



# 2014 Budget

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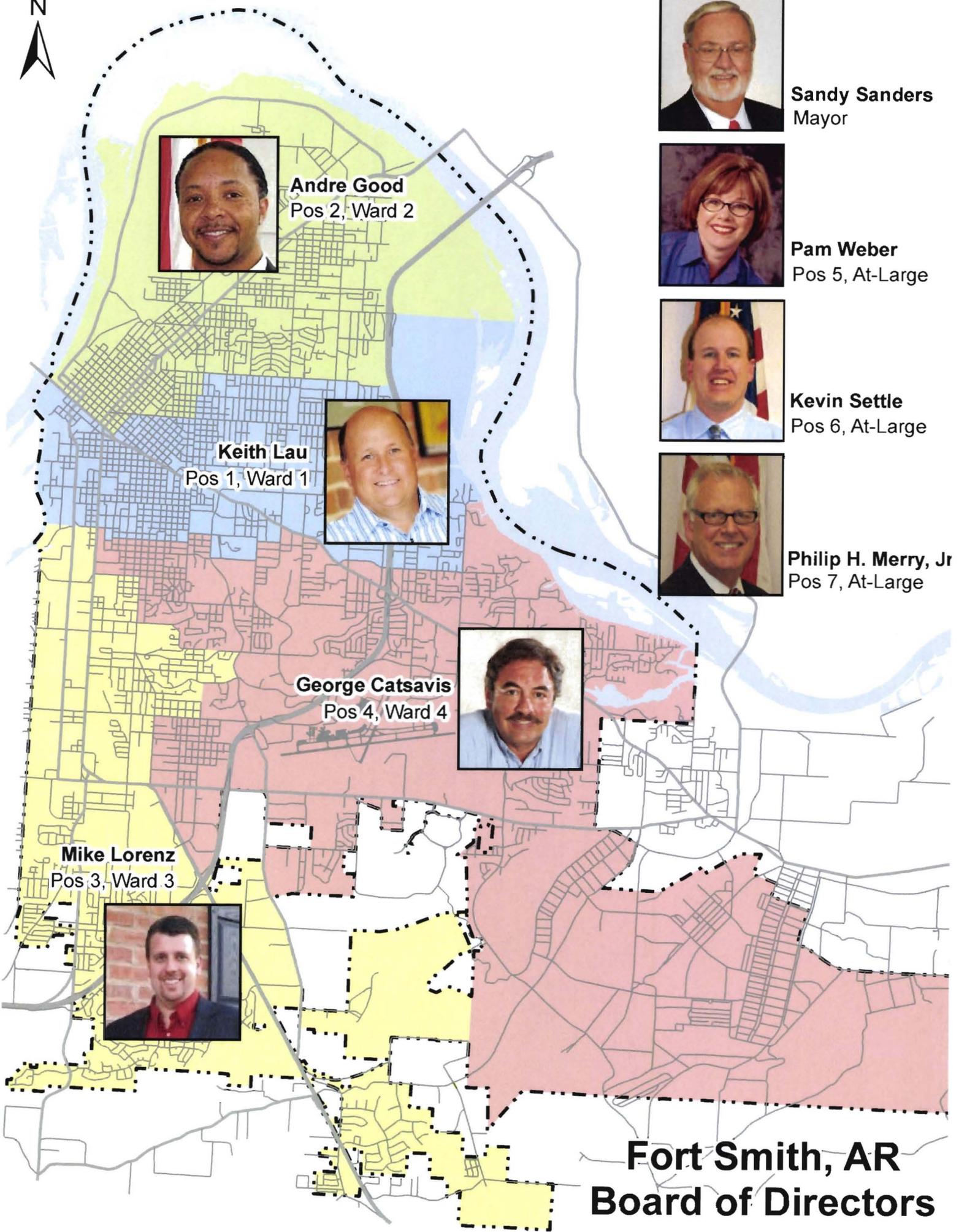
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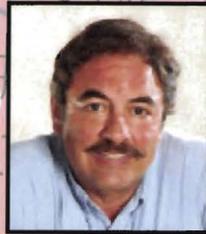
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**Andre Good**  
Pos 2, Ward 2



**Keith Lau**  
Pos 1, Ward 1



**George Catsavis**  
Pos 4, Ward 4



**Mike Lorenz**  
Pos 3, Ward 3



**Sandy Sanders**  
Mayor



**Pam Weber**  
Pos 5, At-Large



**Kevin Settle**  
Pos 6, At-Large



**Philip H. Merry, Jr**  
Pos 7, At-Large

# Fort Smith, AR Board of Directors

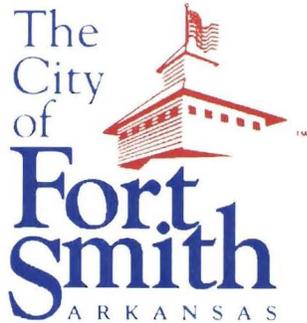
## MANAGEMENT TEAM

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
Richard Jones	Director of Human Resources
Mitzi Kimbrough	Internal Auditor
Claude Legris	Executive Director-Convention & Visitors Bureau
Kevin Lindsey	Police Chief
Baridi Nkokheli	Director of Sanitation
Steve Parke	Director of Utilities
Mike Richards	Fire Chief
Greg Riley	Director of Streets and Traffic Control
Ken Savage	Director of Transit
David Saxon	District Court Judge
Stan Snodgrass	Director of Engineering

## BUDGET REPORT PRODUCTION, ANALYSIS AND GRAPHICS

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Christy Deuster, Administrative Coordinator  
Angie Chance, Payroll Accountant

City of Fort Smith on the Internet at:  
[www.fortsmithar.gov/departments/finance/documents](http://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 every citizen and employee**

**--being AGILE**

**--being VALUES-BASED**

**--being CONTINUOUS LEARNERS**

**VALUES STATEMENT**

**Our shared values are...**

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Fort Smith  
Arkansas**

For the Fiscal Year Beginning

**January 1, 2013**

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, 2013. 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.

## **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 budgetary plan for the current fiscal year. City-wide goals are presented as well as the correlation of the city-wide goals to departmental goals. 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 2012 and Estimated 2013.

### **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 FY12 Actual, FY13 Budget, FY13 Estimated and FY14 Budget is included. A comparative summary for all funds with major revenue detail is presented for FY11 Actual, FY12 Actual, FY13 Budget, FY13 Estimated, and FY14 Budget. A combined summary of all funds for the FY14 Budget as well as individual fund statements by fund type for FY14 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 FY14 is also incorporated in this section. An early projection for FY15 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, key 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.

## CITY ADMINISTRATOR'S BUDGET MESSAGE



I'm pleased to present the City of Fort Smith's 2014 operating and capital improvement budgets as required by Arkansas law. The balanced budgets reflect the staff's professional commitment to provide services and programs in alignment with the board of directors' goals and the community's needs.

The 2014 budget demonstrates another positive step forward in the city's continued financial success, despite certain economic challenges. All parts of the budget are balanced without any local tax, rate, or fee increases. In fact, the budget reflects the final effect of the residential sanitation rate decrease of \$1.10 per month (a 7.7% reduction) which began in July, 2013. This rate reduction will save citizens \$1.8 million over a 5-year period. No cuts to community services are needed to balance the budget. The leadership of the mayor and board of directors, and the city's excellent employees have enabled this success.

The 2014 budget includes nearly \$91 million in capital investment. Most of this spending is the result of the March 2012 sales tax renewal election approved overwhelmingly by Fort Smith voters. The capital projects further advance Fort Smith toward accomplishing strategic goals in the areas of neighborhood vitality, riverfront development, fire service improvements, sanitary sewer system upgrades, water delivery system improvements, sidewalk improvements, and recreational offerings.

The important foundations outlined below are all critical to the City of Fort Smith achieving its strategic and budgeting goals.

### ***STRONG CITY LEADERSHIP***

- The mayor and board of directors have established clear strategic goals, and the voters have supported those goals. The combination of clear goals and strong community support poise Fort Smith to be in a stronger position as the economy improves.

### ***EXCELLENT CITY EMPLOYEES***

- With fewer positions during the toughest years, city employees worked efficiently and provided outstanding citizen service to the community.
- Employees recently went 3 years without seeing a market adjustment to the pay plan. And, most employees didn't receive merit or step pay increases during that time. Despite the absence of pay adjustments, employees performed admirably in their service to the citizens of Fort Smith. Unfortunately, fiscal limitations necessitate the exclusion of pay adjustments from the 2014 budget.

### ***TRANSPARENCY AND COMMUNITY ENGAGEMENT***

- The mayor, board of directors and staff have undertaken numerous efforts to engage the community, and to provide and improve accessibility to information and services. We've expanded the use of social media, published an electronic newsletter, conducted focus group meetings, expanded citizens' access to electronic alerts and messages, held neighborhood board meetings throughout the city, made a vast

amount of documents available on the city’s web site, and conducted citizens academies. These engagement efforts will continue to expand during 2014.

***STRONG FINANCIAL MANAGEMENT***

- The city maintains strong bond ratings of AA on its sales tax bonds and A- on its water and sewer revenue bonds. The fund balances/contingencies in our major operating funds are healthy, and meet the board’s goal in two of the four funds.

***NO INCREASES IN TAXES, RATES, OR FEES***

- The 2014 budget doesn’t rely on any increases in local taxes, rates or fees. In fact, residential sanitation customers saw a 7.7% rate reduction in July as a result of the board’s decision to provide automated service citywide. Over the last 3 years, the only tax, rate or fee increase implemented by the city has been to water and sewer system connection charges.

***MIXED ECONOMIC RECOVERY***

- The 2014 budget is based on a mixed recovery from the Great Recession that began in 2008. Regional unemployment is at 7.2% compared to 7.3% nationally. Commercial construction values are 137% ahead of last year’s and residential construction values are 13% higher. Inflation is 1.2%. However, retail sales are 1.2% below last year’s.
- Sales tax operating revenues are forecasted to be only 1.00% - 1.25% higher during 2014. Although other areas of the economy, such as employment rates and construction activity, are more robust, the

recovery of retail sales is lagging. Water and sewer revenues are budgeted to be 1.6% more in 2014 than 2013 due to normal growth. Sanitation revenues are declining 16.6% as a result of the residential rate decrease and one-time landfill revenues from a project in 2013.

***TWO-YEAR OPERATING BUDGET FORECAST***

- The budget presents a 2-year view of operating revenues and expenses. This advance look at 2015 helps us evaluate the sustainability of 2014 budgeting decisions.

***OVERVIEW OF THE 2014 BUDGET***

- The proposed budget focuses expenditures on core services and other critical areas identified by the board of directors. The 2014 budget totals \$200.9 million for operations and capital projects. The operating budget is \$110.1 million and the capital projects budget is \$90.8 million. Operating fund budgets are:

FUND	2014 BUDGET	% CHANGE FROM 2013
General	\$47.9 million	-0-
Street Maint.	\$ 7.8 million	-1.3%
Water & Sewer	\$40.6 million	+11.2%
Sanitation	\$13.8 million	+7.6%

- The departmental service objectives and performance measures are in close alignment with the board’s citywide budget goals. The performance measures are focused on outcomes and results rather than inputs and workload measures.

- Funding is included for 9 priorities established by the board: updating the comprehensive plan, implementing a succession plan for the finance dept., enhancing the River Park facilities, improvements to tennis facilities at Creekmore and Tilles Parks, constructing a new neighborhood park, riverfront trail construction, adding another inspector for neighborhood services beginning in July 2014, replacing 10 vehicles with CNG-fueled or hybrid vehicles, and initiating a beautification committee.
- Costs for employee health benefits are rising 25% or \$1.4 million across all operating funds in 2014. This increase in a significant personnel cost created financial pressure on all 4 of the major operating funds, leaving fewer resources for other purposes.
- **General Fund** – General Fund revenues for 2014 are 1.2% lower than 2013 (excluding the new voter-approved revenue and the fire SAFER grant). Parks and fire services will benefit from the sales tax revenue re-allocated for these purposes. We have 2 separate programs for these expenses for transparent accountability of the revenues. Faster fire response times and additional parks facilities will be the principal benefits to the public. The police dept. will freeze 8 vacant positions in order to provide resources for much-needed training and the emergency operations center. Most other General Fund services are unchanged from 2013.
- **Street Maintenance Fund** – The street dept. is in-sourcing sidewalk construction. The city's share of the ½% statewide sales tax for surface transportation is earmarked for sidewalk work. This work

will expand in 2014 with two additional positions. These actions will allow the city to repair and construct more sidewalks, thereby enhancing neighborhood vitality.

- **Water & Sewer Fund** – The utilities dept. budget includes funding of \$1.5 million for neighborhood water line replacements and \$450,000 to capitalize a fleet replacement/sinking fund.
- **Sanitation Fund** – The sanitation dept. will experience the effects of implementing a residential rate reduction of 7.7% which began July 1, 2013. Funding is included to complete the scale house and comfort station project at the remaining cost of \$2.9 million. Other changes include funding for an additional neighborhood services inspector beginning in July 2014 and for a beautification committee/recycling coordinator.

## **CONCLUSION**

The 2014 balanced budget is another example of the strides the city has taken to weather the Great Recession. Our actions will make our financial condition more sustainable for the future. I thank the mayor and board of directors for their steadfast leadership in guiding the city through these tumultuous times. I also thank city employees for continuing to apply new innovations and efficiencies in city operations, and for their dedication to providing exceptional citizen service.



