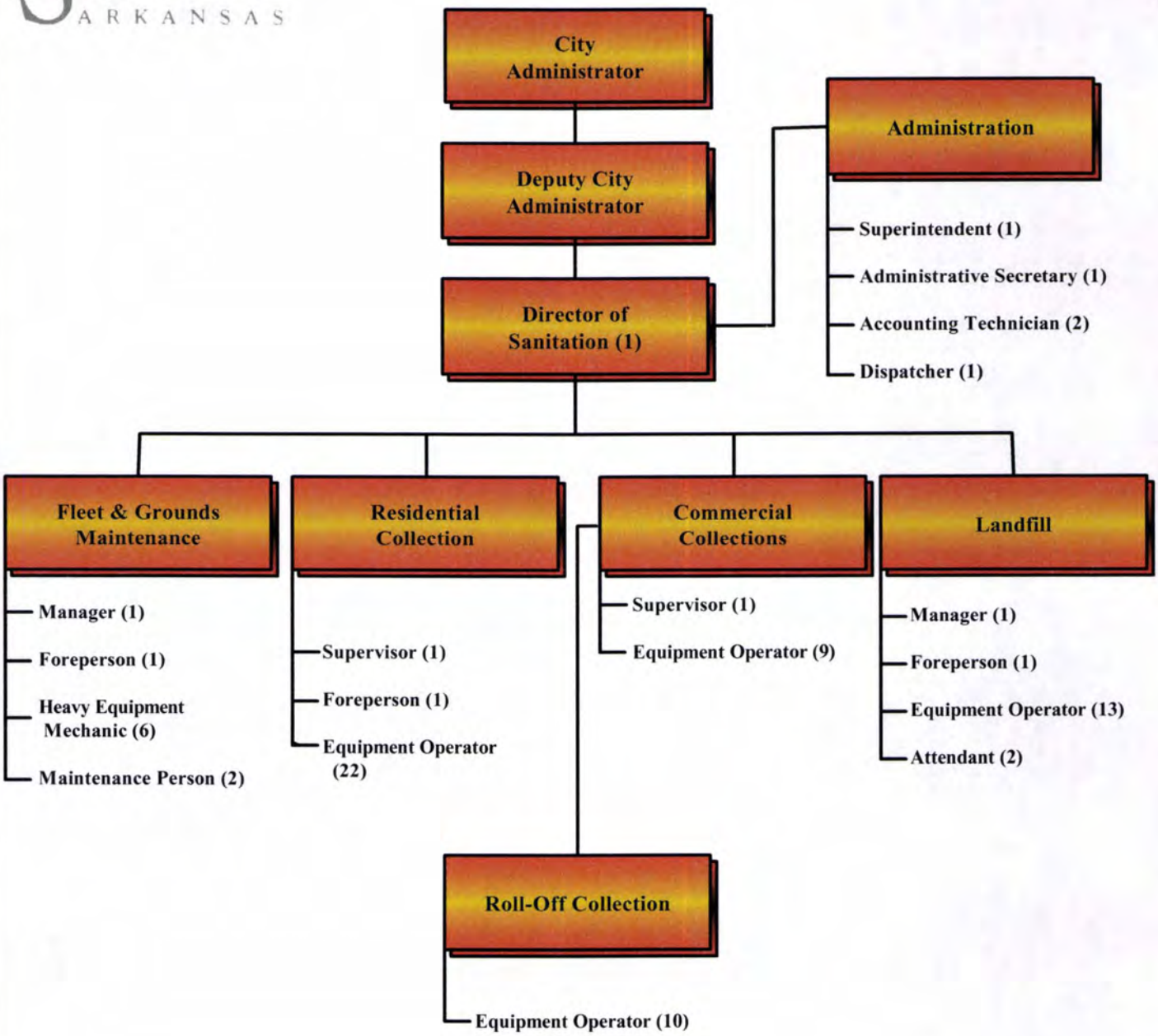
9. ***Service Objective:*** *Achieve client/customer experience and level of satisfaction through the delivery of consistent, quality client/customer service.*

   Outcome: Cleanliness issues are resolved immediately, and a follow up system is maintained for issues and maintenance.

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

    Outcome: Convention Center staff and CVB staff attended NASC Symposium in April, and the ASAE trade show in May. Tradeshow Week and Arkansas Business are two publications that we will be co-oping our advertising.

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 six programs: 6301 Administration, 6302 Residential Collection, 6303 Commercial Collection, 6304 Fleet Maintenance, 6305 Sanitary Landfill 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 FY12 Budget is $999,707 or 9.3% less than the FY11 Budget. The decrease is due to the redemption of the solid waste bonds during 2011. The Sanitation Fund is now free of long-term debt.

The Sanitation Department has 78FTE positions for FY12, which is consistent with FY11.

SANITATION DEPARTMENT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenses	$ 4,514,807	$ 4,663,820	$ 4,553,245	$ 4,534,210	$ 4,723,630
Operating Expenses	4,114,836	4,997,037	3,670,630	4,055,250	4,476,580
Operating Budget	$ 8,629,643	$ 9,660,857	$ 8,223,875	$ 8,589,460	$ 9,200,210
Capital Outlay	1,357,139	1,146,250	1,124,690	1,217,940	1,558,940
Budget Appropriation	$ 9,986,782	$ 10,807,107	$ 9,348,565	$ 9,807,400	$ 10,759,150
Authorized Positions	78.00	78.00	78.00	78.00	78.00

SANITATION DEPARTMENT 2012 SERVICE OBJECTIVES

1. Continue expansion of the Automated Refuse Collection Program.
2. Begin implementation of an Automated Recycling Collection Program.
3. Construct a new citizen convenience center/transfer station at the landfill to provide a less hazardous disposal site for our non-commercial customers.
4. Implement key performance indicators (see table below)

Name	Frequency	Purpose	Measurement
Cubic Yards of Residential Recyclables Diverted from the Landfill	Monthly	Cubic yards of residential recyclables diverted from the landfill indicates averted landfill disposal costs and conservation of landfill airspace, and helps gauge the overall participation in of the residential curbside recycling collection program.	Tracked through weight tickets received from the recycling center.
Cubic Yards of Residential Yard Waste Diverted from the Landfill	Yearly	Cubic yards of yard waste diverted from the landfill indicates averted landfill disposal costs and conservation of landfill airspace, and helps gauge participation in the residential curbside yard waste collection program.	Tracked via solid waste transactions entered at the landfill scale facility.
Number of Residential Collections Serviced by the Trouble Shooter	Daily	The number of household collections serviced by the Trouble Shooter shows how many times calls were received regarding service issues and special services (i.e. missed collection, move in/out, overflow, etc.).	Tracked via software application.
Cubic Yards of Commercial/Industrial Recyclables Diverted from the Landfill	Monthly	Cubic yards of commercial/industrial recyclables diverted from the landfill indicates averted landfill disposal costs and conservation of landfill airspace, and helps gauge participation in the commercial/industrial recycling collection programs.	Tracked through weight tickets received from the recycling center.
Gallons of Diesel Fuel Consumed per 1,000 Customers (Residential, Commercial, Industrial Collections)	Yearly	Gallons of diesel fuel consumed per 1,000 customers helps guage fuel and routing efficiency, and customer retention.	Tracked manually from fuel tickets and accounting system reports.

SANITATION DEPARTMENT
2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Continue expansion of the automated refuse collection system.*

   Outcome: The automated refuse collection program expansion for about 3,300 households will occur in late fall 2011 pending delivery of specialized equipment. The total customer base receiving automated refuse collection will be approximately 89% of total households serviced by the department following the expansion.

2. ***Service Objective:*** *Construct a modern intake (scale house) facility at the landfill to provide better security for our cash handling operations and reduce wait times for our customers.*

   Outcome: Construction of the new intake facility is anticipated to beging in late fall.

3. ***Service Objective:*** *Construct a new citizen convenience center/transfer station at the landfill to provide a less hazardous disposal site for our non-commercial customers.*

   Outcome: Due to budget constraints, this project was put on hold. A request for funding will be included in the 2012 budget.

4. ***Service Objective:*** Review the sanitation rates established in 2007.

   Outcome: Sanitation rates will be reviewed in September.

SANITATION DEPARTMENT
KEY PERFORMANCE INDICATORS

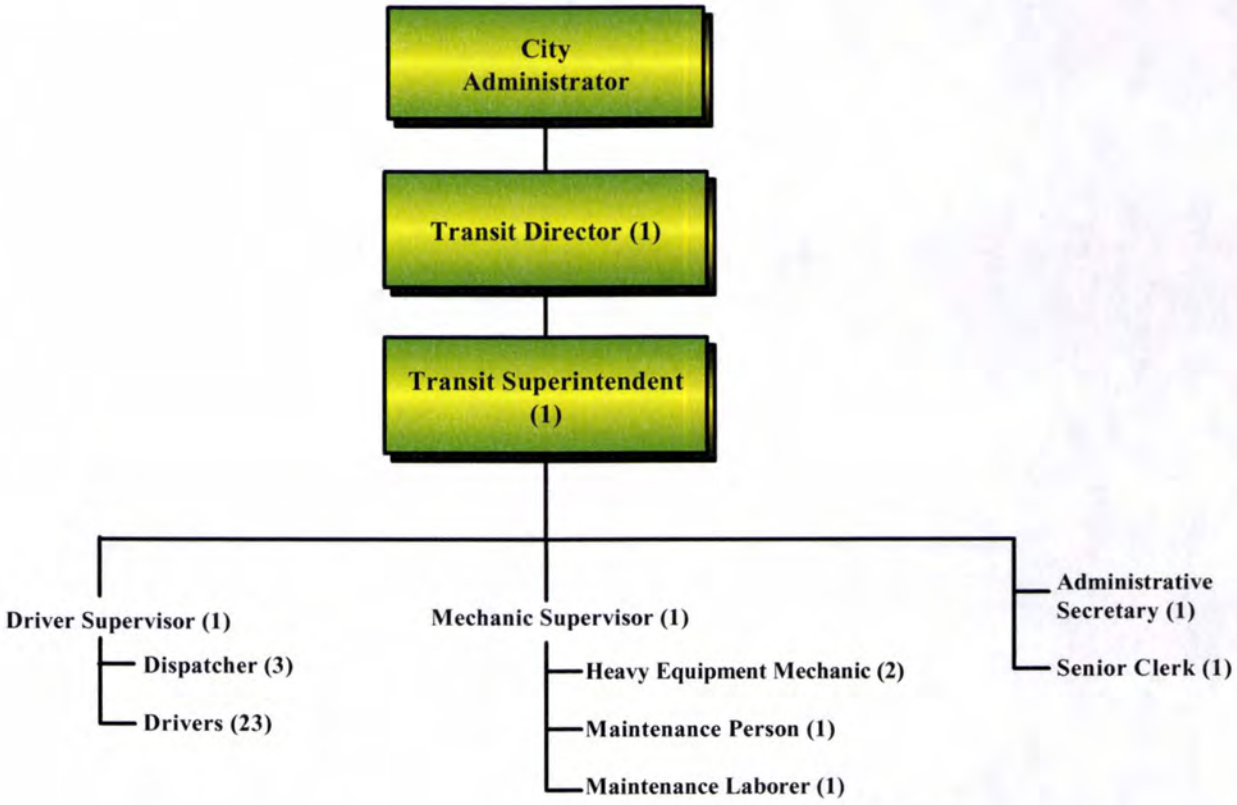
	ACTUAL FY09	ACTUAL FY10	ACTUAL FY11	TARGET FY12
Cubic Yards of Residential Recyclables Diverted from the Landfill	6,347	6,900	15,359	15,500
Cubic Yards of Residential Yard Waste Diverted from the Landfill	18,623	22,689	25,899	26,000
Residential Collections Serviced by the Trouble Shooter Per Day	43	45	43	40
Cubic Yards of Commercial Recyclables Diverted from the Landfill	5,213	5,253	6,991	7,000
Gallons of Diesel Fuel Consumed per 1,000 Customers (Residential, Commercial, Industrial Collections)	1,070	1,034	892	850

OTHER PERFORMANCE INDICATORS/SERVICE MEASURES

Residential Accounts				
Residential Accounts	20,887	21,217 **	26,265	26,300
Requests for Dial-A-Truck	2,303	3,607	3,880	4,000
Tons of Residential Refuse Collected Per Year	19,904	20,014	22,246	22,000
Commercial Container Accounts				
Tons Collected Per Week	447	417	399	420
Tons Collected Per Year	23,230	21,710	20,738	21,840
Industrial Roll-Off Accounts				
Tons Collected Per Week	806	735	736	810
Tons Collected Per Year	41,902	38,199	38,260	42,210
Landfill Operations				
Tons of Refuse Disposed at Landfill Per Year	258,466	244,760	226,391	240,000
Tons of Yard Waste Diverted from Landfill	7,125	6,394	7,258	7,000

**Residential accounts increased to 25,966 mid-year as a result of the department providing service to the south Fort Smith area.