Ray Gosack  
City Administrator

## 2014 CITY WIDE BUDGET GOALS

1. Engage the public in strategic decision making.
2. Enhance services for the homeless by supporting construction and operation of a homeless campus.
3. Provide additional recreational opportunities by planning and constructing an aquatics center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.
4. Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators and the Federal Highway Administration.
5. Plan for Fort Smith's future by establishing a vision and completing the update of the comprehensive plan.
6. Initiate and develop economic growth strategies to increase the job market with higher paying jobs as well as support the construction of the regional intermodal freight facilities and Interstate 49.
7. Enhance neighborhood vitality with more proactive code enforcement, creating gateway entrances to neighborhoods, improving public sidewalks, and planting parkway trees.
8. Identify initiatives to attract and retain young professionals living and working in Fort Smith.
9. Stimulate downtown and riverfront development with roadway improvements and land use planning.

A few of the 2014 departmental service objectives that correlate to the 2014 city wide goals are listed as follows:

1. Engage the public in strategic decision making.

**Administration:** Continue to improve transparent communication with the public.

**Administration:** Utilize both non-traditional and traditional media outlets. Utilize targeted ads to increase social media numbers; promote departmental pages; and promote the Citizen Action Center page. Strategic utilization of digital billboards promote other city initiatives and social media efforts.

**Information & Technology Services:** Identify and implement a branded mobile application giving citizens to ability to communicate concerns to the city using a mobile device. Citizens will be able to submit problems and provide detailed information including location and images. The application will be tethered to the city's ongoing social media efforts and provide feedback throughout the resolution of the concern.

2. Enhance services for the homeless by supporting construction and operation of a homeless campus.

**Development Department:** Continue to work with the Old Fort Homeless Coalition to implement the recommendations of the Homeless Task Force and the Board of Directors.

3. Provide additional recreation opportunities by planning and constructing an aquatics center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.

**Downtown Development:** Continue efforts to secure funds for the relocation of the railroad maintenance yard that will include the closure of a section of North A Street between Riverfront Drive and North 2<sup>nd</sup> Street. A new splash park is planned for the Compass Park area.

**Parks and Recreation:** Continue to meet the goals of the capital improvements plan through the dedicated funding of the sale and use tax. These goals include: the construction of the aquatics center at Ben Geren; a softball complex at Chaffee Crossing; a riverfront soccer complex; and expansion of trails and greenways.

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

**Mayor:** Maintain close working relationship with local and federal elected officials and staff members.

**Mayor:** Maintain effective working relationships with agencies impacting Fort Smith, including the Corps of Engineers, Federal Highway Administration and the AHTD.

5. Plan for Fort Smith's future by establishing a vision and completing the update of the Comprehensive Plan.

**Development Department:** Work towards completion of the Comprehensive Plan update. Begin implementation of the goals identified for the development department.

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

**Mayor:** Continue economic development efforts. Work with the Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission to work with existing businesses and industries to retain existing jobs and support efforts to attract new jobs.

**Mayor:** maintain leadership in regional development; including partnering with Western Arkansas Planning and Development District; Frontier Metropolitan Planning organization, the Regional Intrermodel Transportation Authority, Sebastian County Regional Solid Waste District, and area city and c county governments.

7. Enhance neighborhood vitality with more proactive enforcement and improving public sidewalks

**Development Department:** Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME and other housing programs and creating a more proactive program in the neighborhood service division.

**Streets and Traffic Control:** Develop a sidewalk repair plan to better locate sidewalk repairs and replacements.

8. Identify initiatives to attract and retain young professionals living and working in Fort Smith.

**Mayor:** Continue economic development efforts.

**Mayor:** Maintain leadership in regional development groups.

9. Stimulate downtown and riverfront development with River Park enhancements, a new water playground and a riverfront trail.

**Downtown Development:** A new splash park is planned for the Compass Park area once the relocation of the railroad maintenance yard takes place.

**Downtown Development:** Encourage both public and private investment in downtown. The goal is to increase residential numbers by 15-20% and increase employment numbers by 3-5%.

**Parks and Recreation:** Study the need for the Kelley Stage at the River Park to be expanded as a permanent expansion or with temporary staging.

**Parks and Recreation:** Study and make a recommendation on the re-prioritization of projects to allow for more funding for the development of trails, including along the riverfront.

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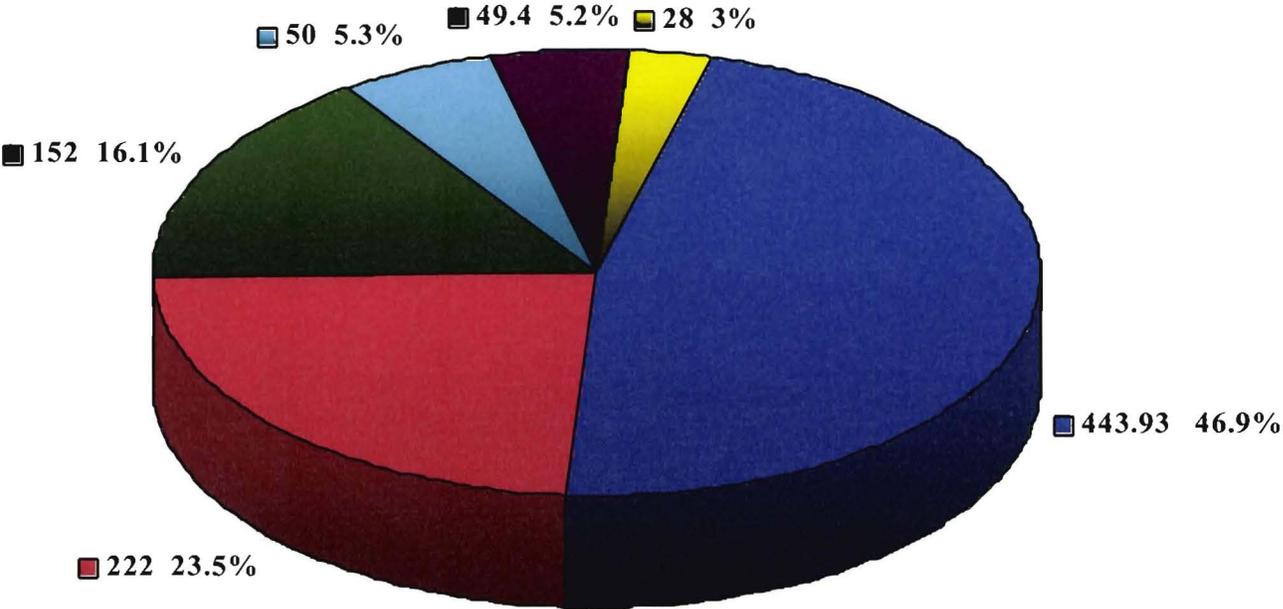
**CITY OF FORT SMITH  
 AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL  
 BY EXPENDITURE CLASSIFICATION**

	<u>FY12 Actual</u>	<u>FY13 Estimated</u>	<u>FY14 Budget</u>
<b>Policy and Administration Services</b> (Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	4.00	4.00	4.00
Downtown Development	1.00	1.00	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
<b>Total</b>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>
<b>Management Services</b>			
Human Resources	4.00	4.00	4.00
City Clerk/Citizen Action Center	3.00	3.00	3.00
Finance	33.00	33.00	34.00
Information & Technology Services	9.00	9.00	9.00
<b>Total</b>	<u>49.00</u>	<u>49.00</u>	<u>50.00</u>
<b>Development Services</b>			
Engineering	19.00	19.00	18.40
Planning and Zoning	7.75	7.75	7.75
Building Safety	11.00	11.00	11.00
Community Development	3.25	3.25	3.25
Neighborhood Services	8.00	8.00	9.00
<b>Total</b>	<u>49.00</u>	<u>49.00</u>	<u>49.40</u>
<b>Police Services</b>	<u>222.00</u>	<u>222.00</u>	<u>222.00</u>
<b>Fire Services</b>	<u>132.00</u>	<u>152.00</u>	<u>152.00</u>
<b>Operation Services</b>			
Streets and Traffic Control	64.24	72.52	71.64
Water and Sewer	191.19	192.19	196.19
Parks and Community Services	39.10	45.10	45.10
Convention Center	13.50	13.50	13.50
Sanitation	78.00	78.00	78.50
Transit	36.00	35.00	34.00
<b>Total</b>	<u>422.03</u>	<u>436.31</u>	<u>438.93</u>
<b>Non-Departmental</b>			
Convention & Visitors Bureau	5.00	5.00	5.00
<b>Total Authorized Level of Full-Time Equivalent Personnel</b>	<u>907.03</u>	<u>941.31</u>	<u>945.33</u>

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

Note 2: Of the 945.33FTE personnel authorized for 2014, 899 positions are full time and 46.33 positions are part-time or seasonal.

# 945.33 FTE PERSONNEL FOR 2014



Operation Srvs/Non-Dept.	Police Srvs
Fire Srvs	Management Srvs
Development Srvs	Policy & Admin Srvs

## BY EXPENDITURE/EXPENSE CLASSIFICATION

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## **BUDGET HIGHLIGHTS**

This Section provides a narrative and graphical summary of the major components of the FY14 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.

In the comprehensive annual financial report (CAFR), the fund balance for governmental funds, that includes the General Fund and the Street Maintenance Fund, the fund balance is classified as nonspendable, restricted, committed, assigned and unassigned. For budget purposes, the General Fund balance presented is unassigned and for the Street Maintenance Fund is assigned for the specific purposes of the fund.

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 2014 Budget:

July 15 2013	Departments submit 2013 service objectoves for Board review.
July 23, 2013	Board reviews 2013 Budget status & provides unput for city wide goals for 2014 at Study Session.
July 17, 2013	Distribution of 2014 Budget package to all departments.
July 18, 2013 through August 16 or 23, 2013	Departments prepare budget worksheets and summaries for 2014 requests and 2015 projections. Finance refines 2014 revenue estimates and prepares 2015 revenue projections.
August 1, 2013	Local service agency application notification for OAF from 2014 Budget.
August 9, 2013	Departments submit service objectives and outcome/performance measures for 2014 to the Finance Department.
August 16, 2013	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 and Transit.
August 23, 2013	The following departments submit completed budget packages to Finance: Police; Fire; Parks; Water and Sewer; Sanitation, and Convention and Visitor's Bureau (A&P).
August 27, 2013	Review departmental service objectives for 2014 and their correlation with city-wide goals for 2014 during the Board study session.
August 19, 2013 through September 13, 2013	Finance verifies the accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 5, 2013	Deadline for submittal of application packets by local service agencies for OAF.
September 16, 2013 through October 3, 2013	City Administrator, Deputy City Administrator and Director of Finance review budget requests and meet with department directors to discuss the 2014 requests.
September 24, 2013	Proposed five year streets and drainage CIP presented at Board study session. Also, 2014 Budget progress report.
October 4, 2013 through November 4, 2013	Preparation of draft budget by Finance.
November 5, 2013	Present proposed budget to Mayor and Board of Directors.
November 12, 2013	Review outside agency funding at Board study session.
November 14 and November 18, 2013	Review proposed budget with Mayor and Board of Directors, discussion with department directors.
December 3, 2013	Conduct 2014 Budget hearing and present 2014 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 re-appropriated 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 infrastructure 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. This manual includes the requirements for monitoring bond offering transactions by the underwriter.
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 FY14 BUDGET

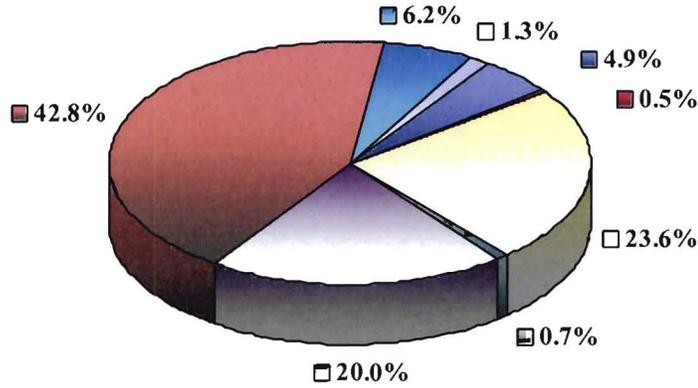
Total funding sources from all funds is estimated at \$314.5 million with expenditures/expenses totaling \$252.1 million for FY14. All funds for which revenues are received and expenditures/expenses are incurred are included in the Budget Summaries - All Funds section of this document.

The major sources of funding for FY14 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 42.8% 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 23.6% 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 20% of total funding sources. Service charges and fees are primarily rates charged for municipal services of water sewer and solid waste collection and disposal.

The major uses of funds for FY14 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 43.7% of total uses and are primarily for personnel, day-to-day operating expenditures/expenses and equipment purchases. Capital improvements account for 36% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 11.1% of total uses and is comprised of the five water and sewer revenue bond issues, the parking facilities revenue bond issue, and the sales and use tax bond issue. 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 2014.

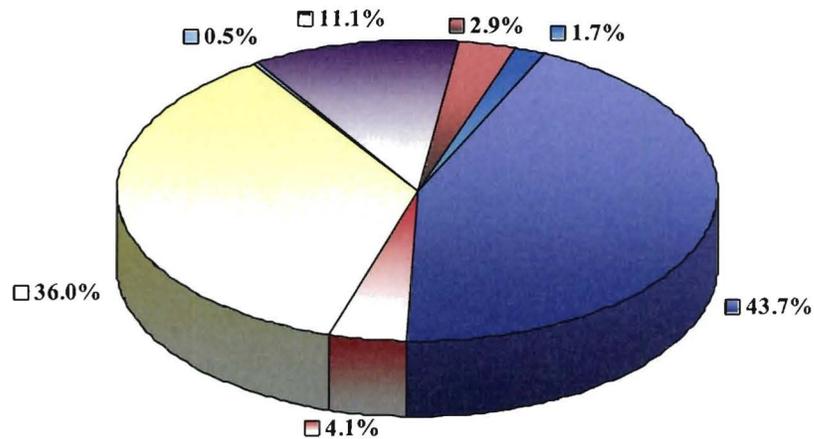
## SUMMARY OF TOTAL RESOURCES FY 2014



- |   |
|---|
| <span style="color: blue;">■</span> Intergovernmental                                   |
| <span style="color: red;">■</span> Licenses & Fees                                      |
| <span style="color: white;">□</span> Taxes & Assessments                                |
| <span style="color: blue;">■</span> Court Fines & Forfeits                              |
| <span style="color: gray;">■</span> Service Charges & Fees                              |
| <span style="color: brown;">■</span> Prior Year Fund Balance                            |
| <span style="color: blue;">■</span> Transfers In  |
| <span style="color: white;">□</span> Miscellaneous/Contributions/Bond Proceeds/Interest |

Total Resources \$ 314,482,229

## SUMMARY OF TOTAL USES FY 2014



- |   |  |
|---|--|
| <span style="color: blue;">■</span> Operating             | <span style="color: red;">■</span> Health/Workers Comp   |
| <span style="color: white;">□</span> Capital Improvements | <span style="color: blue;">■</span> Community Assistance |
| <span style="color: gray;">■</span> Debt Service          | <span style="color: brown;">■</span> Pension/Retirement  |
| <span style="color: blue;">■</span> Others                |  |

Total Uses \$ 252,089,015

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 FY14 Operating Funds Budget totals \$110.1 million in appropriations which is comparable to the FY13 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 27% of total appropriations.

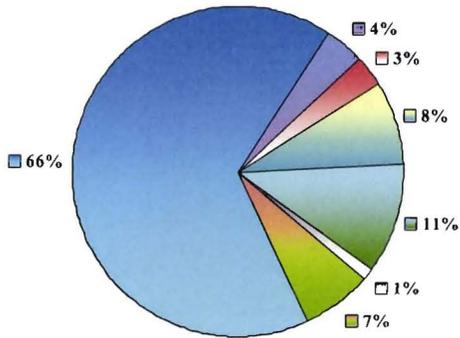
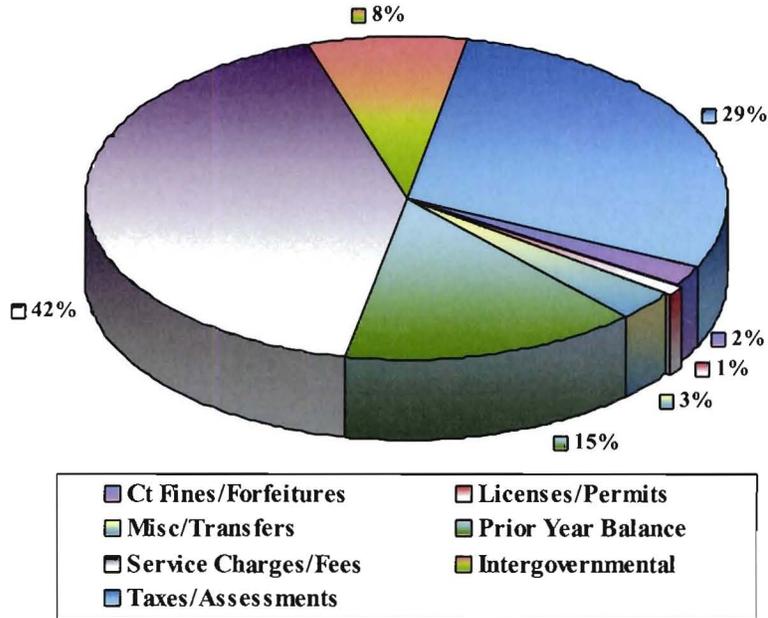
FY14 Operating Funds Sources total \$122.3 million, which is a \$1.5 million or 1.2% less than FY13 Operating Funds Sources due to lower actual prior year balances. Service charges and fees account for 42% of total resources. Service charges and fees include utility rate charges for water, sewer and sanitation services. Taxes and assessments comprise 29% of total sources. Taxes and assessments include utility franchise fees, the property tax, the City's share of the county-wide sales tax and a 1/4% of a 1% local sales tax.

The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 32 illustrate funding sources combined and individually for the four operating funds. The graphs on page 33 illustrate appropriations in combined and individual format for the four operating funds.

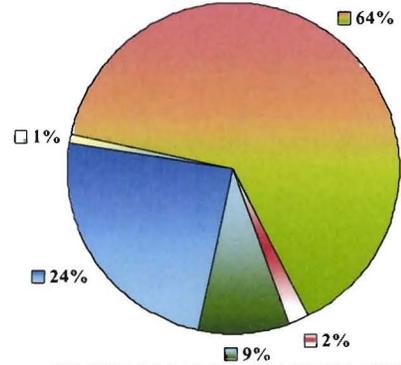
# COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2014

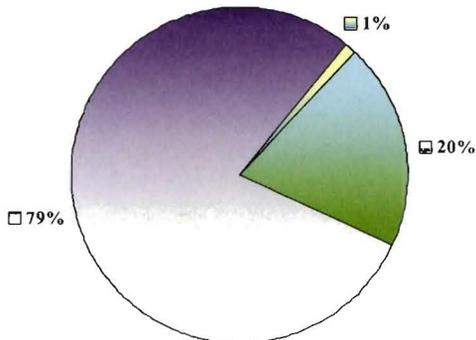
TOTAL FUNDING SOURCES \$122,341,655



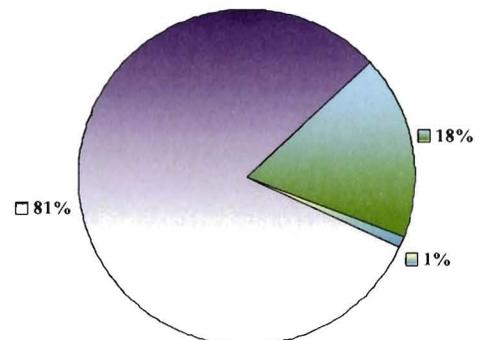
**GENERAL FUND**  
\$51,302,404



**STREET MAINTENANCE FUND**  
\$8,346,674



**W/S OPERATING FUND**  
\$47,068,338

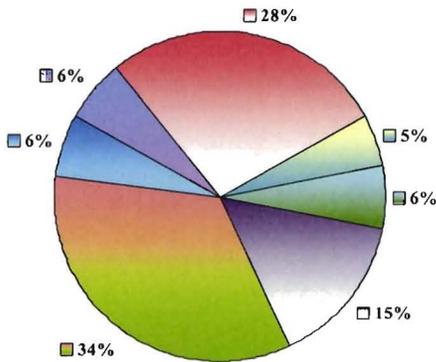
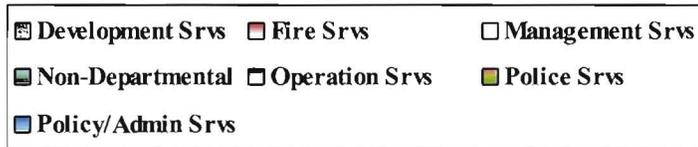
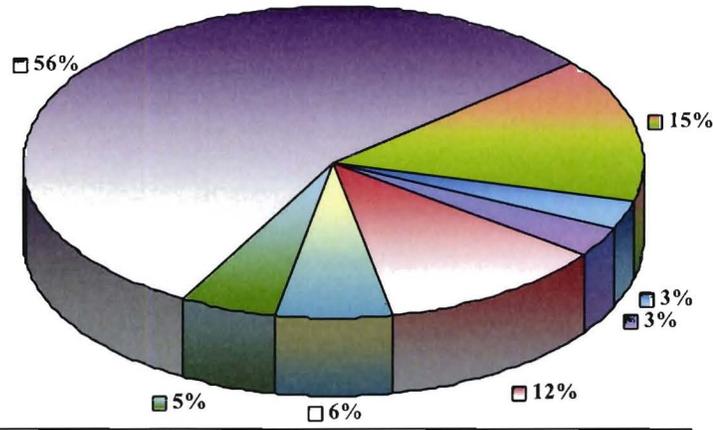


**SANITATION OPERATION FUND**  
\$15,624,239

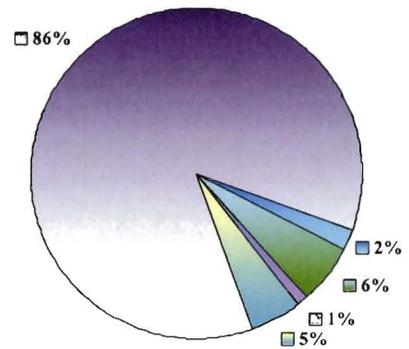
# COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2014

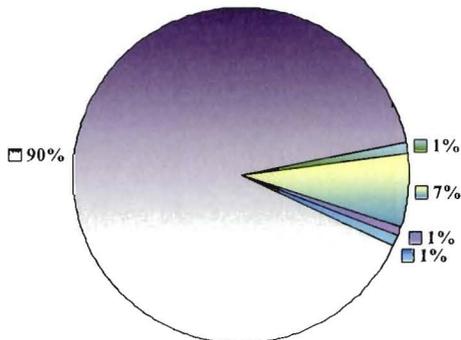
TOTAL APPROPRIATIONS \$110,085,999



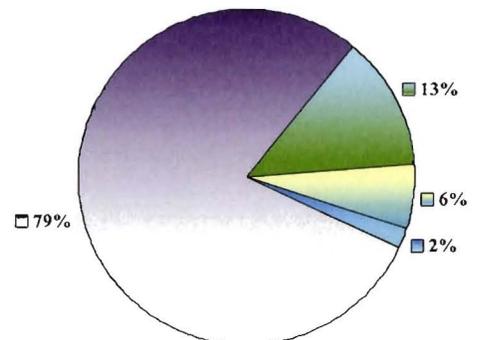
**GENERAL FUND**  
\$47,876,217



**STREET MAINTENANCE FUND**  
\$7,781,657



**W/S OPERATING FUND**  
\$40,608,914



**SANITATION OPERATION FUND**  
\$13,818,711

## GENERAL FUND

Total funding sources for the General Fund in FY14 amount to \$51.3 million which represents a 4% decrease from FY13 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 66% of total resources. Ad valorem taxes, franchise taxes, the county-wide sales tax and 1/4% of a 1% local 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 FY14 total \$7.1 million, which is an increase of 2% over the FY13 estimated amount of \$6.9 million. The tax rate for FY13 and FY14 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 FY14 are shown on page 205.

Franchise fees for FY14 are estimated at \$6.3 million, which is a 0.9% increase over the FY13 estimated revenue of \$6.2 million. A comparison of the franchise fee revenues between years is as follows:

	FY13 ESTIMATED (Thousands)	FY14 BUDGET (Thousands)
Electric	\$ 3,774	\$ 3,778
Gas	1,513	1,572
Cable	661	660
Telecommunications	293	290
	<u>\$ 6,241</u>	<u>\$ 6,300</u>

The increase between FY14 Budget and FY13 Estimated represents an expected increase in natural gas consumption during FY14.

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 and again in 2013 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 \$15.4 million for FY14. This tax accounts for 34% of the General Fund revenue.

Beginning October 1, 2012, the city began collecting 1/4% of a 1% city sales tax to provide funds for the Fire and Parks Departments operations. For FY14, this tax will generate \$5 million and it will be split equally between the two departments.

The General Fund appropriations for FY14 total \$47.9 million which is \$2 million or 4% less than the FY13 Budget. Due to financial constraints, all departments were asked to maintain their revised FY13 spending levels for FY14. Operating costs were trimmed to only basic levels of appropriations and capital was severely limited with the exception of the Fire and Parks programs funded by the 1/4% sales tax. The Police department will keep 8 patrol positions vacant for the year.

Personnel changes include: the addition of 1FTE in Finance; the reduction of 0.6FTE in Engineering; and a reduction of 1FTE in Transit. The net change in personnel count in count is a reduction of 0.6FTE for FY14.

In FY14, the Transit Department is eliminating 1.5FTE driver position. The net decrease in FY14 personnel is 1FTE.

The General Fund uses for the County Sales Tax in FY14 are as follows:

Public Safety	\$ 11,723,912
Public Library	925,572
Park Capital Maintenance	385,655
Senior Citizen Programs	231,393
Downtown Development & Maint.	462,786
Public Transit	462,786
Privilege License Replacement	1,234,096
	<u>\$ 15,426,200</u>

The projected fund balance of the General Fund at December 31, 2014 is \$3,425,687 which represents 7.5% of operating expenditures for 2014. 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 FY13 Budget document the estimated ending balance was 7.5% compared to the FY13 estimated ending balance of 12.3% as indicated below.