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 6550, 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 FY12 Budget is $1.3 million or 36.7% less than FY11. The decrease is due to capital outlay. The FY11 Budget includes $1.4 million in ARRA funding. A large portion of the funding will be spent during FY11 but some of the expenditures may roll into FY12.

The total personnel in the Department is allocated at 36FTE for FY12 that is equivalent to FY11.

TRANSIT DEPARTMENT	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 1,553,213	$ 1,692,890	$ 1,574,253	$ 1,661,800	$ 1,716,640
Operating Expenditures	466,185	470,400	512,447	515,800	562,180
Operating Budget	$ 2,019,398	$ 2,163,290	$ 2,086,700	$ 2,177,600	$ 2,278,820
Capital Outlay	219,461	1,493,961	1,463,439	138,500	0
Budget Appropriation	$ 2,238,859	$ 3,657,251	$ 3,550,139	$ 2,316,100	$ 2,278,820
Authorized Positions	36.00	36.00	36.00	36.00	36.00

TRANSIT DEPARTMENT 2012 SERVICE OBJECTIVES

1. Research the potential conversion of two transit buses to compressed natural gas.
2. Identify route modifications that would permit public transportation access to future parks.
3. Seek funding opportunities to provide additional transit passenger service amenities.

TRANSIT DEPARTMENT 2011 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Expand the buse advertising program to increase transit revenues.*

   Outcome: The department is developing new banner advertising frames (one half the original size) in order to accommodate underutilized spaces.

2. ***Service Objective:*** *Work closely with the Homeless Coalition to reduce transporation barriers for the homeless seeking to re-enter the job market.*

   Outcome: The transit commission has expanded the number of participating service providing agencies and increased the quantity of vouchers in the Transportation Assistance Program.

3. ***Service Objective:*** *Work with the transit commission to identify route modifications that would permit public transportation access to future parks.*

   Outcome: Transit staff has shifted its focus from route modifications in order to sustain night transportation services previously funded by a portion of the conventer center turnback funds. The route modifications will be revisited when further work evolves regarding future parks development.

TRANSIT DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY10	BUDGET FY11	ESTIMATED FY11	BUDGET FY12
Efficiency Measures:				
Cost Per Passenger	$10.56	$10.30	$10.50	$10.87
Cost Per Revenue Hour	$57.30	$66.67	$61.70	$64.79
Cost Per Revenue Mile	$4.34	$5.03	$4.53	4.79
Performance Measures:				
Total Passenger Trips	191,221	220,000	198,657	202,700
Total Revenue Miles	465,185	450,000	461,016	460,000
Total Revenue Hours	35,242	34,000	33,819	34,000
Fare Revenue	$154,935	$155,000	$150,067	$150,000
Fixed Route Service				
Total Fixed Route Trips	158,554	187,000	166,439	170,000
Half Fare Passenger Trips	27,114	30,000	23,763	25,000
Downtown Shuttle	25,319	25,000	28,722	28,000
Monthly Pass Trips	15,924	13,500	16,774	17,000
Fixed Route Transfers	55,479	55,000	57,341	55,000
Demand Response Service				
Total Demand Response Trips	28,715	28,000	28,578	28,700
Avg. Scheduled Demand Res. Trips-Mthly	2,399	2,900	3,528	3,000
Total Subscription (routine) Trips Mthly.	888	1,200	1,305	1,000
Total No Shows	619	600	700	700
Total Cancellations	2,827	3,000	2,868	2,850
Special Services				
Transit Assistance Programs Trips- Fixed and Demand	4,531	5,000	6,794	8,000
Charter/Shuttle Passengers	3,952	5,000	3,640	4,000
DHS Passenger Trips (Fixed and Demand)	436	500	849	500
Accident Summary				
Total Minor Accidents (including no fault)	7	0	10	0
Total Preventable (at fault) Minor Accidents	4	0	5	0
Total Major Accidents (Disabling Damage)	3	0	5	0
Maintenance Performance				
Total Number of Preventive Maintenance Inspections	129	150	139	140
Total Major Mechanical System Failures	29	10	26	25
Total Road Calls	21	24	30	25
Drug and Alcohol Prevention				
Total Pre-Employment Drug Tests	8	8	5	5
Total Random Drug and Alcohol Tests	8	8	8	8
Total Random Alcohol Tests	3	2	3	3
Total Reasonable Suspicion Drug and Alcohol Tests	1	0	0	0
Total Post Accident Drug & Alcohol Tests	1	0	0	0
Total Positive Drug or Alcohol Tests	1	0	0	0

NON-DEPARTMENTAL

NON-DEPARTMENTAL	ACTUAL FY 10	BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenditures	3,120,238	2,731,834	3,809,379	3,676,153	3,504,660
Operating Budget	$ 3,120,238	$ 2,731,834	$ 3,809,379	$ 3,676,153	$ 3,504,660
Capital Outlay	1,511,345	1,343,290	1,418,740	1,005,010	950,000
Budget Appropriation	$ 4,631,583	$ 4,075,124	$ 5,228,119	$ 4,681,163	$ 4,454,660
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 and senior citizen services 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

Allocation to Outside Agencies	162,000	
Legal Services-Special	10,000	
Port Authority Insurance	6,200	
Port Authority Advertising	1,000	
Fort Smith Museum of History - Utilities	20,000	
SRCA, Inc. Social Services	171,363	
WAPDD Annual Dues	20,860	
Transfer to Cleanup/Demolition	90,000	
Transfer to Parking Authority Fund	250,000	
Transfer to Convention Center Fund	777,000	
Property Insurance Deductible	5,000	
Fort Chaffee Redevelopment Authority	31,000	
City/Chamber/UAFS Initiative	30,000	
Fort Chaffee Redevelopment-Mars Petcare	8,000	
Fort Chaffee Redevelopment-Umarex	7,000	
US Marshals Museum	50,000	
Fort Smith Public Library-6% County Sales Tax Allocation	915,450	
Area Agency on Aging	50,000	
Project Compassion	7,500	
Sub-Total		2,612,373

STREET MAINTENANCE FUND

50/50 Sidewalk Repair Program	$ 15,000		
DRIPP	20,000		
Sinking Account	300,000		
Property Insurance Deductible	5,000		
Transfer to General Fund	86,260		
Sub-Total		426,260	

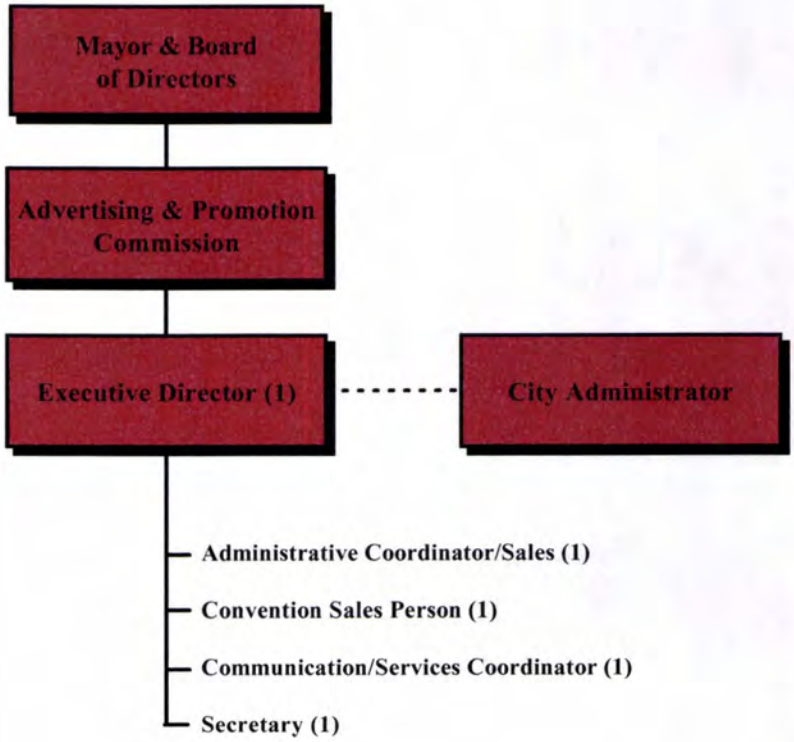
WATER AND SEWER OPERATING FUND

South Sebastian County Water Users Association Payment	210,000		
Property Insurance Deductible	15,000		
Transfer to General Fund	86,260		
		311,260	

SANITATION OPERATING FUND

Transfer to Sanitation Sinking Account/Landfill Const. Fund	955,010		
Transfer to Cleanup/Demolition Fund	280,000		
Transfer to General Fund	86,260		
Property Insurance Deductible	10,000		
Sub-Total		1,331,270	
GRAND TOTAL			$ 4,681,163

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 FY12 Budget is slightly above the FY11 Budget.

The authorized positions for FY12 total 5.0FTE which is the same as FY11.

CONVENTION & VISITORS BUREAU	ACTUAL FY 10	AMENDED BUDGET FY 11	ESTIMATED FY 11	BUDGET FY 12	BUDGET FY 13
Personnel Expenditures	$ 304,011	$ 320,070	$ 324,942	$ 329,980	$ 340,870
Operating Expenditures	436,412	397,292	400,349	413,440	414,920
Operating Budget	$ 740,423	$ 717,362	$ 725,291	$ 743,420	$ 755,790
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 740,423	$ 717,362	$ 725,291	$ 743,420	$ 755,790
Authorized Positions	5.00	5.00	5.00	5.00	5.00

CONVENTION AND VISITORS BUREAU 2012 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 travel 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 industry.
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 Marshals Service National 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. Ongoing refinement 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.
9. Grow our presence in all versions of internet social media vehicles.
10. Place top priority on responding to the economic conditions in the local market by adjusting marketing plans based on funding. Grow the reserve A&P fund account as much as possible.
11. Take an active role as much as possible in guaranteeing the continued availability of quality meeting and exhibit space and service at the Fort Smith Convention Center.