The level of ending fund balances for the past four years, and projected for FY14 is:

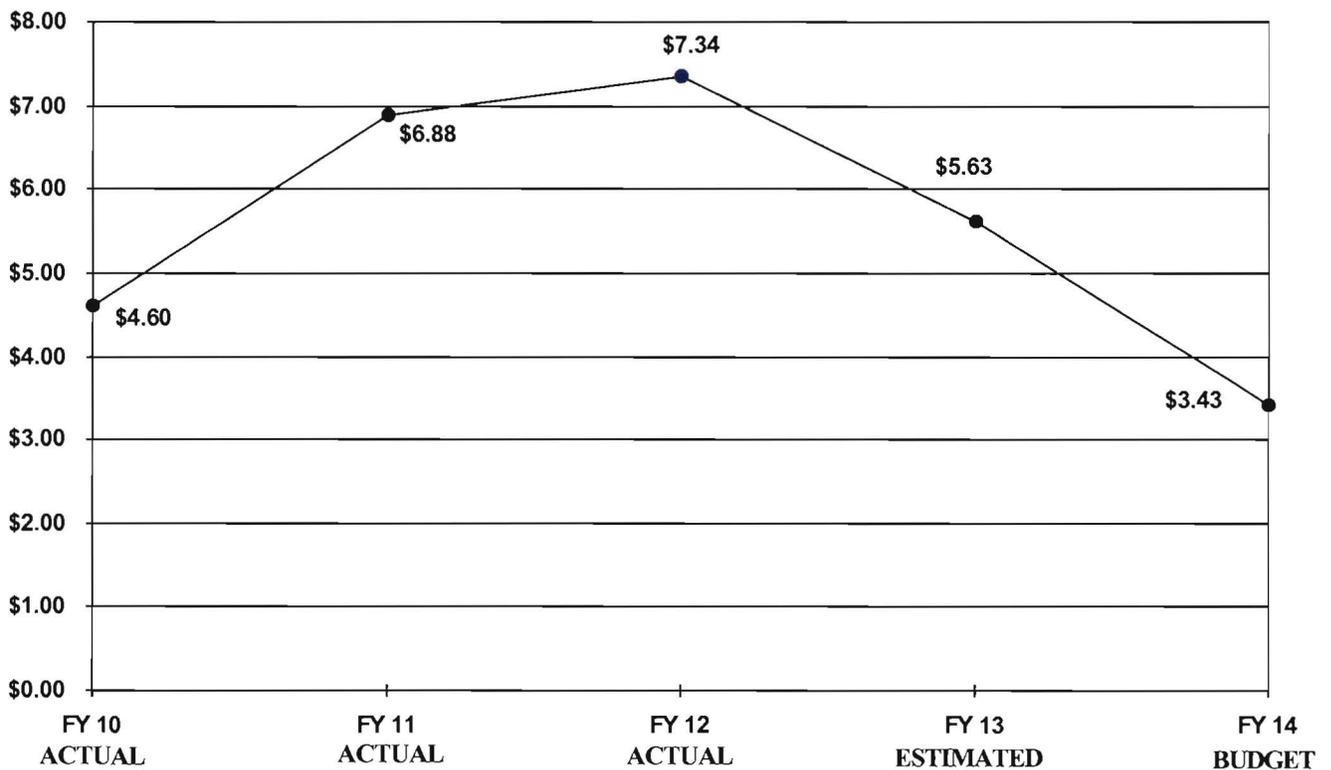
FY10	11.0%
FY11	17.8%
FY12	19.7%
FY13 Estimated	12.2%
FY14 Budget	7.5%

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

### GENERAL FUND

MILLIONS

#### COMPARISON OF ENDING BALANCE



## STREET MAINTENANCE FUND

Total funding sources of the Street Maintenance Fund for FY14 amount to \$8.3 million and is \$303,000 more than the FY13 Budget. The decrease is due to the lower fund balance at the beginning of the year.

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 FY14 is \$44.19 which is the same estimated in FY13. The actual turnback revenue was \$45.74 for FY12, and \$44.85 estimated for FY13.

Beginning July 1, 2013, the Street Maintenance Fund will receive a share of the 1/2% state sales tax allocated for highway improvements. This tax was approved by Arkansas voters on November 6, 2012. The revenue is to be received for a period of 10 years. The annual estimated revenue per AHTD is approximately \$1.5 million. The FY13 share is expected to be \$1,535,562.

This Fund also receives one-half of the 3.0 road millage levied by Sebastian County. Total estimate from this revenue for FY13 is \$2 million which reflects a 2% increase over FY13 estimated revenue. Beginning in FY13, the permit assessments for sidewalk construction and repair generated by building permits have been deposited in the Street Maintenance Fund. This revenue is expected to be \$160,000 for FY14.

FY14 appropriations for the Street Maintenance Fund total \$7.8 million and are comparable for FY13. The increased contribution to the health plan as well as static revenues have restricted the level of appropriations. The personnel count actually declined by 0.88FTE for FY14. This was a result of adding 2FTE positions for the Sidewalk program and eliminating 2.88FTE in other programs.

The major appropriation classification of the Street Maintenance Fund is Operation Services involving the streets and traffic control programs. This classification represents 86% of total appropriations.

The estimated year end fund balance of the Street Maintenance Fund is \$565,017 which represents 7.7% of FY14 operating expenditures. This does not meet the 15% reserve requirement. This fund will be closely monitored during FY14.

## **WATER AND SEWER OPERATING FUND**

Total funding sources for the Water and Sewer Operating Fund amount to \$47.1 million for FY14. This is \$415,000 million or 4.8% more than the FY13 estimated funding sources. The increase is due to the higher beginning working capital balance from FY13.

Service charges and fees provide 79% of total resources for this fund.

Total Water and Sewer Operating Fund appropriations for FY14 total \$40.6 million compared to FY13 appropriations of \$39.4 million. The increase is due to the increased contributions to the employee insurance plan and increased capital costs especially for systems equipment. In addition, there are 4.0FTE positions added for FY14.

The projected working capital at December 31, 2014, is \$6,459,424, which represents 24% of FY14 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 \$15.6 million for FY14 and is \$338,000 more than FY13. The increase is due to the additional working capital balance expected at the end of FY13 due to increased landfill waste disposal. The FY14 revenues include a full year of the residential rate reduction that became effective July 1, 2013.

Service charges and fees are the major funding sources for the Sanitation Operating Fund reflecting 81% of this total.

Appropriations for the Sanitation Operating Fund total \$13.8 million. This is an increase of \$763,000 over the total FY13 appropriations. The increase is due to the increased contribution to the health plan, expected increases in fuel and utilities costs and the addition of a 0.5FTE for the beautification/recycling program in FY14.

The major appropriation of the Fund is operation services which comprise 79% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is \$1,805,528 and reflects 15.04% of FY14 operating expenses. This meets the policy goal of 15%.

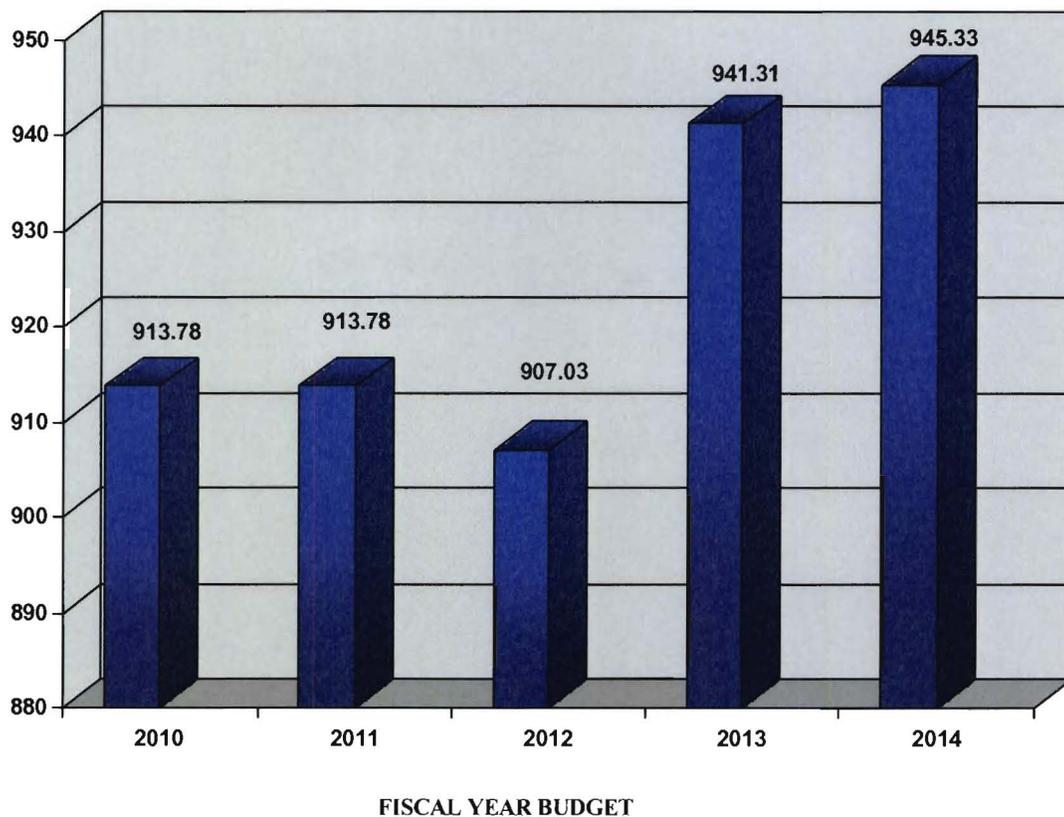
## PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY14 represent 51.4% of total operating funds appropriations compared to 47.1% for FY13.

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

## PERSONNEL AUTHORIZATIONS

### EMPLOYEES



The net change in personnel between 2013 estimated and 2014 is an increase of 4.02 FTE. The following chart reconciles the 2013 estimated positions to the total positions for 2014.

	Full Time	Part-Time/ Seasonal	Total FTE
2013 Estimated	893	48.31	941.31
Finance	1	0.00	1.00
Engineering	-1	0.40	-0.60
Neighborhood Services	1	0.00	1.00
Streets & Traffic Control	2	-2.88	-0.88
Water & Sewer	4	0.00	4.00
Sanitation	0	0.50	0.50
Transit	-1	0.00	-1.00
2014 Budget	899	46.33	945.33

## CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY14 total \$90.9 million. Capital Improvements for the current fiscal year are provided by the seven funds as indicated:

	Amount (Thousands)
Sales Tax Fund	\$ 36,383
Water and Sewer Capital Improvement Projects Fund	5,252
Sales & Use Tax Bond Construction Fund	45,141
Sanitary Landfill Construction & Sinking Fund	4,072
Convention Center	17
CDBG	29
Cleanup/Demolition	44
	<hr/>
Total	<u>\$ 90,938</u>

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 FY14 are 31.36% and 38.94% for police and fire personnel, respectively, as compared with FY13 rates of 30.36% and 40.16% for police and fire personnel, respectively. The contributions are high due to the amortization of the old police and fire pension funds. At the end of 2013, the remaining amortization period is 23 years. Approximately 46%-47% of the contribution rates for police and fire personnel is allocated for the amortization of the old plans. A special revenue fund entitled Arkansas LOPFI Contribution Fund accounts for these members participation.

The City makes the actuarially required contribution (ARC) to LOPFI on a monthly basis. In addition, the employee contributions are remitted to LOPFI on a monthly basis.

Benefit payments and retirement contributions for LOPFI for FY14 are estimated at \$7.3 million as compared to \$7.2 million for FY13. The increase is attributable to the planned pay increases for FY13. These costs are currently paid for by state insurance turnback, ad valorem taxes at one mill each for police and fire, and employee contributions. Beginning October 1, 2012, the city began making direct contributions to the Arkansas LOPFI funds for the personnel hired with the SAFER grant and the 1/8% sales tax revenue. For FY14, this totals \$488,580. If the General Fund had to make direct contributions for LOPFI members, the employer amounts would be:

FY14	Police	Fire	Total
Employer Cost	<u>\$2,578,330</u>	<u>\$3,166,720</u>	<u>\$5,745,050</u>
Actual Direct Contribution	<u>0</u>	<u>488,580</u>	<u>488,580</u>
Amount of Employer Contributions Paid by Special Revenues	<u>\$2,578,330</u>	<u>\$3,655,300</u>	<u>\$6,233,630</u>

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 FY14. The current employer contribution rate for the court clerk is 14.88%. The FY14 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 seven bond issues outstanding in 2014. A brief explanation of how each issue relates to the budget is as follows:

### **1 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. The bonds were issued to provide financing for purchase of a portion of the South Sebastian 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 storage tank. The original issue was \$7.23 million. The FY14 appropriation of \$834,770 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 FY14.

### **2 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 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 FY14 appropriation of \$1,888,570 will provide the required debt service during FY14. The Water and Sewer Operating Fund should have sufficient revenues to meet this requirement in FY14.

### **3 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 FY14 appropriation of \$6,915,450 will cover the required debt service payments during 2014. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service for FY14.

#### **4 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 FY13 appropriation of \$1,808,890 will cover the required debt service payments during 2014. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY14.

#### **5 Water and Sewer Revenue Refunding Bonds-Series 2012**

These bonds are secured by the rates of the water and sewer system that are reported 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 2005A water and sewer refunding revenue bonds. The original principal issued was \$13.25 million. The FY14 appropriation of \$2,150,720 will cover the required debt service payments during 2014. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY14.

#### **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 FY14 debt service requirement is \$137,950. Parking deck and parking meter revenues should be sufficient in FY14 to meet this required payment.

#### **7 Sales and Use Tax Refunding and Construction Bonds-Series 2012**

These bonds are secured by a special 3/4% local sales and use tax. The 2012 Bonds were issued in the amount of \$110.66 million in May 2012. The bonds were issued to redeem the outstanding Sales and Use Tax Bonds, Series 2006, 2008 and 2009, to provide fire facilities and apparatus, to provide the city's share of funding a city/county water park, wastewater improvements, and water improvements. Sales tax revenue is estimated to be \$15 million for this purpose in FY14. Current year revenues and prior year carry over will be sufficient to pay the required debt service of \$11.6 million as well as call an additional \$2.5 million in bonds during FY14.

Please refer to pages 191-196 in the Related Financial Information section of this document for more information regarding the City's debt.

#### **Future Fort Smith- Comprehensive Plan Update**

During 2013, the Board of Directors appointed a 28 member Comprehensive Plan Steering Committee that includes major employers, business owners, developers, representatives of neighborhood and civic organizations as well as liaison representatives of the planning commission and other boards to update the 2002 comprehensive plan. Over a period of 18 months, the committee will meet monthly, host community forums, participate in other community planning events, and work with the city's consultant, Wallace Roberts and Todd (WRT), in guiding the development of the comprehensive plan update.

This update is to serve as a vision and directions for the city's future. It will detail and illustrate information about the actions the city and the private sector may or should take to inform and attract prospective businesses and residents. The plan will illuminate the cost of operating government and providing services. Short term and long term growth can be measured against the cost of alternative decisions. The plan will be used to streamline the city actions so that the community's priorities are coordinated and focused on by each city department.

Three phases were established for the plan. Project mobilization (Phase 1) and establishing a vision and plan framework (Phase 2) have been completed. Phase 3, developing the plan document will occur during 2014. Once the plan is completed, the city administration and elected officials will incorporate it into the budget direction for the next 20 years.

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## **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 FY12 Actual, FY13 Budget, FY13 Estimated and FY14 Budget is provided on a consolidated basis with interfund transfers included. A combined summary with more detailed revenue sources for FY11 Actual, FY12 Actual, FY13 Budget, FY13 Estimated and FY14 is included. A schedule of beginning and ending balances/working capital for all fund types for FY14 Budget is provided. Major revenue analyses are included in this section. Also included are individual fund statements for FY14 Budget.

**City of Fort Smith  
FY14  
Comparative Summary - All Funds**

	<u>Actual FY12</u>	<u>Budget FY13</u>	<u>Estimated FY13</u>	<u>Budget FY14</u>
<b>Revenues</b>				
Intergovernmental	\$ 10,783,310	\$ 15,744,098	\$ 13,598,886	\$ 15,300,849
Taxes and Assessments	72,614,008	75,004,356	73,186,134	74,174,440
Licenses and Permits	1,553,688	1,475,000	1,552,677	1,496,000
Court Fines and Forfeitures	2,408,231	2,258,000	2,311,596	2,362,000
Service Charges and Fees	63,620,390	62,195,658	63,166,416	63,038,989
Interest	211,311	74,152	395,826	357,250
Contributions	1,399,228	2,408,770	1,889,168	2,040,855
Bond Proceeds (Note 3)	72,934,621	0	0	0
Miscellaneous	2,792,571	1,305,663	2,895,499	1,587,962
Transfers In	21,408,745	19,260,151	19,860,601	19,373,879
<b>Total</b>	<u>\$ 249,726,103</u>	<u>\$ 179,725,848</u>	<u>\$ 178,856,803</u>	<u>\$ 179,732,224</u>
<b>Expenditures/Expenses</b>				
Operating	\$ 96,651,858	\$ 110,104,611	\$ 105,216,889	\$ 110,085,999
Capital Improvements	42,246,579	107,700,223	48,119,227	90,937,740
Community Assistance (Note 1)	1,865,563	1,500,000	1,296,993	1,357,200
Debt Service	25,389,506	30,823,096	30,333,231	27,994,156
Pension Benefits/Retirement				
Contributions	6,577,042	7,679,820	7,166,076	7,327,600
Health Insurance and Workers'				
Compensation Claims	10,188,718	9,458,950	10,143,390	10,200,000
Other (Note 2)	4,110,559	4,179,370	4,109,045	4,186,320
<b>Total</b>	<u>\$ 187,029,825</u>	<u>\$ 271,446,070</u>	<u>\$ 206,384,851</u>	<u>\$ 252,089,015</u>
Excess (Deficiency) Revenues Over (Under) Expenditures/Expenses	\$ 62,696,278	\$ (91,720,222)	\$ (27,528,048)	\$ (72,356,791)
Fund Balance/Working Capital Beginning of Year	<u>99,581,775</u>	<u>153,332,381</u>	<u>162,278,053</u>	<u>134,750,005</u>
<b>Fund Balance/Working Capital End of Year</b>	<u>\$ 162,278,053</u>	<u>\$ 61,612,159</u>	<u>\$ 134,750,005</u>	<u>\$ 62,393,214</u>

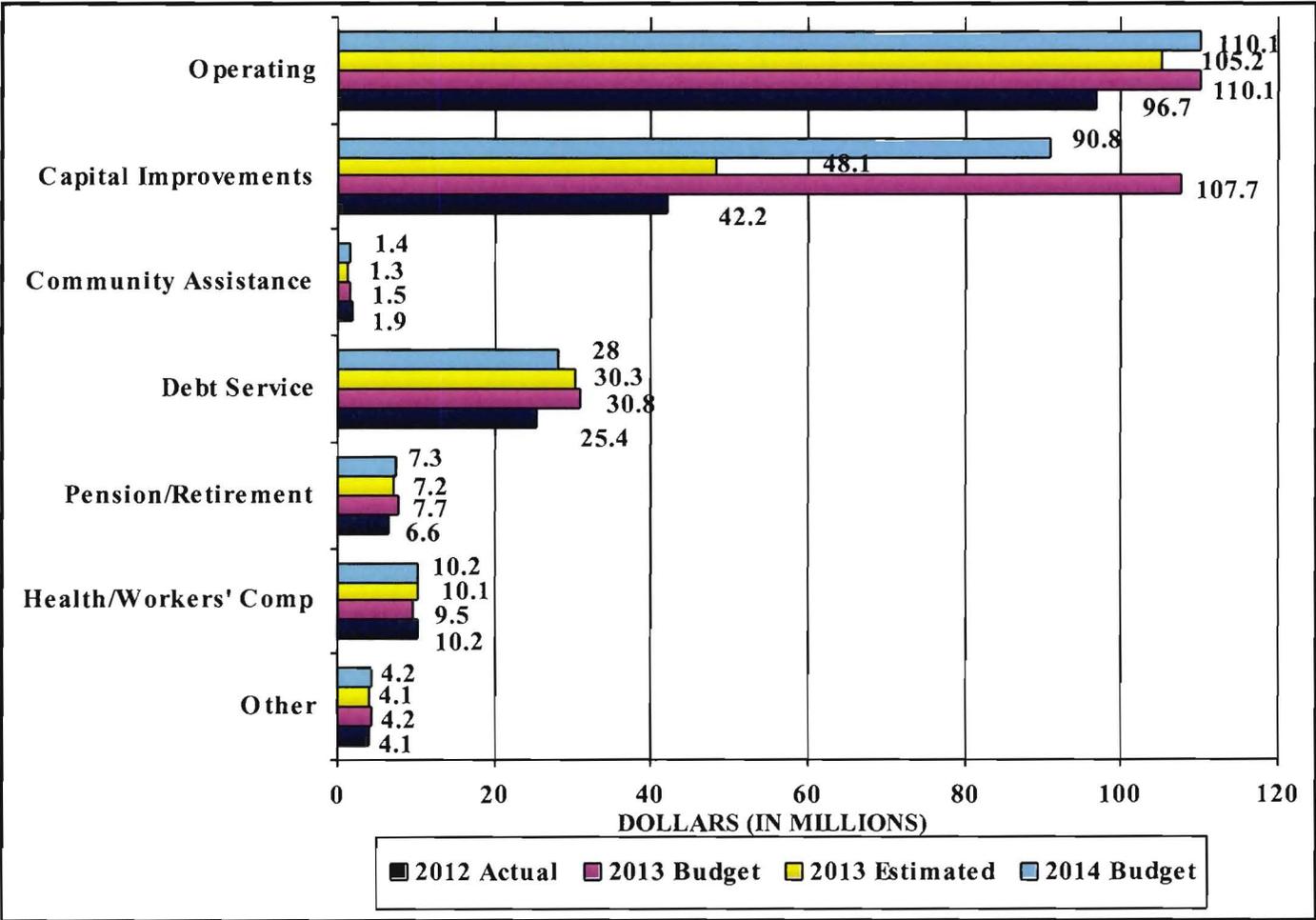
**Note 1:** Community Assistance includes the CDBG and HOME program as well as the historic preservation, federal transportation, and drug enforcement grant activity of the Special Grants Fund. Amounts for 2014 are: CDBG and HOME \$1,230,000; Special Grants \$147,000.

**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 FY12 actual were 2012 Sales & Use Tax Refunding and Construction Bonds issued May 2012.

# Comparative Summary - All Funds

## Expenditure/Expense



**City of Fort Smith  
FY14  
Fund List Summary**

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
<b>General</b>	\$ 5,586,187	\$ 45,716,217	\$ 47,876,717	\$ 3,425,687
<b>Special Revenue Funds:</b>				
Street Maintenance	744,708	7,601,966	7,781,657	565,017
Sales Tax	20,829,110	23,453,487	36,383,467	7,899,130
Community Development				
Block Grant	4,031	800,100	800,100	4,031
HOME Investment Partnership Act	-	430,000	430,000	-
Special Grants	109,678	148,000	156,000	101,678
Tilles Park	10,686	430	-	11,116
Advertising and Promotion	148,511	752,620	768,270	132,861
Arkansas LOPFI Contribution	7,793,506	6,249,921	7,327,600	6,715,827
Convention Center	336,525	1,358,000	1,506,710	187,815
Sub-Total	<u>29,976,755</u>	<u>40,794,524</u>	<u>55,153,804</u>	<u>15,617,475</u>
<b>Debt Service Fund:</b>				
Sales & Use Tax Bonds	<u>14,796,741</u>	<u>14,959,615</u>	<u>14,105,806</u>	<u>15,650,550</u>
<b>Capital Projects Funds:</b>				
Sales & Use Tax Construction	<u>46,888,256</u>	<u>220,000</u>	<u>45,140,773</u>	<u>1,967,483</u>
<b>Enterprise Funds:</b>				
Water and Sewer	26,697,339	51,521,900	59,611,314	18,607,925
Sanitation	10,133,464	14,743,979	18,623,681	6,253,762
Parking Authority	496,208	399,100	356,920	538,388
Sub-Total	<u>37,327,011</u>	<u>66,664,979</u>	<u>78,591,915</u>	<u>25,400,075</u>
<b>Internal Service Funds:</b>				
Working Capital	54,682	1,025,000	1,020,000	59,682
Employee Health & Wellness	28,228	9,529,619	9,300,000	257,847
Workers' Compensation	92,145	822,270	900,000	14,415
Sub-Total	<u>175,055</u>	<u>11,376,889</u>	<u>11,220,000</u>	<u>331,944</u>
<b>Total</b>	134,750,005	179,732,224	252,089,015	62,393,214
Interfund Transfers	-	(19,373,879)	(19,373,879)	-
<b>Adjusted Total</b>	<u>\$ 134,750,005</u>	<u>\$ 160,358,345</u>	<u>\$ 232,715,136</u>	<u>\$ 62,393,214</u>

City of Fort Smith  
 FY14  
 Comparative Summary with Detail Revenue Categories - All Funds