CONVENTION AND VISITORS BUREAU
2012 SERVICE MEASURES/PERFORMANCE INDICATORS

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

CONVENTION AND VISITORS BUREAU
2011 SERVICE OBJECTIVES AND OUTCOMES

SERVICE OBJECTIVE	OUTCOME			
	Actual FY10	**Budget FY11**	**Estimated FY11**	**Budget FY12**
1. Maximize exposure of the Fort Smith area through advertisements & articles about the City of Fort Smith hospitality offerings.	5,563** column inches of editorial	2,000 column inches of editorial	Through July 2,775 inches editorial **	2,500 column inches of editorial
2. Increase number of leads provided to the Fort Smith Convention Center and the Fort Smith Hospitality Community by 10%.	128 leads	104 leads	149 leads	164 leads
3. Contribute to an increase in Fort Smith area hotel occupancy through an increase in convention/event guests.	Room Tax $678,934	Room Tax $700,000	Room Tax $710,400	Room Tax $738,330
4. Increase the number of city-wide convention/event proposals by 20%.	13	20	32	38
5. Increase the number of tour groups into the Fort Smith area by 10%.	62	92	25 Thru May	100
6. Increase the number of guests to the Fort Smith Visitor Information Center, "Miss Laura's" and Chaffee Barber Shop attraction by 3%.	12,443	17,747	4,669 Thru May	18,280

** In 2010-2011 we experienced an unusually large amount of press coverage for the City due to the production and release of the major motion picture "True Grit". While we continue pursue publicity for our region we do not expect these numbers to be sustained at this level in future years.

THIS PAGE INTENTIONALLY LEFT BLANK

CAPITAL IMPROVEMENT PROGRAM

This section includes highlights of the City's FY12 Capital Improvement Program for the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the Sales and Use Tax Bond Construction Funds, Sanitation Sinking/Landfill Construction Fund, Sidewalk Construction Fund, the Tilles Park Fund, and the Parking Authority Fund. Also included is a schedule of capital outlay included in the operating programs for FY12. The Parks CIP schedule, the sinking fund activity for the Street Maintenance Fund and the Sanitation Operating Fund, and the impact of capital spending on the operating budget are also included in this section.

Capital Improvement Program

Introduction

The City's major capital improvements are provided by the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the Sales and Use Tax Bond Construction Fund, the Sanitation Sinking/Landfill Construction Fund, Sidewalk Construction Fund, the Tilles 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.

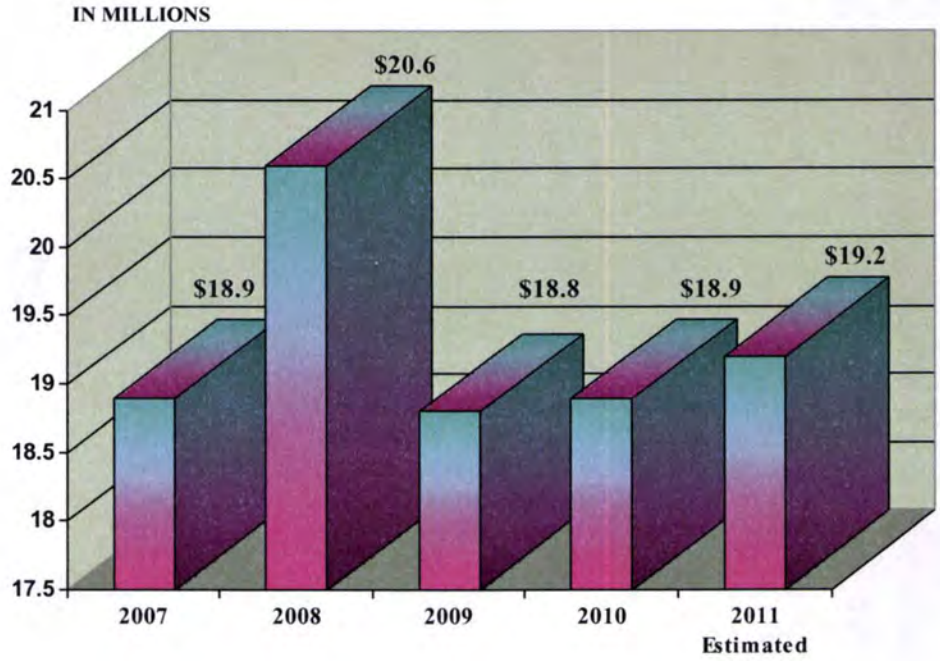
Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund in October 2011. The FY12 CIP for the sales tax street program was included in the approval document Resolution No. R-180-11.

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.

Sales Tax Revenues



The estimated sales tax revenue for 2012 is $19.2 million which represents a 1.2% increase over the estimated 2011 tax revenue of $18.9 million. Interest earnings and other revenue for 2012 are estimated at $2.9 million and the beginning fund balance is estimated to be $11.6 million. Therefore, total resources available for 2012 are $33.7 million. Of this amount, $3.5 million is estimated as the ending fund balance at December 31, 2012 which represents funds available for contingency and for future years' projects. Total project funds available are $30.2 million and will be used for the 2012 program allocated as follows:

FY12 Program:	
Neighborhood Overlays and Reconstruction	$ 7.2 million
Neighborhood Drainage Improvements	5.4
Intersection Signal Improvements	0.8
Multi-Year and/or Major Projects	14.0
Special Projects	0.2
Administrative Costs	2.5
Overlays by Street Department	0.1
	$ 30.2 million

The 2012 neighborhood overlays and reconstruction projects are as follows:

Street	From	To	Length (linear feet)	Cost
30th Street	Walnut St.	Willow St.	1,330	$ 174,378
31st Street	Emrich St.	Willow St.	2,654	321,865
32nd Street	Walnut St.	Willow St.	1,323	156,114
Irene Street	Walnut St.	Willow St.	1,324	156,232
Oakgrove Street	31st St.	Mussett Rd.	1,325	156,350
27th Street	Spradling Ave.	End of Road	636	75,048
30th Street	Irving Street	Emrich St.	976	95,973
Irving St.	27th St.	31st St.	1,379	162,722
Virginia Ave.	27th St.	29th St.	661	77,998
28th Street	High St.	Virginia Ave.	447	52,746
29th Street	High St.	Spradling Ave	1,330	130,783
Staples Street	Carrizo St.	Newlon Rd.	621	81,420
37th Street	Oak St.	Willow St.	331	39,058
36th Street	Oak St.	Willow St.	331	39,058
Willow Street	36th St.	37th St.	257	42,119
Oak Street	36th St.	37th St.	393	66,985
35th Street	Reed Lane	Oak St.	510	60,180
17th Street	Kelley Highway	Birnie Ave.	631	74,458
Kelley Highway	17th St.	19th St.	686	62,960
Newlon Road	Park Street	Midland Blvd.	691	90,598
Spradling Ave.	50th St.	52nd St.	300	39,333
49th St.	High St.	Spradling Ave	1,344	158,592
Short 7th Street	North P St.	End of Road	757	84,613
North I Street	14th St.	16th St.	699	123,723
North J Street	13th St.	16th St.	1,050	137,667
North K Street	13th St.	15th St.	701	124,077
14th Street	Grand Ave.	18th St.	3,113	510,186
North J Street	18th St.	Greenwood Ave.	1,320	173,067
Short Lane	55th Terrace	57th Terrace Dr.	893	117,082
Cross Lane	Waldron Rd.	56th Terrace	764	100,169
55th Terrace	Waldron Rd.	Cross Lane	1,843	241,638
57th Place	Collins Lane	57th Terrace	1,180	154,711
Collins Lane	56th Terrace	58th Terrace	1,315	188,610
Craftwood Circle	End of Road	Ellsworth Rd.	340	60,180
9th Street	Dodson Av.	South I Street	920	96,498

Street	From	To	Length (linear feet)	Cost
18th Street	Boston St.	Atlanta St.	464	85,668
18th Street	Fresno St.	Dallas St.	669	87,713
Princeton Dr.	US Hwy 271	Southridge Dr.	520	92,040
Southridge Dr.	Princeton Dr.	Harvard Ave.	971	171,867
Cypress Ave.	Holly Circle	School St.	1,596	282,492
Holly Circle	Cypress Ave.	Holly Ave.	308	54,516
Baylor Circle	Cornell Ave.	End of Road	735	130,095
Bellhaven View	Bramble Brae	Brooken Hill Dr.	1,814	321,078
Bramble Brae	End of Road	End of Road	1,323	234,171
Kells Abbey Street	Jenny Lind Rd.	Heather Oaks Way	545	96,465
Queensbury Way	Roxbury Lane	Ramsgate Way	978	173,106
Ramsgate Way	Queensbury Way	Jenny Lind Rd.	810	143,370
Essex Place	Queensbury Way	End of Road	1,270	224,790
Rannoch Lane	Dundee Dr.	Ramsgate Way	1,473	260,721

Total 2012 Street Overlay/Reconstruction Program	6,785,283
Balance of 2011 Projects Currently Under Construction	400,000
Total 2012 Street Overlay/Reconstruction Program	$ 7,185,283

The 2012 neighborhood drainage improvements total $4.835 million. In addition, there is $570,000 of prior year projects to be completed during FY12. The FY12 projects are identified as follows:

7800 Block of Valley Forge Road- $60,000
This project will add a storm drain to intercept runnoff from the hillside. Two houses are experiencing flooding in this area.

2700 Block of South 80th Street-$50,000
This project will add a concrete swale and storm drain to intercept runnoff from the hillside. One house is experiencing flooding in this area.

4300 Blocks of Free Ferry Lane and Presley Street-$90,000
This project will replace an undersized earthen channel with a concrete lined channel. Three houses are experiencing flooding in this area.

6800 Block of Free Ferry Road-$300,000
This project will replace an undersized earthen channel with a concrete lined channel. One residence is experiencing flooding in this area.

3100 Block of Independence Street-$75,000
This project will add concrete swales and concrete walls to intercept runnoff from the hillside. Two houses are experiencing flooding in this area, and there is also a severe erosion problem.

South 46th Street Area-$2,200,000
This project will replace and undersized earthen channel on the west side of South 46th Street from East Valley Road to South Q Street with a concrete lined channel. The street and driveway culverts will also be replaced. Six houses are experiencing flooding in this area, and severe street flooding is also occuring.

10000 Block of Foxboro and 10100 Block of Meandering Way-$500,000
This project will replace part of an existing undersized storm drain system. Two houses are experiencing flooding in this area, and severe street flooding is also occuring.

Enid and Fresno Area-$400,000
This project will add storm drains to intercept the runnoff, and it will replace some existing storm drains that are failing. Three houses are experiencing flooding in this area, and severe street flooding is also occuring

7400 Block of Westminister Place-$200,000
This project will replace an undersized channel and storm drain. Two houses are flooding in this area, and street flooding is also occuring.

Hillside Drive and Martin Drive Area-$400,000
This project will add railroad culverts and downstream channel improvements to remove a bottleneck. These improvements will allow the City to grade and improve the upstream channel which will benefit the properties along Hillside Drive east of Texas Road. Two houses are experiencing flooding in this area.

3100 Block of Glen Flora-$100,000
This project will replace an existing storm drain and add inlets to intercept runoff. One house is experiencing flooding in this area, and severe street flooding in also occurring.

4500 Block of South 26th Street-$80,000
This project will add storm drain to intercept the runoff. One house is experiencing flooding in this area and severe street flooding is also occuring.

2700 Block of Canterbury Circle-$50,000
This project will add storm drain to intercept the runoff, and it will replace some undersized culverts. One house is experiencing flooding in this area, and street flooding is also occuring.

3400 Block of South 29th Circle-$200,000
This project will add storm drain to intercept the runoff. Two houses are experiencing flooding, and street flooding is also occuring.

6200 Block of Country Club-$30,000
This project will add storm drain to intercept the runoff. One house is experiencing flooding, and street flooding is also occuring.

4700 Block of Geren Road-$50,000
This project will replace a box culvert that is in need of repair east of Buske Drive on Geren Road. The City anticipates that Sebastian County will pay for half of the culvert, as one half of Geren Road at this location is not within the City limits. The county's share is estimated at $50,000.