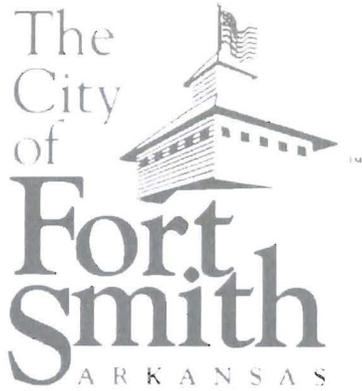
	Actual FY11	Actual FY12	Budget FY13	Estimated FY13	Budget FY14
<b>Revenues</b>					
Intergovernmental					
Federal	\$ 5,150,477	\$ 4,377,201	\$ 8,203,199	\$ 5,598,484	\$ 7,203,506
State	6,188,726	6,402,609	7,530,899	7,710,989	8,095,343
Local	14,093	3,500	10,000	289,413	2,000
Taxes and Assessments					
Ad Valorem	11,458,396	11,292,108	11,997,014	11,565,050	11,796,266
Franchise	6,571,993	6,071,893	6,119,730	6,241,402	6,300,000
Sales Tax - City	38,683,520	39,210,246	40,404,658	39,344,542	39,886,974
Sales Tax - County	15,155,032	15,279,008	15,665,165	15,273,536	15,426,200
Hotel/Motel Tax	710,400	745,279	800,789	747,504	750,000
Other	12,351	15,474	17,000	14,100	15,000
Licenses and Permits	1,628,157	1,553,688	1,475,000	1,552,677	1,496,000
Court Fines and Forfeitures	2,356,809	2,408,231	2,258,000	2,311,596	2,362,000
Service Charges and Fees					
Water & Sewer	40,818,042	41,049,517	37,737,268	36,922,934	37,523,000
Sanitation	12,337,186	12,640,422	13,529,200	15,249,709	12,725,000
General Fund	708,164	691,059	681,250	650,920	641,900
Internal Service	9,042,838	8,453,330	9,446,440	9,535,009	11,371,089
Convention Center	481,458	600,359	616,500	611,956	580,000
Parking Operations	183,480	185,703	185,000	195,888	198,000
Interest	35,255	211,311	74,152	395,826	357,250
Contributions	1,345,283	1,399,228	2,408,770	1,889,168	2,040,855
Bond Proceeds	40,764	72,934,621	0	0	0
Miscellaneous	2,835,309	2,792,571	1,305,663	2,895,499	1,587,962
Transfers In	20,770,482	21,408,745	19,260,151	19,860,601	19,373,879
<b>Total</b>	<b>\$ 176,528,215</b>	<b>\$ 249,726,103</b>	<b>\$ 179,725,848</b>	<b>\$ 178,856,803</b>	<b>\$ 179,732,224</b>
<b>Expenditures/Expenses</b>					
Operating	\$ 94,873,836	\$ 96,651,858	\$ 110,104,611	\$ 105,216,889	\$ 110,085,999
Capital Improvements	55,059,959	42,246,579	107,700,223	48,119,227	90,937,740
Community Assistance	2,690,663	1,865,563	1,500,000	1,296,993	1,357,200
Debt Service	35,806,636	25,389,506	30,823,096	30,333,231	27,994,156
Pension Benefits/Retirement					
Contributions	6,388,626	6,577,042	7,679,820	7,166,076	7,327,600
Health Insurance and Workers'					
Compensation Claims	8,895,020	10,188,718	9,458,950	10,143,390	10,200,000
Other	3,722,186	4,110,559	4,179,370	4,109,045	4,186,320
<b>Total</b>	<b>\$ 207,436,926</b>	<b>\$ 187,029,825</b>	<b>\$ 271,446,070</b>	<b>\$ 206,384,851</b>	<b>\$ 252,089,015</b>
Excess (Deficiency) Revenues Over (Under) Expenditures/Expenses	\$ (30,908,711)	\$ 62,696,278	\$ (91,720,222)	\$ (27,528,048)	\$ (72,356,791)
Fund Balance/Working Capital Beginning of Year	130,490,486	99,581,775	153,332,381	162,278,053	134,750,005
<b>Fund Balance/Working Capital End of Year</b>	<b>\$ 99,581,775</b>	<b>\$ 162,278,053</b>	<b>\$ 61,612,159</b>	<b>\$ 134,750,005</b>	<b>\$ 62,393,214</b>

## City of Fort Smith Financial Structure

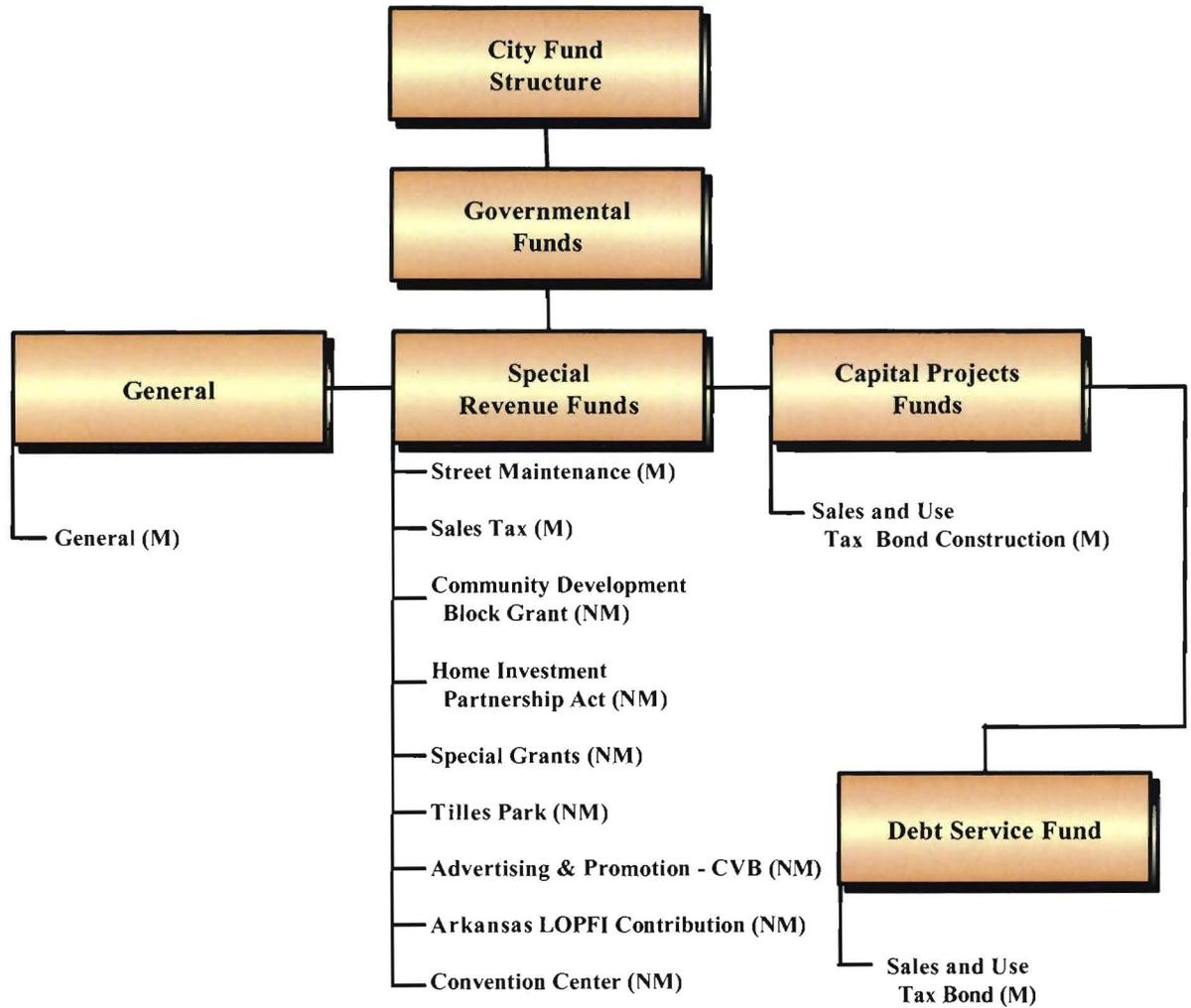
The City provides the full range of municipal services as provided by the City Charter. These include public safety, water, sewer, sanitation, public transportation, parking, public improvements, recreational and general administrative services.

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 48 and 49, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2014 Budget for each individual fund by fund type is presented.

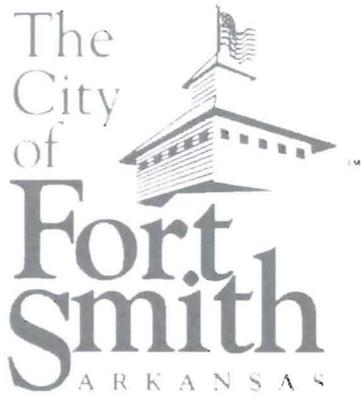


# City of Fort Smith, Arkansas Chart of Fund Types

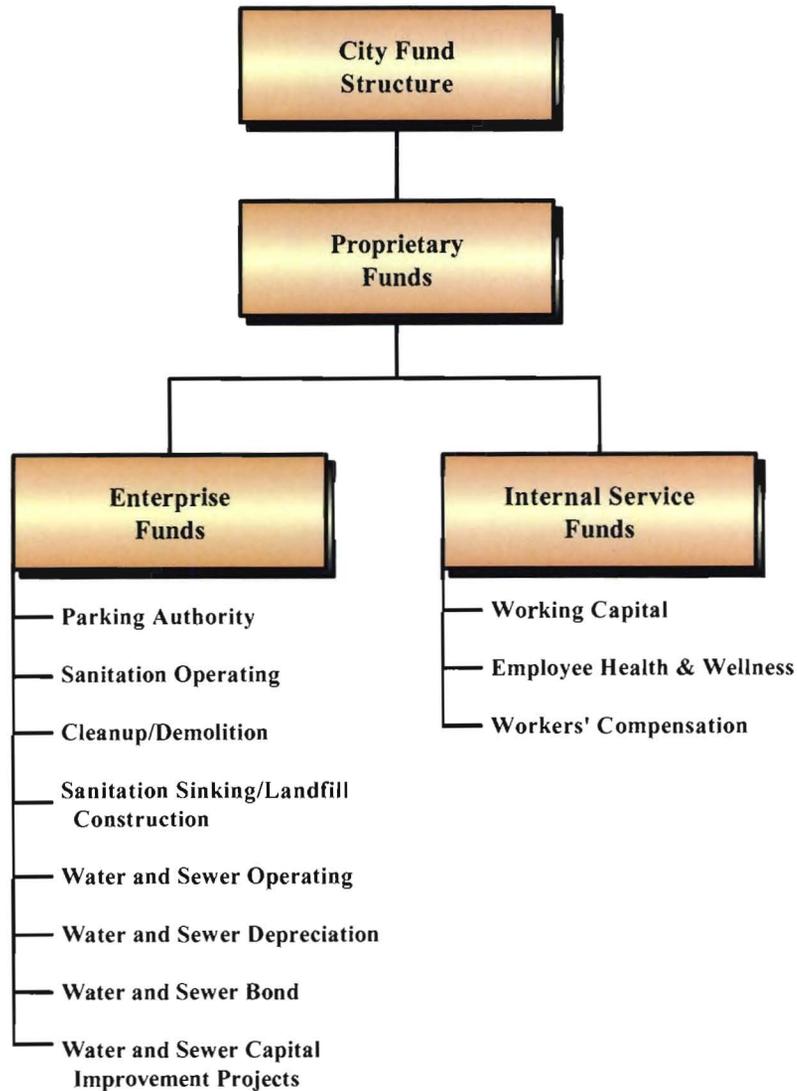


(M) - Major Fund

(NM) - Non-major Fund



# 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 three quarters percent (3/4%) sales and use tax for the repayment of the 2012 bonds, The 2012 bonds were issued to refund outstanding sales and use tax bonds 2006, 2008 and 2009 and provide construction funds for fire facilities and apparatus, a water park, wastewater improvements and water 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.

Sales and Use Tax Bond Construction Fund- A capital projects fund to account for the 2012 bond proceeds. Projects funded by the bonds include the construction of Fire Station #11, purchase of fire apparatus, and improvements to existing fire stations; an aquatic park at Ben Geren in a joint venture with Sebastian County; wastewater improvements including wet weather improvements in accordance with the EPA administrative order as well as pump station improvements, collection and interceptor improvements and neighborhood improvements including the Lake Fort Smith 48" water transmission line and improvements in Chaffee Crossing.

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 Capital 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.

## Major Revenue Analyses-2014 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.

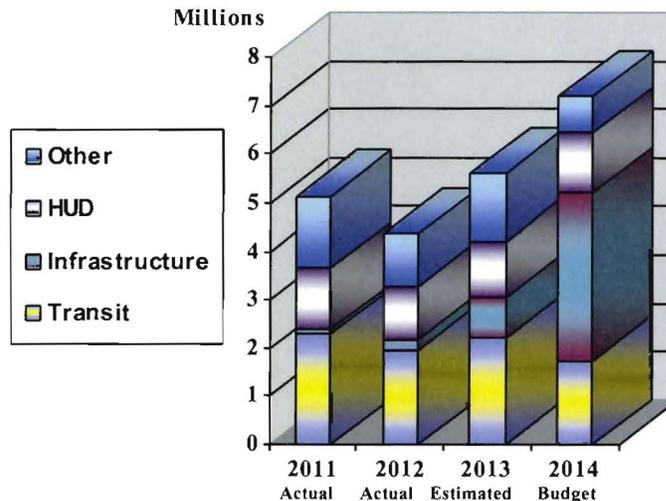
### Intergovernmental

#### **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 3% of total annual revenues. However, the transit funding is accounted for in the General Fund and represents an average of 4.8% of its annual revenues. The CDBG and HOME grants from HUD represent 100% of the applicable fund's revenue source each year.

	Infrastructure				
	<u>Transit</u>	<u>Projects</u>	<u>HUD</u>	<u>Other</u>	<u>Total</u>
2011 Actual	2,289,807	83,565	1,309,586	1,467,519	5,150,477
2012 Actual	1,967,040	223,092	1,102,094	1,084,975	4,377,201
2013 Est.	2,212,691	856,244	1,150,570	1,378,979	5,598,484
2014 Budget	1,744,510	3,470,000	1,230,000	758,996	7,203,506



2014 Revenue Estimates- The increase in 2014 is due to the DOT funding of \$4.7 million for the Jenny Lind road project. A portion of this reimbursement was expected during FY13. However, the project has been delayed. The transit revenue is expected to decrease from FY13 due to the large capital project during 2013 that will not occur in 2014. The HUD grants are expected to increase by 7% between FY13 and FY14. Other grants are anticipated to be less in FY14 due to less police and fire reimbursements for personnel and equipment.

#### **State-**

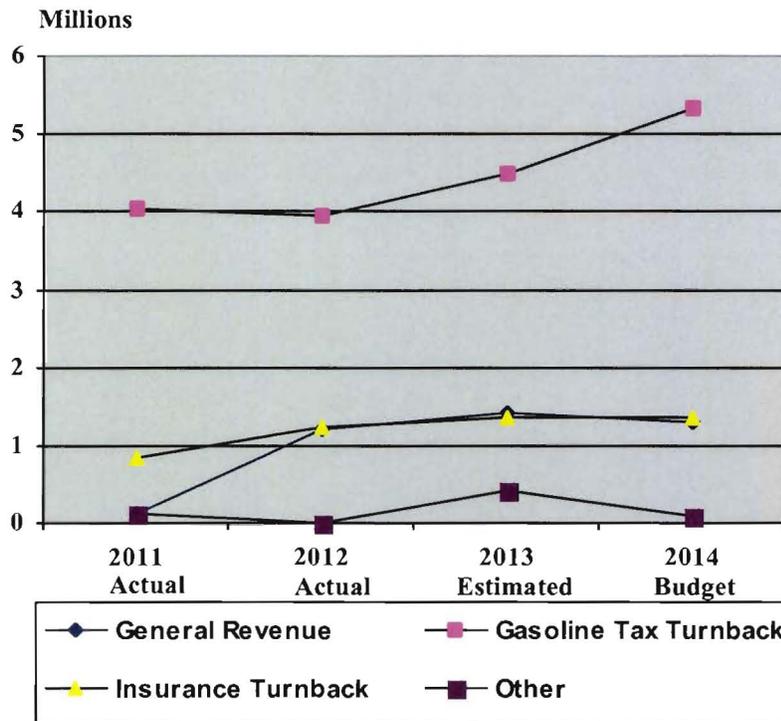
Revenue Description- state aid in the form of turnbacks from state tax levies, grants and special appropriations. The most significant state provided revenue is the gasoline tax turnback which is accounted for in the Street Maintenance Fund, the general revenue turnback, and the insurance turnback for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

**State (continued)-**

Beginning in July 2013, the City began to receive a share of the newly approved ½% state sales tax for highways that is in place for 10 years.

Revenue History- state funding represents an average of 3% of total revenues. However, the gasoline tax turnback plus the ½% highway sales tax turnback represent an average of 68% of the Street Maintenance Fund annual revenue and the insurance turnback represents 23% of the Arkansas LOPFI Contribution Fund revenue.

	General Revenue <u>Turnback</u>	Gasoline Tax/ Hwy. Sales Tax <u>Turnback</u>	Insurance <u>Turnback</u>	<u>Other</u>	<u>Total</u>
2011 Actual	1,196,050	4,045,511	838,251	108,914	6,188,726
2012 Actual	1,212,967	3,942,818	1,238,324	8,500	6,402,609
2013 Est.	1,405,207	4,506,474	1,366,857	432,451	7,710,989
2014 Budget	1,310,377	5,344,966	1,360,000	80,000	8,095,343



2014 Revenue Estimates- the amount of general revenue turnback, gasoline tax turnback, and the highway sales tax turnback is allocated on a per capita basis with annual estimates provided by the Arkansas Municipal League (AML). Effective July 1, 2013, the City began receiving its share of the ½% state sales tax for highway improvements based upon population. The FY14 amount includes the first full year of this revenue for the Street Maintenance Fund. Other state revenue includes the recognition of Act 833 fire funds that are restricted for fire safety purposes. In 2013, approximately \$432,000 is anticipated as General Fund revenue to support the new fire training facility. In FY14 and future years, the annual amount will approximate \$80,000.

**Taxes and Assessments:**

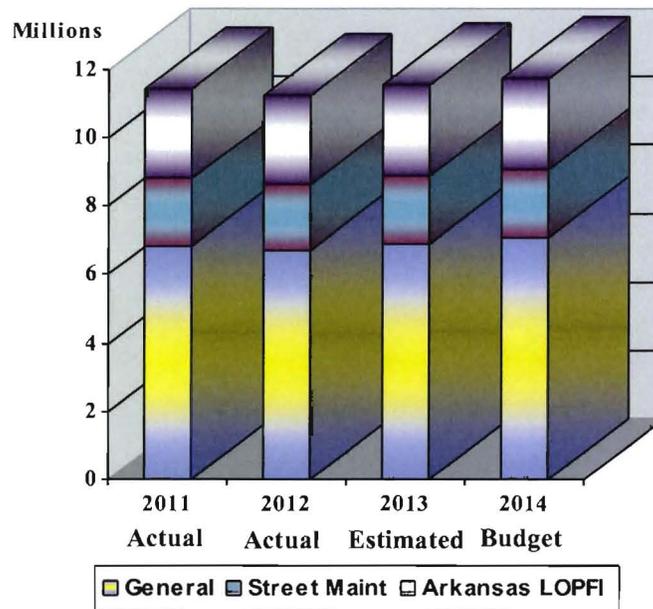
Ad Valorem-

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 205 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 6% of total City revenues. The revenue for the three funds which receive property tax revenue since 2011 is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2011 Actual	6,815,325	1,989,709	2,653,362	11,458,396
2012 Actual	6,720,195	1,959,310	2,612,603	11,292,108
2013 Est.	6,928,050	1,987,286	2,649,714	11,565,050
2014 Budget	7,066,600	2,027,000	2,702,666	11,796,266



2014 Revenue Estimate-ad valorem taxes are expected to increase by approximately \$231,000 or 2% for 2014 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% of total City revenues and an average 14% of total General Fund revenue.

	2011 <u>Actual</u>	2012 <u>Actual</u>	2013 <u>Estimated</u>	2014 <u>Budget</u>
Electric	4,042,194	3,833,960	3,773,400	3,764,800
Gas	1,558,712	1,281,452	1,512,600	1,572,000
Cable	663,770	658,685	661,000	660,000
Telephone	294,317	284,646	281,202	290,000
Other	<u>13,000</u>	<u>13,150</u>	<u>13,200</u>	<u>13,200</u>
	<u>6,571,993</u>	<u>6,071,893</u>	<u>6,241,402</u>	<u>6,300,000</u>

2014 Revenue Estimate- franchise fees are anticipated to increase by approximately \$59,000 or 0.9% over 2013 estimated revenue. The increase is due to a slight increase in natural gas usage in 2014.

#### 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 split between redemption of the 2012 sales and use tax bonds and for operating costs in the fire and parks departments in the General Fund. Beginning October 1, 2012, 3/4% of the tax is dedicated to the redemption of the 2012 Sales and Use Tax Bonds that were issued for a new fire station, existing fire station improvements and fire apparatus; an aquatic park facility in conjunction with Sebastian County; water improvements including the Lake Fort Smith 48" water transmission line; wastewater improvements including wet weather improvements in accordance with the EPA administrative order; and for refunding the remaining 2006, 2008 and 2009 Sales and Use Tax Bonds. The remaining 1/4% sales tax will be in place for 10 years to provide operations and capital purchases for the fire department and parks department. A form of this tax has been in place since 1997.

	General <u>Fund</u>	Street Sales Tax <u>Fund</u>	Sales & Use Tax <u>Bond Fund</u>	<u>Total</u>
2011 Actual	-	19,341,760	19,341,760	38,683,520
2012 Actual	768,224	19,605,123	18,836,899	39,210,246
2013 Estimated	4,924,318	19,697,271	14,722,953	39,344,542
2014 Budget	4,985,872	19,943,487	14,957,615	39,886,974

2014 Revenue Estimate- City sales and use tax revenue is projected to increase 1.25% 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 originally approved by voters in 1994 and reaffirmed in 2013 for extension through 2024.

Actual 2011	15,155,032
Actual 2012	15,279,008
Estimated 2013	15,273,536
Budget 2014	15,426,200

2014 Estimated Revenue- the county sales tax is expected to increase 1% over 2013. As in the case of the City's sales tax levies, the state does not provide any trend information for this revenue source.

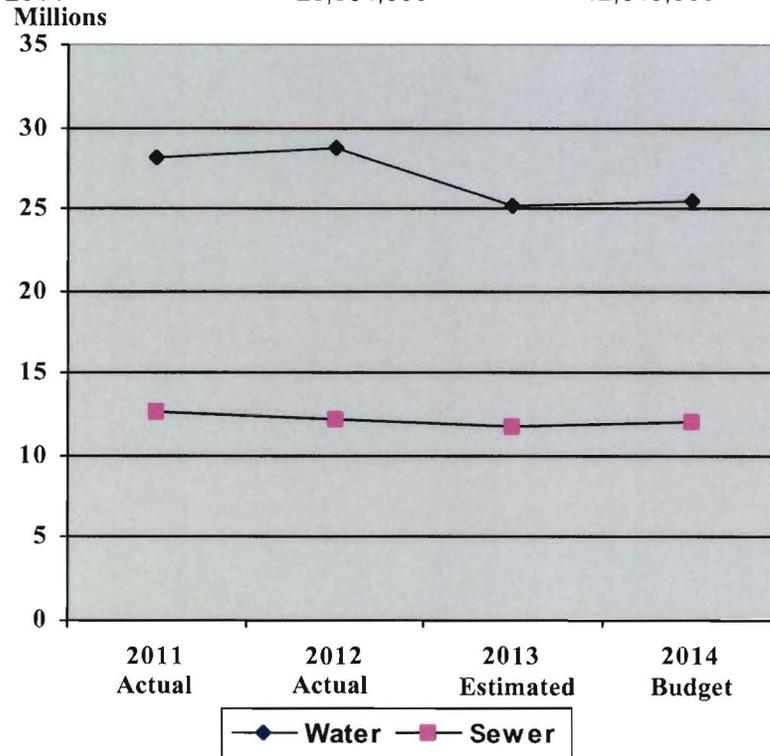
**Service Charges and Fees:**

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. This temporary sewer rate increase was removed in July 2012. Combined water and sewer service charges and fees represent an average 20% of total city revenue.

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Actual 2011	28,187,029	12,631,013	40,818,042
Actual 2012	28,808,520	12,240,997	41,049,517
Estimated 2013	25,103,390	11,819,544	36,922,934
Budget 2014	25,504,000	12,019,000	37,523,000



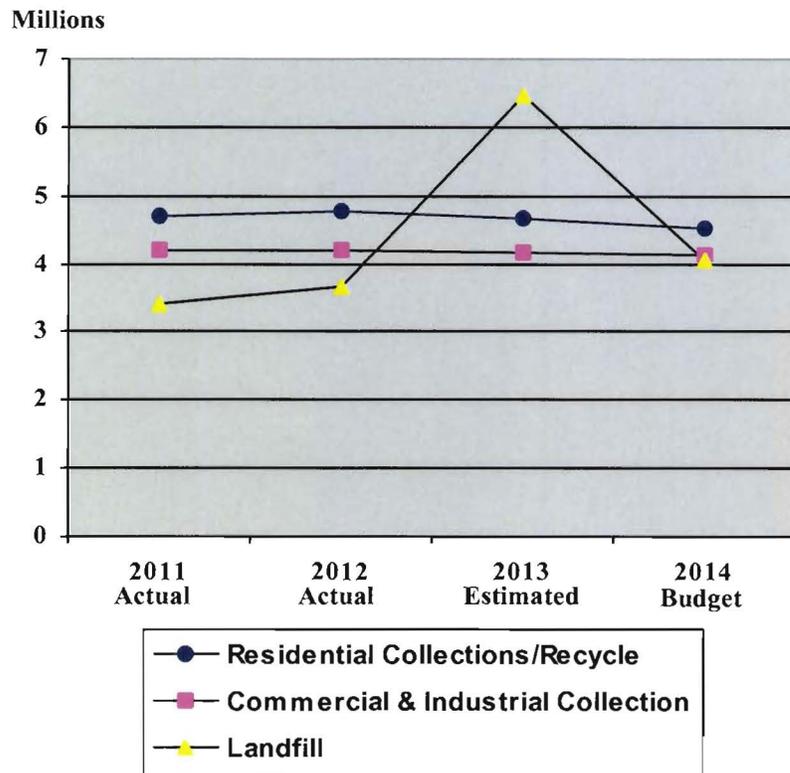
2014 Revenue Estimate- Both the water and sewer revenues were higher for 2011 than originally anticipated due to an extremely hot summer and an overall increase in consumption of 2% over 2010. Consumption in FY12 was slightly below the 2011 amount. However, a one time payment of \$581,000 from the city of Van Buren, the city's largest water user, during FY12 provided more water revenue for the year. The decrease in revenues for estimated FY13 is due to the lower consumption at 8% through 11 months of FY13 due in part to a much milder weather pattern. The increase for FY14 of approximately \$600,000 or 1.6% is due to a natural growth in the utility.