3200 Block of Fincastle-$50,000
This project will add storm drains and a swale to intercept the runoff. One house is experiencing flooding in this area.

Multi-year and major projects are allocated at $14 million for FY12. The projects are described as follows:

Jenny Lind Road-Zero to Cavanaugh-
This phase of the Jenny Lind project consists of the widening and reconstruction of Jenny Lind between Zero and Cavanaugh Road. 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 extension of Ingersoll Road from Jenny Lind to US Highway 71B. Preliminary plans are complete and the right-of-way acquisition process is underway. Construction is expected to begin in late FY12. The allocation for FY11 was $100,000 and the allocation for FY12 is $2.9 million. Anticipated future allocations are $7 million in FY13; $9.6 million in FY14; and $1.5 million in FY15.

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 project is being designed by the Corps of Engineers. The City is lobbying for federal funding to assist with the project as the total cost exceeds $30 million. Due to the magnitude of the project, it will be funded over a period of several years. The Corps of Engineers have indicated that the most downstream section of this project-from approximately North 7th Street to the Arkansas river-can be constructed entirely with city funds with the agreement that the City's cost would be credited towards the future cost of sharing on the project when federal funds become available. Construction of the lower section would reduce flooding for both the lower May Branch area and the Town Branch sub-basin. Anticipated construction is still several years away as final plans have to be completed, right-of-way acquired, and utility relocation must occur first. The FY11 and FY12 allocations are $100,000 each with future allocations totaling $15.2 million in FY13-FY16.

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 is being realigned with Highway 71 and a traffic signal is being installed at the intersection. This project is scheduled for completion in early FY12. The allocation in FY11 was $1.7 million and the allocation for FY11 is only $10,000 for minor completion items.

FCRA Development-
This project includes the construction of a new street to serve the McClure Amphitheater. This approximately 1,500 foot street will intersect with Massard Road. The cost for this project will be split three ways, with the FCRA, Sebastian County and the City each contributing one-third. This street will encourage development of the area east of the amphitheater extending towards Wells Lake Road. The FY12 allocation is $0.9 million. Future allocations for FCRA projects are estimated at $1 million per year in FY13-FY16.

Garrison Avenue Streetscape-
This project is a continuation of the Garrison Avenue Streetscape along both sides from 9th Street to 13th Street. It also includes the replacement of the traffic signal at Garrison Avenue and Towson Avenue. Federal grants of $1.95 million will fund the majority of this project. Construction is expected to begin in late 2011 and will complete the streetscaping along the entire length of Garrison Avenue. This project also includes streetscaping along Towson Avenue south of Garrison Avenue. Anticipated construction of the Towson project is in FY13 and the first phase will extend to South A Street. Federal grants in the amount of $270,000 will benefit this part of the project. The FY12 allocation is $3.7 million and $0.4 million for FY13.

Levee Certification and Repair-
This project includes items associated with the levee certification evaluation in accordance with federal design criteria. This includes items to repair the washed out section on the Rice Carden levee, replacement and repair of the floodwall, construction of street closure devices, installation of embankment protection, repair of outlet culverts and pump station repairs. The FY12 allocation is $3.7 million.

Town Branch-Carnall Drainage-
This project is associated with the flooding that occurs in the downtown area and areas just north of downtown. The Town Branch area is a sub-basin to the May Branch watershed. InFY10 and FY11, the City completed two projects in this area that included heavy cleaning of approximately 1,500 feet of storm sewer at a cost of $188,000 and relocation of a sanitary sewer line at a cost of $318,000 that was crossing and causing blockage within the Carnall Avenue storm sewer. In FY12, this project includes improving the upstream outfall at South G Street and Towson Avenue to the west. This outfall is currently restricted that is contributing to the flood in the downstream areas. The FY12 allocation is $1 million and $2.2 million in future years.

May Branch Outfall Culvert Replacement-
The May Branch outfall culvert is a 12 foot diameter culvert that serves as the outfall for the May Branch drainage basin. It is also knows as the North P Street outfall which was constructed approximately 100 years ago. As part of the work for the levee certification, this culvert required inspection and was found to be in severe condition and in danger of collapse. This past spring several sink holes developed above this section of pipe within the North P Street area. This is indicative of soil migration from around the pipe and into the cracked sections that we have noted. Replacement of approximately 1300 feet of this section of culvert is needed. Construction will need to occur during times of low river levels which typically take place during the latter summer months. This section of culvert will still be required in association with the future May Branch project. The FY12 allocation is $2.4 million.

Intersection Signal Improvements total $750,000 for FY12. These improvements include the replacement of the traffic signal poles at the intersection of North 11th Street with both North A Street and North B Street. A traffic signal interconnect system is also proposed along Zero Street which will include the intersections of Highway 271, Jenny Lind Road, South 24th Street, South 31st Street, and the South 36th Street/I-540 intechange. This will allow coordination of these signals to help improve traffic flow.

Special projects are various street related improvements and studies and include the following for FY12:

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

Administrative- costs for in-house engineering services and administration services total $2,505,100.

Overlays provided by the Street Maintenance department will total $150,000 for 2012.

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	2008	2009	2010	2011	
January	$ 1,943,505	$ 1,983,506	$ 1,789,657	$ 1,886,548	
February	1,523,541	1,445,308	1,398,655	1,428,001	
March	1,606,701	1,525,340	1,429,494	1,465,798	
April	1,639,160	1,689,217	1,646,044	1,685,471	
May	1,646,642	1,532,752	1,555,270	1,608,339	
June	1,781,470	1,503,710	1,578,857	1,562,373	
July	1,928,815	1,564,567	1,627,063	1,664,129	
August	1,831,763	1,584,418	1,535,521	1,658,822	
September	1,655,788	1,584,166	1,584,536	1,580,194	
October	1,716,165	1,508,580	1,504,029	1,582,136	
November	1,497,986	1,409,760	1,424,484	1,328,471	*
December	1,547,119	1,446,169	1,541,365	1,403,343	*
Totals	$ 20,318,655	$ 18,777,493	$ 18,614,975	$ 18,853,625	
Y-T-D % Change	8.9%	-7.6%	-1.0%	1.3%	

* Estimated Revenue

The following schedule reflects the proposed current year projects for the sales tax program for the years 2012 through 2016:

Improvements	2012	2013	2014	2015	2016
Neighborhood Overlays and Reconstruction	$ 7.2	$ 7.0	$ 7.0	$ 9.0	$ 9.0
Neighborhood Drainage Improvements	5.4	2.0	1.0	1.0	1.0
Intersection and Signal Improvements	0.8	0.3	0.3	0.3	0.3
May Branch Drainage	0.1	1.0	3.0	4.0	7.2
Jenny Lind- Zero to Cavanaugh	2.9	7.0	9.6	1.5	-
Levee Certification & Repair	3.7	-	-	-	-
Town Branch/Carnall Street Drainage	1.0	1.0	0.2	-	1.0
Garrison Avenue/Towson Avenue Streetscape	3.0	0.4	-	-	-
May Branch Outfall Culvert Replacement	2.4	-	-	-	-
FCRA Development	0.9	1.0	1.0	1.0	1.0
Special Projects	0.2	0.2	0.2	0.2	0.2
Administrative	2.5	2.6	2.6	2.7	2.8
Overlays by Street Department	0.1	0.2	0.2	0.2	0.2
Total	$ 30.2	$ 22.7	$ 25.1	$ 19.9	$ 22.7

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 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 remaining proceeds from the 2008 Bonds at December 31, 2011 is estimated at $10 million. These funds will be spent during 2012. Funding for projects listed for years 2013 through 2016 will have to be provided by future revenue bond issues. Additional revenue bond issuances will require increased water and sewer system rates.

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

Water Projects	2012	2013	2014	2015	2016
Distribution System Improvements and Fire Protection Improvements	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000
Mountainburg Water Treatment Plant Rehabilitation and Expansion	4,041,900	-	-	-	-
Mountainburg Water Line Corridor Study & Right of Way Acquisition.	500,000	-	-	-	-
24" Water Line Reduced Pressure-Service Area water line	-	1,900,000	-	2,000,000	7,050,000
Water Storage Tank-Painting	165,000	165,000	1,650,000	165,000	165,000
Chaffee Crossing 30" Water Line & 2.5 mg Ground Storage	1,000,000	2,000,000	1,000,000	-	-
Water Projects Totals	$ 9,206,900	$ 7,565,000	$ 6,150,000	$ 5,665,000	$ 10,715,000

Wastewater Projects	2012	2013	2014	2015	2016
Pump Station #7 & 14 Upgrades	800,000	-	-	-	-
Massard Waste Water Treatment Plant Expansion	-	2,200,000	6,000,000	-	-
Chaffee Crossing Pump Station Improvements	-	6,500,000	6,500,000	-	-
Wastewater Projects Totals	$800,000	$8,700,000	$12,500,000	$0	$0
Total Water and Wastewater CIP	$10,006,900	$16,265,000	$18,650,000	$5,665,000	$10,715,000

Sales and Use Tax Bond Construction Funds

In September 2009, the City issued $29.15 million in Sales and Use Tax Construction Bonds to provide additional sewer wet weather improvements. In January 2010, the City issued $3.595 million in Sales and Use Tax Construction Bonds that were remaining from the 2006 issue. The purpose of these bonds is for sewer wet weather improvements. These wet weather improvements are transferred from this fund to the Water and Sewer Operating Fund for capitalization purposes.

At the end of 2011, approximately $8.3 million of the 2009 bond proceeds, and approximately $2.1 million of the 2010 bond proceeds remain to be spent. The City plabs to ask citizens to reauthorize the 1% sales and use tax that is currently suppporting debt obligations for wet weather wastewater improvements. It is estimated that projects totaling $106 million will be presented to voters in March 2012. Wastewater projects total $66.7 million and includes storage improvements, relief sewer construction and upgrades, sub-basins construction and improvements, collection system rehabilitation, and pump station upgrades. Water projects total $25.3 million including the 48" Lake Fort Smith water transmission line design and construction phase I, 24" water transmission line from Highway 45 to Massard Road, Chaffee Crossing 14" water line, Chaffee Crossing booster pump station, and Chaffee Crossing 30" water transmission line. Fire Department projects total $8.5 million and include construction of station #11, fire apparatus, and repair/renovation of the existing fire stations. Park improvements total $5.25 million and include a joint venture with Sebastian County for a water park as well as construction of additional ball fields.

The following is the five year CIP for the Sales and Use Tax Bond Construction Fund for 2012 through 2016:

Wastewater Projects	2012	2013	2014	2015	2016
Mill Creek PS & EQ Storage Improvements	$ 2,000,000	$ 9,000,000	$ 3,250,000	$ -	$ -
Zero Street PS & EQ Storage Improvements	4,000,000	8,000,000	3,000,000	-	-
South 28th Street Relief Sewer	250,000	-	-	-	-
Candlestick Lane Force Main Replacement	1,100,000	800,000	-	-	-
Jenny Lind Relief Sewer	-	180,000	-	-	-
Mill Creek Relief Sewer	-	344,000	2,000,000	1,956,000	-
Sunnymede Sub-Basin S001	750,000	750,000	-	-	-
Sunnymede Sub-Basin S008-S009	-	-	-	895,000	-
P Street Relief Sewers-Phase I	-	400,000	4,000,000	2,310,000	-
Basin 10 & 14 Relief Sewer Phase I	-	-	440,000	3,000,000	1,960,000
Basin P007 Relief Sewers	-	-	-	200,000	-
Basin 12 Relief Sewer-Phase I	-	-	-	190,000	1,040,000
4th Street Relief Sewer	-	-	-	146,000	1,679,000
Wastewater Management Plan Update	350,000	-	-	-	-
2011 Collections System Rehabilitation Phase 1	1,300,000	700,000	-	-	-
2011 Collections System Rehabilitation Phase 2	-	1,200,000	800,000	-	-
Basin 11-1 Collection System Rehabilitation	400,000	110,000	1,490,000	-	-
Sub-Bsasin S007 Collection System Rehabilitation-Phase I	-	400,000	110,000	1,490,000	-
Riverlyn Basin	-	-	400,000	110,000	1,490,000
Basin 12-Phase I	-	-	-	400,000	110,000
Sunnymede Basin 09-04	-	-	-	-	400,000
Buried Pump Station Upgrades	50,000	600,000	-	-	-
Pump Station Standby Power Improvements	1,450,000		-	-	-
Sub-total-Wastewater	11,650,000	22,484,000	15,490,000	10,697,000	6,679,000

Water Projects:	2012	2013	2014	2015	2016
48" Lake Fort Smith water transmission line design and construction Phase I	685,000	6,600,000	9,535,000	-	-
24" water transmission line-Highway 45 to Massard Rd.	1,690,000	850,000	850,000	-	-
Chaffee Crossing 14" water line-Custer Boulevard to Taylor Avenue	950,000	-	-	-	-
Chaffee Crossing booster pump station	-	642,000	642,000	-	-
Chaffee Crossing 30" water transmission line-reservoir to Custer Boulevard	120,000	1,580,000	1,176,000	-	-
Sub-total-Water	3,445,000	9,672,000	12,203,000	-	-
Fire Department Projects:					
Fire Station #11 Construction	1,500,000	1,500,000	-	-	-
Fire Apparatus	900,000	3,350,000			
Repair/renovations for existing stations	400,000	850,000	-	-	-
Sub-total Fire Department	2,800,000	5,700,000	-	-	-
Parks Projects:					
Water park at Ben Geren Park Project with Sebastian County	1,875,000	1,875,000	-	-	-
Construction of ball fields	750,000	750,000	-	-	-
Sub-total Parks	2,625,000	2,625,000	-	-	-
Total	$ 20,520,000	$ 40,481,000	$ 27,693,000	$ 10,697,000	$ 6,679,000

Sanitation Sinking/Landfill Construction Fund

The Sanitation Sinking/Landfill Construction Fund continues the construction of a new scale house and scale system at the landfill at a projected cost of $1,880,000 in FY12. The FY12 transfers from the Sanitation Fund include: future landfill cell construction ($500,000); future construction for a convenience center ($200,000); equipment sinking fund depreciation ($705,010); and the annual estimated charge for closure/postclosure care costs of the landfill ($250,000). Equipment purchases planned for 2012 total $461,900. Therefore, the total capital improvements for 2012 total $2,591,900.

Sidewalk Construction Fund

The total capital improvements for the Sidewalk Construction Fund for 2012 is $433,200. The 2012 sidewalk program was approved in conjunction with the adoption of the street sales tax CIP in October 2011 in Resolution No. R180-11. Funds for the FY12 program were generated by building permit assessment fees. The projects proposed for the FY12 sidewalk program to be completed during 2012 total $200,000 and include sidewalk construction along North A and North B Streets between North 2nd and North 13th streets and along North 21st Street between North B Street and Grand Avenue. The remaining $233,200 will be spent for completion of the FY11 program during FY12.

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 2012 for improvements or equipment total $10,272. These funds will be used for future years' capital needs.

Parking Authority Fund

During FY12, structural repairs to the parking deck are planned at $104,870.

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 2012-2016. There is no capital in 2012 for Parks and Recreation.

	2012	2013	2014	2015	2016
Neighborhood Parks	$ -	$ 300,000	$ 150,000	$ 150,000	$ 150,000
Trails & Greenways	-	500,000	500,000	250,000	250,000
Contingency	-	50,000	50,000	50,000	50,000
Equipment	-	100,000	100,000	100,000	100,000
Creekmore Tennis Court Repair	-	250,000	-	-	-
Creekmore Community Centers Impr.	-	-	-	250,000	-
Tilles Tennis Court-Resurface & Lighting	-	-	250,000	-	150,000
Softball Fields (2) Chaffee Crossing	-	-	-	-	-
Tension Cover-River Park Amphiteater	-	25,000	-	-	-
Conversion 51 Acres	-		-	-	-
Carol Ann Cross Park Fountains	-	-	-	-	60,000
FSP Playground	-	-	-	100,000	-
FSP Parking & Fishing Pavilion	-	-	150,000	150,000	-
Water Park-Ben Geren		-	4,000,000	-	-
Wilson Park-Playground & Pavilion	-	-	-	-	100,000
Total	$ -	$ 1,225,000	$ 5,200,000	$ 1,050,000	$ 860,000

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 fund. 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 FY12:

Building/Infrastructure Improvemments-		
Garrison Avenue Streetscape at 9th Street	$ 60,000	
Parking Deck Structural Repairs	104,870	
Update Main Public Restrooms at Health Center	30,000	
Parking Lot Concrete Repair at Landfill	20,000	
2 HVAC Units for Transit Maintenance Shop	5,300	
		220,170
Heavy Equipment -		
2 Ton Dump Truck-Replacement-Water & Wastewater	$ 62,100	
Sewer Rodding Truck-Replacement-Water & Wastewater	150,000	
Backhoe Loader-Replacement-Water & Wastewater	75,000	
Jet Cleaning Vehicle-Replacement-Water & Wastewater	375,000	
4WD Tractor w/Gang Mower & Cab-Addition-Streets & Traffic Control	96,000	
Bus-Replacement-Transit	80,000	
Automated Sideloader-Replacement-Sanitation	270,000	
Total Heavy Equipment		1,108,100
Water & Wastewater Plant & Systems		
Spectrophotometer Replacement	30,000	
Water Quality Analyzer (2)-Replacement	13,200	
Ion Chromatrograph-Replacement	85,000	
Analytical Balance-Replacement	9,000	
Sampler (4) (Replacement)	15,500	
Battery Backpack Electrofisher-Replacement	8,000	
		160,700
City Fleet-		
Replacement Vehicles:		
1/2 Ton Pickup-Customer Service	21,400	
1/2 Ton Pickup-Engineering	21,400	
Cargo Van (4) Water & Wastewater	92,400	
1/2 Ton Pickup-Fire	26,900	
Mid Size SUV (2)-Water & Wastewater	50,000	
1/2 Ton Pickup-Water & Wastewater	23,800	
1/2 Ton Pickup W/4WD-(4) Water & Wastewater	93,800	
1 Ton Cab & Chassis w/Utility Bed (2)- Water and Wastewater (1 with a crane)	91,000	
1 Ton Cab & Chassis w/Flat Bed- Water and Wastewater	60,000	
Total City Fleet		480,700

Miscellaneous Capital Outlay-

Water Meters	175,000	
Automatic Refuse Carts & Containers-Sanitation	338,940	
Solid Waste Commercial Containers	450,000	
Solid Waste Roll-Off Compactors & Containers	114,000	
CPR Training Equipment-Transit	5,200	
Compressed Natural Gas Bus Conversions-Transit	40,000	
Hoist Lift for Maintenance- Transit	8,000	
4 Mowers-2 Replacements & 2 Additions-Water & Wastewater	54,000	
2 Equipment Trailers-Replacements- Water & Wastewater	20,000	
Traffic Message Board-Water & Wastewater	16,600	
Mini-Excavator-Replacement-Water & Wastewater	32,200	
Pressure Washing Machine-Sanitation	25,000	
Radio Console-Replacement-3 year lease purchase-Water & Wastewater	60,000	
Microwave Link Between Kelley Highway and Arkansas State Police Headquarters- 3 year lease purchase-Police	25,000	
Total Miscellaneous		1,363,940
		$ 3,333,610

Reconciliation of Total Capital Outlay:

Capital Outlay -	
Operating Funds (see page 70)	3,228,740
Parking Authority Fund (see page 46)	104,870
	$ 3,333,610

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 2012 are as follows:

Streets and Traffic Control:		
2012 Depreciation	$	300,000
Planned Fleet Purchases in 2012:		
Asphalt Roller (Replacement)	$	49,500
1 Ton Diesel Flatbed Dump Truck (Replacement)		40,000
3/4 Ton 4WD Pickup with Utility Bed (Replacement)		35,000
Street Sweeper (Replacement)		186,500
2 Ton Bucket Truck (Replacement)		72,000
Total	$	383,000
Sanitation:		
2012 Depreciation	$	705,010
Planned Fleet Purchases in 2012:		
Container Delivery/Welding Truck (2) (Replacements)	$	100,000
1/2 Ton Full Size Pickup 4WD (Replacement)		21,900
Roll-Off Truck (2) (Replacements)		340,000
Total	$	461,900

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 2012 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 2012. Infrastructure related costs for Chaffee Crossing include water improvements of $8.9 million, wastewater improvements of $13 million, and a fire station at an approximate cost of $3 million. The City plans to ask citizens for an extension of the 1% local sales and use tax in March 2012 to fund the fire station, water and wastewater improvements. A portion of the referendum will ask voters to allocate a small portion of the tax for future fire operations at the new station.
- 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 FY12. Once the Mountainburg water treatment plant expansion and rehabilitation is completed at the end of FY11, the City will evaluate the cost savings expected from the new equipment beginning in FY12 and will estimate the savings in future budget documents.
- Park projects planned after 2012 include a joint venture with Sebastian County for a water park facility as well as additional softball fields. The planned trails and greenway project and other park improvements are planned over the next 10 years. The City will ask voters for an extension of the current 1% sales and use tax for bonds to fund the water park and softball fields. A portion of the referendum will ask voters for a small portion of the tax to provide operating costs expected to be approximately $850,000 annually for the new projects.

RELATED FINANCIAL INFORMATION

This section has been prepared to assist in the understanding of the financial data used in the budget document.

Budget Organizational Structure

A separate budget is presented for each fund listed in the fund structure on pages 40-41. Each fund's budget is presented on pages 45-53 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
6912 Public Parking Personnel	100% General 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
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 Accounts)	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
6207	The Park at West End	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
6307	Roll-Off 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-CVB

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.

Airport Security Reimbursement

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

COPS Grant

Funds provided by the Department of Justice for hiring sworn police personnel.

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 and Maintenance, 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

Privilege

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, planning and zoning 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. Beginning in 2011, these fees were credited to the Convention Center Fund.

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.

The Park at West End
Revenue derived from the operation of the leased facilities at this park at the end of Garrison Avenue. A ferris wheel and merry-go-round are operated by park personnel.

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 $15.00 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.

Mobile Data Support Fees
This is revenue generated by the Police Department for sharing its mobile system with regional enforcement agencies.

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 FSPS for SRO's
Revenue from the Fort Smith Public Schools (FSPS) for its share of funding the two high school resource officers (SRO).

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 that 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	FY12 Principal and Interest	Principal/Interest Outstanding	Year of Retirement	Original Issue
Water and Sewer Revenue Refunding Bonds- Series 2005A	$ 2,146,258	$ 15,053,610	2019	$ 17,605,000
Water and Sewer Revenue Bonds- Series 2005B	309,795	9,391,433	2025	7,330,000
Water and Sewer Revenue Bonds- Series 2007	1,890,369	28,332,312	2027	24,470,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2008	6,430,979	199,415,695	2032	117,420,000
Water and Sewer Revenue Refunding Bonds-Series 2011	2,879,791	19,915,410	2023	18,920,000
Parking Facilities Refunding and Improvement Revenue Bonds- Series 1998	138,340	561,020	2017	2,025,000
Sales & Use Tax Bonds Series 2006	10,572,670	6,993,458	2012 *	84,935,000
Sales & Use Tax Bonds Series 2008	2,916,281	4,065,544	2012 *	15,815,000
Sales & Use Tax Bonds Series 2009	699,300	30,187,975	2014	29,150,000
Total	**$ 27,983,783**	**$ 313,916,457**		**$ 317,670,000**

* Estimated maturity date based upon mandatory redemption requirements.

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 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 operating revenue is anticipated to be sufficient to cover required debt service payments for 2012.

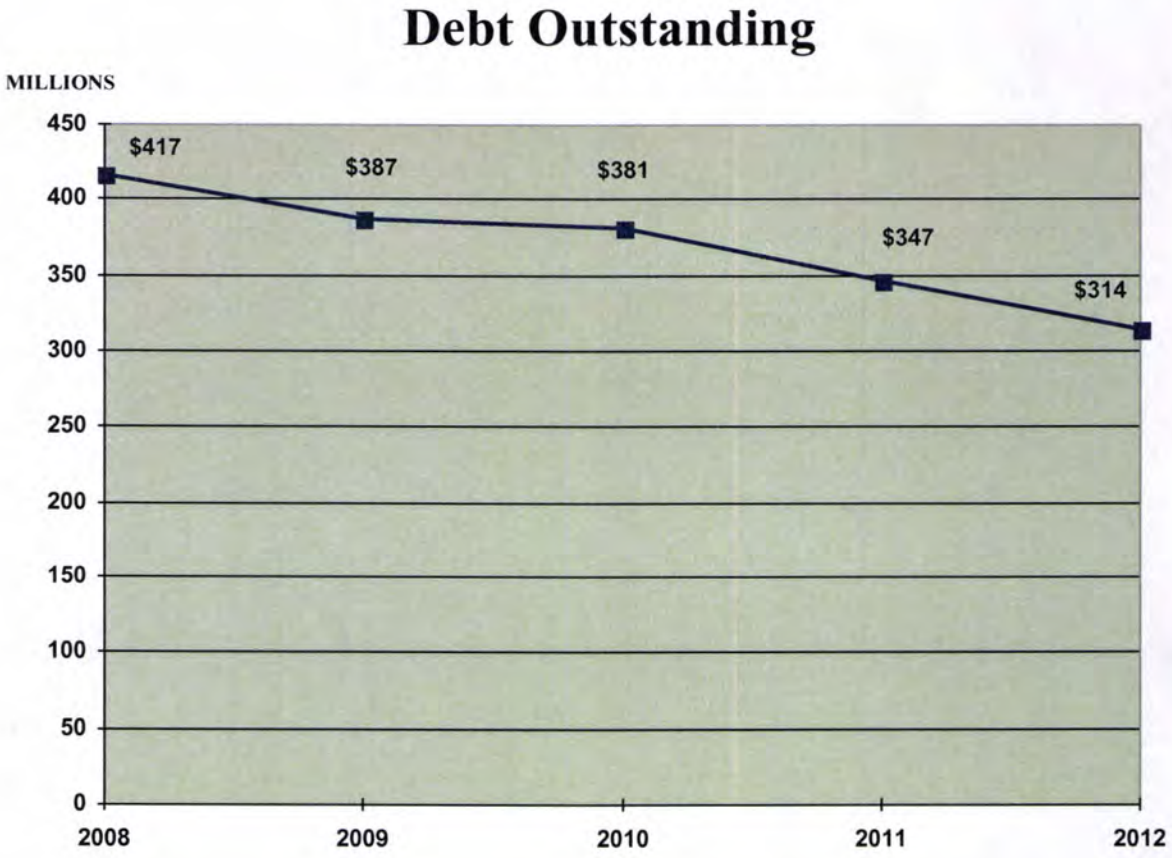
In November 2011, the City issued $18.92 million in water and sewer revenue refunding bonds to refund the outstanding 2002B and 2002C water and sewer revenue refunding bonds. The Water and Sewer Operating Fund provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2011 Series Bonds is subordinate to Series 2005A, 2005B, 2007 and 2008 water and sewer revenue bonds and senior to the pledge of water and sewer system revenues in favor of the 2009 sales tax bonds. Rates generated by the water and sewer system are expected to cover the required debt service payments in 2012.

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 Sales and Use Tax Bonds, Series 2009, are collateralized by the same one percent (1%) local sales tax as the 2006 and 2008 Series bonds. This issue is to provide funds for wastewater improvements including wet weather improvements. The sales tax will be used to pay debt service requirements on the 2009 issue once the 2006 and 2008 issues are redeemed. The water and sewer system revenues are providing interest payments due on the Series 2009 Bonds until the sales tax revenue is available. The pledge of water and sewer system revenues for the 2009 Series sales taxc bonds is subordinate to all the outstanding water and sewer revenue bonds.

The following graph reflects the debt outstanding at December 31, 2008 through 2012.



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, 2012, is:

Assessed Property Value	$ 1,246 million
Debt Limit Per State Statute (25% of Assessed Property Value)	$ 312 million
General Obligation Bonds Outstanding @ December 31, 2012	0
Legal Debt Margin	$ 312 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 2012, the calculation is as follows:

	Water & Sewer Revenue Bonds	Solid Waste Revenue Bonds
2012 Debt Service Payment	$ 13,657,192	$ 0
Operating Revenue (Service Charges & Fees)	$ 38,610,050	$ 0
Debt Service as a % of Operating Revenue	35%	0%
Policy Limit	25%	25%

The policy is met for the solid waste revenue bonds. Although the policy is not expected to be met in FY12 for the water and sewer revenue bonds, it is anticipated that rate increases in future years will provide more revenue to assist in getting closer to this limit.

Note: Sales and Use Tax Bonds are special obligations of the City and are governed by state law. There is not a debt margin for sales and use tax bonds. These bonds are subject to mandatory redemption from excess sales tax revenue on any payment date.

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, 2011.

5 Year Debt Maturity Disclosure
For the Fiscal Year Ended 12/31/11

Primary Government
Water and Sewer Revenue Bonds

	2005A Series			2005B Series			2007 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
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	1,700,000	453,458	2,153,458	545,000	288,795	833,795	1,015,000	873,769	1,888,769
2015	1,765,000	385,458	2,150,458	570,000	266,723	836,723	1,055,000	833,169	1,888,169
2016	1,835,000	314,857	2,149,857	590,000	242,497	832,497	1,100,000	790,969	1,890,969
2017-2021	5,960,000	491,179	6,451,179	3,350,000	820,622	4,170,622	6,220,000	3,223,974	9,443,974
2022-2026	0	0	0	1,750,000	133,001	1,883,001	7,860,000	1,583,475	9,443,475
2027-2031	0	0	0	0	0	0	1,810,000	79,188	1,889,188
2032	0	0	0	0	0	0	0	0	0
Total	14,455,000	2,744,867	17,199,867	7,330,000	2,371,228	9,701,228	20,975,000	9,247,681	30,222,681

Water and Sewer Revenue Bonds (Continued)

	2008 Series			2011			Total Water & Sewer Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	645,000	5,785,979	6,430,979	2,385,000	494,791	2,879,791	5,535,000	8,122,192	13,657,192
2013	1,160,000	5,760,179	6,920,179	1,320,000	492,073	1,812,073	5,610,000	7,993,472	13,603,472
2014	1,200,000	5,713,778	6,913,778	1,345,000	465,672	1,810,672	5,805,000	7,795,472	13,600,472
2015	1,265,000	5,653,779	6,918,779	1,380,000	425,323	1,805,323	6,035,000	7,564,452	13,599,452
2016	1,330,000	5,590,529	6,920,529	1,430,000	383,922	1,813,922	6,285,000	7,322,774	13,607,774
2017-2021	11,930,000	26,973,142	38,903,142	7,635,000	1,419,508	9,054,508	35,095,000	32,928,425	68,023,425
2022-2026	30,725,000	22,363,088	53,088,088	3,425,000	193,912	3,618,912	43,760,000	24,273,476	68,033,476
2027-2031	54,235,000	11,908,200	66,143,200	0	0	0	56,045,000	11,987,388	68,032,388
2032	12,960,000	648,000	13,608,000	0	0	0	12,960,000	648,000	13,608,000
Total	115,450,000	90,396,674	205,846,674	18,920,000	3,875,201	22,795,201	177,130,000	108,635,651	285,765,651

5 Year Debt Maturity Disclosure
For the Fiscal Year Ended 12/31/11

Primary Government:
Sales & Use Tax Bonds

	2006 Series			2008 Series			2009 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	9,825,000	747,670	10,572,670	2,665,000	251,281	2,916,281	0	699,300	699,300
2013	6,725,000	268,458	6,993,458	2,765,000	151,344	2,916,344	14,425,000	699,300	15,124,300
2014	0	0	0	1,105,000	44,200	1,149,200	14,725,000	338,675	15,063,675
Total	16,550,000	1,016,128	17,566,128	6,535,000	446,825	6,981,825	29,150,000	1,737,275	30,887,275

	Total Sales & Use Tax Bonds		
	Principal	Interest	Total
2012	12,490,000	1,698,251	14,188,251
2013	23,915,000	1,119,102	25,034,102
2014	15,830,000	382,875	16,212,875
Total	52,235,000	3,200,228	55,435,228

Component Unit
Parking Authority

	1998 Series		
	Principal	Interest	Total
2012	110,000	28,340	138,340
2013	115,000	23,390	138,390
2014	120,000	18,043	138,043
2015	125,000	12,462	137,462
2016	130,000	6,650	136,650
2017	10,000	475	10,475
Total	610,000	89,360	699,360

Glossary of Key Budget Terms

A&P-Advertising and promotion

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 transactions 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 three year 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, recreational facilities, water systems and sewer systems.

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.

COSO- Committee of Sponsoring Organizations-Developed by the Treadway Commission, COSO is a voluntary private-sector organization dedicated to guiding executive management and governance entities toward the establishment of more effective, efficient, and ethical business operations on a global basis.

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.

CVB- Convention and visitors bureau

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.

FSPS- Fort Smith Public Schools

FTA- Federal Transit Administration

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. Also known as the hospitality tax.

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.

KPI- Key performance indicators

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 Arkansas 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. Fort Smith is the county seat of Sebastian County.

Fort Smith is located in westerm Arkansas on the border of Oklahoma and along the Arkansas River. It is the second largest city in Arkansas with a population of 86,000. The Fort Smith Metropolitan Statistical Area (MSA) is compromised of three counties in Arkansas (Sebastian, Crawford, and Franklin) and two counties in Oklahoma (Sequoyah and Leflore). The estimated population of the Fort Smith MSA is nearly 298,000.

Forbes magazine recently named Fort Smith as the number one city in America for its low cost of living. The publication also highlighted Fort Smith for its highest-paying tech jobs in the nation.

The regions economy has been hurt by the Great Recession, and the unemployment rate for the Fort Smith Metropolitan area is 8.0%. The State of Arkansas unemployment is reported at 7.8% and the national rate is 8.5%.

A Fortune Top 400 transportation and logistics company, ABF Freight Systems, is headquartered in Fort Smith. Planters, a division of Kraft Foods, Gerber, and a number of other major publicly help companies have longstanding and growing interests in the region.

In the past five years the region has successfully recruited a number of major industrial projects, bringing substantial capital investments and jobs. Mars Petcare recently completed an $80 million facility, which produces its Cesar brand for small dogs. Mitsubishi Power Systems completed construction for its 200,000 square foot wind to energy manufacturing facility valued at $45 million in Fort Smith during 2011. In addition, longstanding industrial businesses have made additional investments in their Fort Smith area facilities, including Gerber, Graphic Packaging, and Owens Corning.

In a $4.2 billion transaction, Swedish-Swiss engineering giant ABB acquired Fort Smith based Baldor Electric. Terms of the transaction require Fort Smith to remain as headquarters for the motor and drive producer's North American division.

In January 2007, following an exhaustive 4 year search, the U.S. Marshals Service named Fort Smith as home to the National U.S. Marshals Service Museum, a facility dedicated to honoring the men and women who served the nation's oldest law enforcement agency, which was founded in 1789.

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	86,209 (2010 Census)
Date of Incorporation	December 24, 1842
Date Form of Government Adopted	March 28, 1967
Miles of Street	505 miles
Number of Street Lights	6,053
Number of Traffic Signals	149
Water Supply	Lake Fort Smith and Lee Creek Reservoir
Annual Precipitation	45.92 inches (average)
Temperature Averages	Winter: 49 degrees Summer: 72 degrees

Fire Protection:

Number of Stations	10
Number of Firefighters and Officers	129

Police Protection:

Number of Stations	1
Number of Sub Stations	7
Number of Police Members and Officers	170

Municipal Water Department:

Number of Consumers	33,365
Number of Contract Communities	13
Production Capacity	63,400,000 gallons
Average Daily Production	30,532,000 gallons
Maximum Daily Consumption	48,270,000 gallons
Miles of Water Main	626 miles

Municipal Wastewater Department:

Number of Customers	30,513
Number of Contract Communities	1
Sanitary Sewers	500
Average Daily Sewer Flow	17,421,000 gallons

Municipal Solid Waste System:

Number of Accounts	26,272
Average Annual Refuse Collections	84,872.6 tons
Average Annual Refuse Disposal	244,408 cubic yards

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	297,967
Convention Center	
Theater	
Area	1,331 seats with 4,200 square feet of stage
Number of Event Days	65
Exhibition Hall	
Area	40,000 square feet of space
Number of Event Days	143

Population		Change
1980	71,626	-
1990	72,798	1.6%
2000	80,268	10.3%
2010	86,209	7.4%

Ethnicity in 2010:

Race	% of Population
White	70%
Black or African American	9%
American Indian and Alaska Native	2%
Asian	5%
Some Other Race	10%
Two or More Races	4%

Note: The Hispanic or Latino of any race was projected at 16% of the total 2010 population.

Median age in Fort Smith:	35
Estimated median income of a family:	$41,012
Average price for an 1,800 square foot home:	$223,885
National average price for an 1,800 square-foot home:	$313,000

Cost of living in Fort Smith is 14.8% below the national average.

City of Fort Smith
Schedule of Building Permits Issued for New Construction
For the Fiscal Year Ended December 31, 2002 through
December 31, 2011

	Commercial Construction		Residential Construction	
Fiscal Year	Number of Units	Value	Number of Units	Value
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	67	$107,390,575	350	$37,681,093
2009	45	$44,192,081	514	$40,173,803
2010	41	$23,582,143	359	$49,402,500
2011	43	$64,716,229	339	$45,224,255

Source: City of Fort Smith Building Safety Department

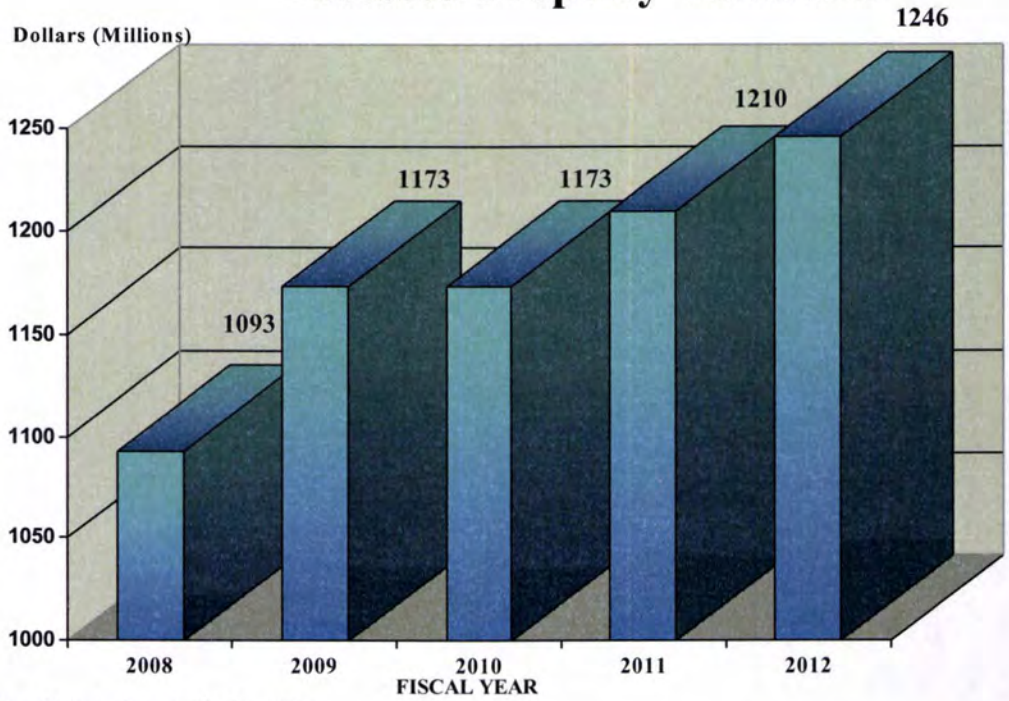
City of Fort Smith
Schedule of the Largest Employers By Number of Employees

Company	Product	# Employees
Sparks Health System	Medical/Surgical Services	2,400
Baldor Electric	Electric Motors & Grinders	2,393
O K Foods	Poultry Processor	1,800
Fort Smith Public Schools	Primary & Secondary Education	1,783
St. Edward Medical Center	Medical/Surgical Services	1,487
Rheem-Ruud	Central Heating-A/C Equipment	1,157
Whirlpool Corp.	Refrigeration	1,130
University of Arkansas at Fort Smith	Higher Education	951
Arkansas Best Corporation	Trucking and Transportation	936
City of Fort Smith	Municipality	918

Source: Fort Smith Chamber of Commerce
(Per Chamber of Commerce staff, November 2010 is most up to date data available.)

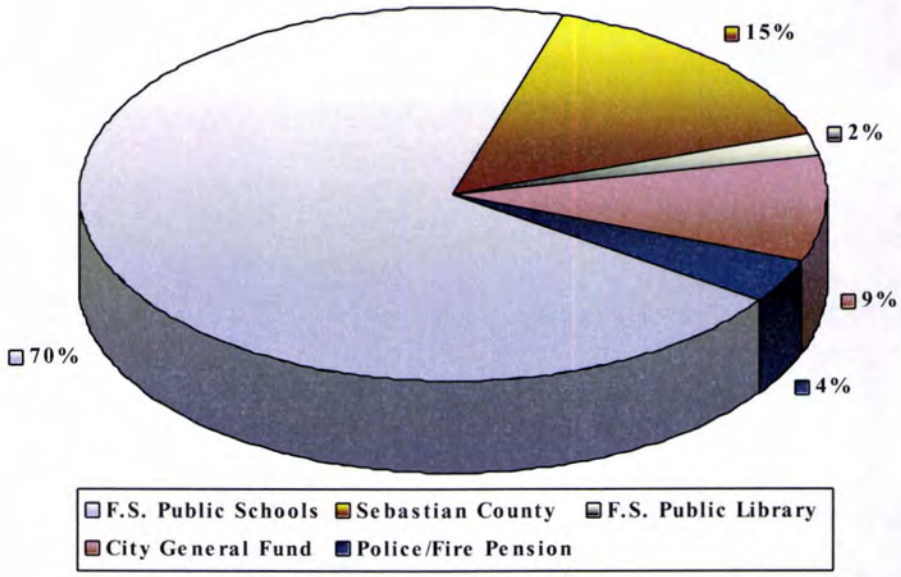
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City limits.

Assessed Property Valuation



Source: Sebastian County Assessor's Annual Abstract, as amended.

Allocation of Real Property Tax Rates For Taxes Payable FY12 for Overlapping Governments Within The City Limits



Source: Sebastian County Clerk's Office

Personnel Count Comparison

	2010 Actual	2011 Budget	2011 Estimated	2012 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	3.00	3.00	3.00	4.00
4111 Economic Development	2.00	2.00	2.00	1.00
4201 District Court	18.00	18.00	18.00	18.00
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	36.00	36.00	36.00	36.00
Management Services Division:				
4104 Human Resources	4.00	4.00	4.00	4.00
4105 City Clerk	3.00	3.00	3.00	3.00
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.	13.00	13.00	13.00	13.00
4306 Purchasing	2.00	2.00	2.00	2.00
4401 Information and Technology	9.00	9.00	9.00	9.00
6912 Public Parking Personnel	1.00	1.00	1.00	1.00
Total Management Services Division	49.00	49.00	49.00	49.00
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	4.25	4.25	4.25	3.25
4108 Building Safety	11.00	11.00	11.00	11.00
6900 Neighborhood Services	8.00	8.00	8.00	8.00
Total Development Services Division	50.00	50.00	50.00	49.00

	2010 Actual	2011 Budget	2011 Estimated	2012 Budget
Police Services Division				
4701 Administration	5.00	5.00	5.00	6.00
4702 Support Services	55.25	50.00	50.00	47.00
4703 Criminal Investigations	40.00	42.00	42.00	42.42
4704 Patrol Operations	116.50	122.75	122.75	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	0.58
6920 Public Parking/Enforcement	4.00	4.00	4.00	3.00
Total Police Services Division	226.75	229.75	229.75	222.00
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

	2010 Actual	2011 Budget	2011 Estimated	2012 Budget
Water & Sewer				
5501 Utilities Administration	16.00	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	22.00	22.00	22.00
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	4.69	4.69	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	13.00
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	192.19	189.19	189.19	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/Downto\	5.00	5.00	5.00	5.00
6207 The Park at West End	1.00	1.00	1.00	1.00
Total Parks & Community Services	39.10	39.10	39.10	39.10
Convention Center				
6203 Convention Center	13.50	13.50	13.50	13.50

	2010 Actual	2011 Budget	2011 Estimated	2012 Budget
Sanitation				
6301 Administration	6.00	6.00	6.00	6.00
6302 Residential Collections	24.00	25.00	25.00	25.00
6303 Commercial Collections	11.00	10.00	10.00	10.00
6304 Fleet & Grounds Maintenance	10.00	10.00	10.00	10.00
6305 Sanitary Landfill	17.00	17.00	17.00	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	36.00	36.00	36.00	36.00
Total Operation Services Division	423.03	420.03	420.03	422.03
Non-Departmental				
6870 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
Total FTE Personnel	921.78	921.78	921.78	915.03

Please note: This schedule includes position of Mayor and the seven Director positions. The reconciliation to the schedule on page 2 is as follows:

	2010 Actual	2011 Estimated	2012 Budget
Total FTE Personnel, this schedule	921.78	921.78	915.03
Program 4100 Mayor & 4101 Board of Directors	(8.00)	(8.00)	(8.00)
Total FTE Personnel, Schedule on page 3	913.78	913.78	907.03

GENERAL INDEX

A

Accomplishments
  discussed, I-II
Accounting Control
  discussed, 170
Allocation of Personnel
  graphic display, 3, 22
  discussed, 22
  schedule, 3, 22,192-195
Allocation of Property Tax Rates
  graphic display, 191
Annual Appropriated Budget - All Funds
  discussed, IV-V,13
  graphic display, 14, 28
  individual statements, 45-53
  statement summaries, 7, 27, 29-30
Appropriation
  defined, 183
  distribution of -
    FY12, 69-71
    FY13, 72-74
Assessed Property Valuation
  defined, 183
  debt limits, 180
  discussed, 18
  graphic display, 191
Award
  Distinguished Budget
  Presentation
    discussed, iii, II
    photo copy, iii

B

Basis Difference
  discussed, 5
Basis of Accounting
  defined, 183
  discussed, 5,170
Bonded Indebtedness
  discussed, 24-25, 178-180
  graph, 179
  schedules, 177, 181-182
Budget Amendment
  defined, 183
  discussed, 5, 170
Budget Calendar
  defined, 183
  schedule, 6
Budget Format
  discussed, vii-viii
Budget Message
  defined, 183
  current year message, I-VII
Budget Organizational Structure
  discussed, 167-169
Budget Process
  discussed, 5-6, 170
Budget Requirements
  discussed, 5,170
Budgetary Control
  discussed, 170
Budget to GAAP Difference
  discussed, 5
Building Permits
  schedule, 190
  statistics, 109

C

CAFR
  defined, 184
  discussed, II, 5
Capital Improvement Policies
  presented, 9
Capital Improvement Program
  defined, 184
  discussed, 23, 149-166
  effects on operating budgets, 166
  schedule, 23
Capital Projects Funds
  defined, 43
  fund chart, 40
  statements and definitions -
    Sidewalk Construction Fund, 43, 49, 162
    Sales and Use Tax Bond
      Construction Fund, 43, 49, 159-161
City Divisions
  defined, 184
  discussed, VI
  Policy and Administration Services
    appropriations, 78, 82, 86
    narrative, 78-87
    organization chart, 77
  Management Services
    appropriations, 90, 92, 95, 99
    narrative, 90-101
    organization chart, 88-89
  Development Services
    appropriations, 104, 107
    narrative, 104-110
    organization chart, 102-103

Police Services
appropriations, 112
narrative, 112-117
organization chart, 111
Fire Services
appropriations, 118
narrative, 118-120
organization chart, 117
Operation Services
Streets and Traffic Control
appropriations, 122
narrative, 122-123
organization chart, 121
Water and Sewer
appropriations, 126
narrative, 126-127
organization chart, 124-125
Parks and Recreation
appropriations, 129
narrative, 129-131
organization chart, 128
Convention Center
appropriations, 133
narrative, 133-135
organization chart, 132
Sanitation
appropriations, 137
narrative, 137-138
organization chart, 136
Transit
appropriations, 140
narrative, 140-141
organization chart, 139
Non-Departmental
appropriations, 142, 146
narrative, 142, 146-147
organizational chart, 145
schedule, 143-144
Classification of Revenue Sources
descriptions of, 171-176
Combined Division Summary -
Operating Funds
by division classification, 75
by expenditure/expense classification, 76
Combined Statements
all funds, 27, 29-30
operating funds revenue, 60
Comparative Statements
all funds, 27, 30
graphic display, 28
operating funds, 55
Contingencies
discussed, VII
graphic display, General Fund, 19
reserve policies, 10
schedule, VII

D

Debt Margin
computation, 180
Debt Policies
presented, 9
Debt Service
defined, 184
discussed, 24-25, 178-180
maturity schedule, 181-182
graphic display, 179
schedule, 177

E

Encumbrances
defined, 184
Enterprise Funds
defined, 43
fund chart, 41
statements and definitions
Parking Authority, 43, 52
Sanitation Related -
Sanitation Operating Fund,43, 51, 59, 67
Cleanup/Demolition Fund, 43, 51
Sanitation Sinking/Landfill
Construction Fund, 43, 51, 162
Soild Waste Bond Fund, 43, 51
Water and Sewer Related -
Water and Sewer Operating Fund, 43, 50
58, 65
Water and Sewer Depreciation Fund, 43, 50
Water and Sewer Bond Fund, 44, 50
Water and Sewer Capital Improvement
Projects Fund, 44, 50, 157-158
Expenditure\Expense Distribution
operating funds allocation -
by operating fund, VI
by service division, VI, 75
by use, VI, 76
discussed, V-VI
FY12 69-71
FY13, 72-74

F

Financial Reporting Policies
  presented, 11-12
Financial Structure
  defined, 39
Fiscal Performance Policies
  discussed, 7
  presented, 7-12
Franchise Tax Comparison
  schedule, 18
Fund Balance
  defined, 184
  discussed, I, VII, 5, 19-21
  graphic display for General Fund, 19
Fund Structure
  defined, 39
  charts, 40, 41
Funding Source
  defined, 184
  programs, 167-169
Future Notes
  discussed, III-IV

G

General Fund
  comparative statement, 56
  defined, 42
  discussed, 18-19
  fund chart, 40
  graphic display, 16-17, 19, 62
  revenue comparisons, 61-62
  statement, 45, 56
General Obligation Bonds
  defined, 184
Goals and Objectives
  city, II-III
correlation of departmental goals
  with citywide goals, VIII-X
  2012 departmental, 78-80, 82, 86, 90, 92
  95-96,99-100, 104, 107, 112-113, 118, 122,
  126, 129, 133-134, 137,140, 146-147
  2011 Goals/Service Objectives & Results
  city, II-III
  departmental, 80-81,83,86-87,90, 92-93,
  97, 100-101, 104-105, 107-108, 114-115, 119,123,
  127, 130, 135, 138, 140, 147
Graphic Displays
  allocation of full-time personnel, 3
  allocation of property tax rates, 191
  appropriations by expenditure/expense
    classification, 76
  appropriations by service division, 75
  assessed property valuation, 191
  comparison of total revenues -
    Operating Funds, 60
    General Fund, 62
    Street Maintenance Fund, 63
    Water and Sewer Operating Fund, 65
    Sanitation Operating Fund, 67
  debt outstanding, 177
  fund balance, General Fund, 19
  personnel authorizations, 3, 22
  revenue analyses, 31-33, 35-37
  sales tax revenues, 149
  sources of funds, 14,16
  total sources and total appropriations -
    Operating Funds, 16-17
    General Fund, 16-17
    Street Maintenance Fund, 16-17
    Water and Sewer Operating Fund, 16-17
    Sanitation Operating Fund, 16-17
  uses of funds, 14, 17

H

Historical Notes
  presented, 187

I

Internal Controls
  discussed, 170
Internal Service Funds
  defined, 44
  fund chart, 41
  statements and definitions -
    Working Capital Fund, 44, 53
    Employee Insurance Fund, 44, 53
    Workers' Compensation Fund, 44, 53
Investment and Cash Management
  Policies
    presented, 10-11

K

Key Performance Indicators
  Schedules
    Finance, 96
    Streets and Traffic Control, 122
    Sanitation, 137

L

Legal Debt Margin
  computation, 180

M

Major Policy Initiatives
City, II-III
Management Team
listed, i
Message Summary
discussed, VII
Mission Statement,
defined, 185
presented, ii

N

Non-Departmental
defined, 185
discussed, 142
schedule, 143-144

O

Operating Expenditure/Expense
Policies
presented, 8
Operating Funds
defined, 185
discussed, 15, 18-21
graphic display, 16-17, 60

Organization Charts
City wide, 1
Divisions -
Policy and Administrative Services, 77
Management Services, 88-89
Development Services, 102-103
Police Services, 111
Fire Services, 117
Operation Services -
Streets and Traffic Control, 121
Water and Sewer System, 124-125
Parks and Recreation, 128
Convention Center, 132
Sanitation, 136
Transit, 139
Convention and Visitors Bureau, 145

P

Pension Trust Funds
discussed, 23

Personnel
allocation by expenditure/
expense classification, 2
count comparison, 192-195
discussed, 22
graphic display, 3, 22
listing of authorized
positions, 2, 192-195
Program
defined, 185
discussed, 167
funding sources, 167-169

R

Reserve Policies
presented, 10
Retirement Plans,
discussed, 23
Revenues
classification of, 171-176
comparative statements, 60, 61, 63, 65, 67
defined, 185
discussed, V, 62, 64, 66, 68
graphic display, 60, 62, 63, 65, 67
major analyses, 31-37
schedule, V
Revenue Bonds
defined, 185
discussed, 24-25, 178-180
schedule, 177, 181-182
Revenue Policies
presented, 7

S

Sales and Use Tax Bond Fund
defined, 42-43
statement, 48
Sales & Use Tax Bond Construction Fund
capital improvement program, 159
defined, 43
statement, 49
Sales Tax Fund
capital improvement program, 149-156
defined, 42
graphic display, 149
schedule of monthly revenue, 155
statement, 46
Sanitation Operating Fund
comparative statement, 59
defined, 43
discussed, 21
graphic display, 16-17, 67

revenue comparisons, 67-68
statements, 51, 59
Service Measures/Outcomes and Workload Demand Statistics by Division
Policy and Administration, 84-85
Management Services, 90-91, 93-94, 98
Development Services, 105, 109-110
Police Services, 116
Fire Services, 119-120
Operation Services -
Water and Sewer System, 127
Parks and Recreation, 131
Sanitation, 138
Transit, 141
Non-Departmental-
Convention and Visitors Bureau, 147
Sinking Account
defined, 185
discussed, 166
Sources of Funds
discussed, 13, 15
graphic display, 14, 16
Special Revenue Funds
defined, 42
fund chart, 40
statements and definitions -
Street Maintenance Fund, 42, 46
Sales Tax Fund, 42, 46
Community Development Block Grant Fund, 42, 46
HOME Investment Partnership Act Fund, 42, 46
Special Grants Fund, 42, 47
Tilles Park Fund, 42, 47
Advertising and Promotion Fund, 42, 47
Arkansas LOPFI Contribution Fund, 42, 47
Convention Center Fund, 42, 47
Street Maintenance Fund
comparative statement, 57
defined, 42
discussed, 20
graphic display, 16-17
revenue comparisons, 63-64
statements, 46, 57

T

Table of Contents
presented, v-vi
Ten Largest Employers
schedule, 190
Top Priorities
presented, III

U

Unencumbered Balance,
defined, 186
Uses of Funds
discussed, 13, 15, 18-21
graphic display, 14, 16-17, 75-76

V

Values Statement,
defined, 186
presented, ii
Vision Statement,
defined, 186
presented, ii

W

Water and Sewer Operating Fund
comparative statement, 58
defined, 43
discussed, 21
graphic display, 16-17
revenue comparisons, 65-66
statements, 50, 58
Working Capital,
defined, 186
discussed, I, 5,21
Working Capital Fund
defined, 44
statement, 53

City of Fort Smith
FY12
Budget Comparison Summary-Street Maintenance Fund

	Estimated FY11	Budget FY12	Increase (Decrease)	Projected FY13
Revenues				
Intergovernmental	$ 4,094,928	$ 4,094,928	$ 0	$ 4,094,928
Taxes and Assessments	2,098,200	2,140,164	41,964	2,182,967
Miscellaneous	12,297	10,000	(2,297)	10,000
Total	$ 6,205,425	$ 6,245,092	$ 39,667	$ 6,287,895
Expenditures				
Policy and Administration Services	$ 128,004	$ 150,318	$ 22,314	$ 151,071
Management Services	382,549	400,262	17,713	414,282
Development Services	72,005	74,656	2,651	76,076
Operation Services	5,502,992	6,032,980	529,988	6,193,205
Non-Departmental	400,945	426,260	25,315	430,500
Total	$ 6,486,495	$ 7,084,476	$ 597,981	$ 7,265,134
Excess (Deficiency) Revenues Over Expenditures	$ (281,070)	$ (839,384)	$ (558,314)	$ (977,239)
Fund Balance, Beginning of Year	2,379,213	2,098,143	(281,070)	1,258,759
Fund Balance, End of Year	$ 2,098,143	$ 1,258,759	$ (839,384)	$ 281,520