**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. The Board of Directors enacted a rate decrease of 7.7% for residential sanitation customers. The current residential fees became effective July 1, 2013. The 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 2011	4,720,097	4,203,757	3,413,332	12,337,186
Actual 2012	4,789,270	4,187,005	3,664,147	12,640,422
Estimated 2013	4,649,184	4,150,448	6,450,077	15,249,709
Budget 2014	4,540,000	4,120,000	4,065,000	12,725,000



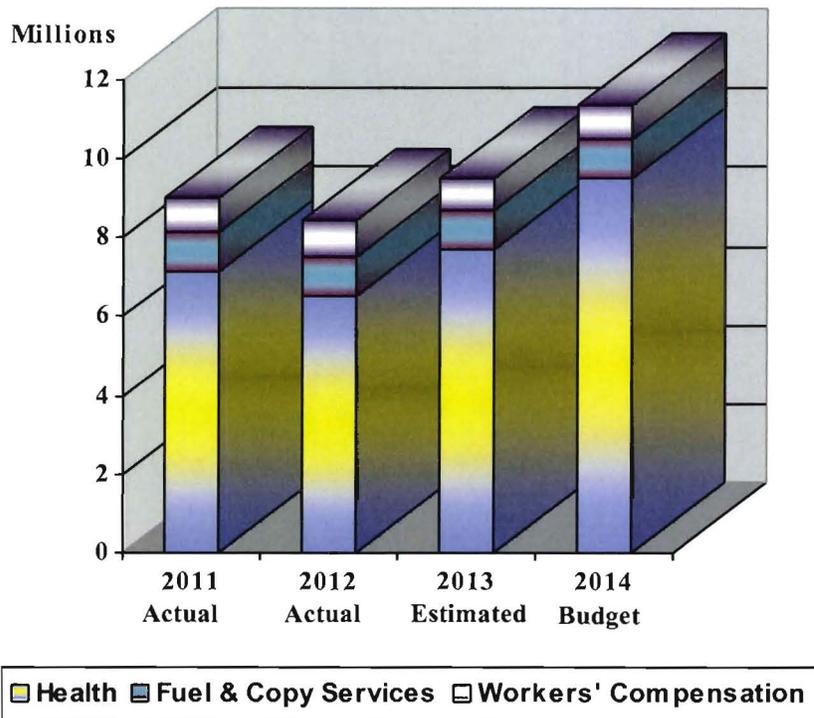
2014 Revenue Estimates- The residential collections for FY14 reflect a full year of the July 1, 2013 rate decrease. Commercial and industrial collections are expected to remain stable compared with FY13. The \$2.4 million decrease in landfill fees in FY14 is a result of the additional waste disposal fees from the Zero Street wastewater site remediation during FY13.

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 fluctuated from 2011-2014. Catastrophic illnesses including cancer have caused the fluctuations among the first three years presented. A significant increase in claims costs is expected during 2014. Fuel and copy costs are forecasted to remain fairly stable. The contributions to the workers' compensation account are expected to increase due to some long-term injuries.

	<u>Health &amp; Wellness</u>	<u>Fuel &amp; Copy Services</u>	<u>Workers' Compensation</u>	<u>Total</u>
Actual 2011	7,180,138	982,575	880,125	9,042,838
Actual 2012	6,512,493	1,011,468	929,369	8,453,330
Estimated 2013	7,704,284	1,031,775	798,950	9,535,009
Budget 2014	9,526,019	1,025,000	820,070	11,371,089



2014 Revenue Estimate- The contributions to the Employee Health and Wellness Funds are anticipated to increase by \$1.8 million or 24%. The city contribution was increased by 25% for FY14. Rising medical costs and the federal Affordable Care Act will impact claims for the year. Workers' Compensation contributions from the city are expected to increase by 2.6% between years to cover rising benefits. The fuel and copy services are expected to remain stable between years.

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**2014 Individual Fund Budgets-  
General Fund**

**Revenues**

Intergovernmental	\$ 3,748,883
Taxes and Assessments	33,793,672
Court Fines and Forfeitures	1,336,000
Licenses and Permits	2,225,000
Service Charges and Fees	641,900
Miscellaneous	1,036,762
Interest	12,000
Transfers In	<u>2,922,000</u>
Total	<u>\$ 45,716,217</u>

**Expenditures**

Operating:	
Policy and Administration Services	\$ 2,905,884
Management Services	2,725,652
Development Services	2,959,247
Police Services	16,209,790
Fire Services	13,274,160
Operation Services	7,198,619
Non-Departmental	<u>2,603,365</u>
Total	<u>\$ 47,876,717</u>

Excess (Deficiency) Revenues Over Expenditures	\$ (2,160,500)
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Fund Balance, Beginning of Year	<u>5,586,187</u>
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<b>Fund Balance, End of Year</b>	<u><u>\$ 3,425,687</u></u>
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## Special Revenue Fund

	Street	Sales Tax	Community Development Block Grant	Home Investment Partnership Act
<b>Revenues</b>				
Intergovernmental -				
State Turnback	\$ 5,344,966	\$ 0	\$ 0	\$ 0
Federal Grant	0	3,470,000	800,000	430,000
State Grant	0	0	0	0
Local Grant	0	0	0	0
Taxes and Assessments -				
Ad Valorem Tax	2,027,000	0	0	0
Sales Tax	0	19,943,487	0	0
Hotel/Motel Tax	0	0	0	0
Licenses and Permits	160,000	0	0	0
Court Fines and Forfeitures	0	0	0	0
Service Charges & Fees	0	0	0	0
Interest	5,000	40,000	100	0
Contributions	0	0	0	0
Miscellaneous	5,000	0	0	0
Transfers In	60,000	0	0	0
<b>Total</b>	<b>\$ 7,601,966</b>	<b>\$ 23,453,487</b>	<b>\$ 800,100</b>	<b>\$ 430,000</b>
<b>Expenditures</b>				
Operating	\$ 7,781,657	\$ 0	\$ 0	\$ 0
Capital Improvements	0	36,383,467	28,900	0
Community Assistance -				
Development Services	0	0	305,410	0
Police Services	0	0	0	0
Public Works and Community				
Service Projects	0	0	215,790	0
Housing Assistance	0	0	250,000	430,000
Pension Benefits/Retirement Cont.	0	0	0	0
Other (Note 1)	0	0	0	0
<b>Total</b>	<b>\$ 7,781,657</b>	<b>\$ 36,383,467</b>	<b>\$ 800,100</b>	<b>\$ 430,000</b>
Excess (Deficiency) Revenues Over (Under) Expenditures	\$ (179,691)	\$ (12,929,980)	\$ 0	\$ 0
Fund Balance, Beginning of Year	744,708	20,829,110	4,031	0
<b>Fund Balance, End of Year</b>	<b>\$ 565,017</b>	<b>\$ 7,899,130</b>	<b>\$ 4,031</b>	<b>\$ 0</b>

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	\$ 1,360,000	\$ 0	\$ 6,704,966
145,000	0	0	0	0	4,845,000
0	0	0	0	0	0
2,000	0	0	0	0	2,000
0	0	0	2,702,666	0	4,729,666
0	0	0	0	0	19,943,487
0	0	750,000	0	0	750,000
0	0	0	0	0	160,000
0	0	0	137,000	0	137,000
0	0	0	0	580,000	580,000
1,000	30	220	11,000	1,000	58,350
0	400	2,400	2,038,055	0	2,040,855
0	0	0	1,200	0	6,200
0	0	0	0	777,000	837,000
<u>\$ 148,000</u>	<u>\$ 430</u>	<u>\$ 752,620</u>	<u>\$ 6,249,921</u>	<u>\$ 1,358,000</u>	<u>\$ 40,794,524</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,781,657
0	0	0	0	17,000	36,429,367
0	0	0	0	0	305,410
145,000	0	0	0	0	145,000
11,000	0	0	0	0	226,790
0	0	0	0	0	680,000
0	0	0	7,327,600	0	7,327,600
0	0	768,270	0	1,489,710	2,257,980
<u>\$ 156,000</u>	<u>\$ 0</u>	<u>\$ 768,270</u>	<u>\$ 7,327,600</u>	<u>\$ 1,506,710</u>	<u>\$ 55,153,804</u>
\$ (8,000)	\$ 430	\$ (15,650)	\$ (1,077,679)	\$ (148,710)	\$ (14,359,280)
<u>109,678</u>	<u>10,686</u>	<u>148,511</u>	<u>7,793,506</u>	<u>336,525</u>	<u>29,976,755</u>
<u>\$ 101,678</u>	<u>\$ 11,116</u>	<u>\$ 132,861</u>	<u>\$ 6,715,827</u>	<u>\$ 187,815</u>	<u>\$ 15,617,475</u>

**Debt Service Fund**

**Sales and Use Tax Bond Fund**

**Revenues**

Taxes and Assessments- Sales Tax	\$ 14,957,615
Interest	<u>2,000</u>
Total	\$ 14,959,615

**Expenditures**

Debt Service- Current	<u>14,105,806</u>
Excess Revenues Over Expenditures	\$ 853,809
Fund Balance, Beginning of Year	<u>14,796,741</u>

**Fund Balance, End of Year** \$ 15,650,550

## Capital Projects Fund

	<u>Sales &amp; Use Tax Bond Construction</u>
<b>Revenues</b>	
Interest	\$ 220,000
Total	\$ 220,000
<b>Expenditures</b>	
Capital Improvements	<u>45,140,773</u>
Excess (Deficiency) Revenues Over (Under) Expenditures	\$ (44,920,773)
Fund Balance, Beginning of Year	<u>46,888,256</u>
<b>Fund Balance, End of Year</b>	<u><u>\$ 1,967,483</u></u>

## 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
<b>Revenues</b>					
Service Charges and Fees	\$ 37,523,000	\$ 0	\$ 0	\$ 0	\$ 37,523,000
Interest	12,000	0	500	18,000	30,500
Miscellaneous	70,000	0	0	300,000	370,000
Transfers In	0	0	13,598,400	0	13,598,400
<b>Total</b>	<b>\$ 37,605,000</b>	<b>\$ 0</b>	<b>\$ 13,598,900</b>	<b>\$ 318,000</b>	<b>\$ 51,521,900</b>
<b>Expenses</b>					
Operating	\$ 40,608,914	\$ 0	\$ 0	\$ 0	\$ 40,608,914
Capital Improvements	0	0	0	5,252,000	5,252,000
Debt Service:					
Current	0	0	13,750,400	0	13,750,400
<b>Total</b>	<b>\$ 40,608,914</b>	<b>\$ 0</b>	<b>\$ 13,750,400</b>	<b>\$ 5,252,000</b>	<b>\$ 59,611,314</b>
Excess (Deficiency) Revenues Over (Under) Expenses	\$ (3,003,914)	\$ 0	\$ (151,500)	\$ (4,934,000)	\$ (8,089,414)
Working Capital, Beginning of Year	9,463,338	950,000	4,592,048	11,691,953	26,697,339
<b>Working Capital, End of Year</b>	<b>6,459,424</b>	<b>950,000</b>	<b>4,440,548</b>	<b>6,757,953</b>	<b>18,607,925</b>
Adjustment for CIP Projects Transfers	(1,950,000)	450,000	0	1,500,000	0
Adjusted Working Capital, End of Year	<u>\$ 4,509,424</u>	<u>\$ 1,400,000</u>	<u>\$ 4,440,548</u>	<u>\$ 8,257,953</u>	<u>\$ 18,607,925</u>

## Sanitation Funds

	<u>Sanitation Operating</u>	<u>Cleanup/ Demolition</u>	<u>Sanitation Sinking/ Landfill Construction</u>	<u>Total</u>
<b>Revenues</b>				
Service Charges and Fees	\$ 12,725,000	\$ 0	\$ 0	\$ 12,725,000
Interest	5,500	0	22,000	27,500
Miscellaneous	50,000	125,000	0	175,000
Transfers In	0	560,000	1,256,479	1,816,479
	<u>0</u>	<u>560,000</u>	<u>1,256,479</u>	<u>1,816,479</u>
Total	<u>\$ 12,780,500</u>	<u>\$ 685,000</u>	<u>\$ 1,278,479</u>	<u>\$ 14,743,979</u>
<b>Expenses</b>				
Operating	\$ 13,818,711	\$ 0	\$ 0	\$ 13,818,711
Capital Improvements	0	43,600	4,072,000	4,115,600
Other	0	689,370	0	689,370
	<u>0</u>	<u>689,370</u>	<u>0</u>	<u>689,370</u>
Total	<u>\$ 13,818,711</u>	<u>\$ 732,970</u>	<u>\$ 4,072,000</u>	<u>\$ 18,623,681</u>
<b>Excess (Deficiency)</b>				
Revenues Over (Under) Expenses	\$ (1,038,211)	\$ (47,970)	\$ (2,793,521)	\$ (3,879,702)
<b>Working Capital</b>				
Beginning of Year	<u>2,843,739</u>	<u>50,472</u>	<u>7,239,253</u>	<u>10,133,464</u>
<b>Working Capital, End of Year</b>	1,805,528	2,502	4,445,732	6,253,762
<b>Adjustment for CIP</b>				
Transfers	<u>(700,000)</u>	<u>0</u>	<u>700,000</u>	<u>0</u>
<b>Adjusted Working Capital, End of Year</b>	<u>\$ 1,105,528</u>	<u>\$ 2,502</u>	<u>\$ 5,145,732</u>	<u>\$ 6,253,762</u>

## Parking Authority Fund

	<u>Enforcement</u>	<u>Facilities</u>	<u>Total</u>
<b>Revenues</b>			
Service Charges and Fees	\$ 32,000	\$ 166,000	\$ 198,000
Interest	0	1,100	1,100
Transfers In	200,000	0	200,000
	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total	<u>\$ 232,000</u>	<u>\$ 167,100</u>	<u>\$ 399,100</u>
<b>Expenses</b>			
Capital Improvements	\$ 0	\$ 0	\$ 0
Other:			
Police Services	166,080	0	166,080
Finance	0	52,890	52,890
Debt Service:			
Current	0	137,950	137,950
Total	<u>\$ 166,080</u>	<u>190,840</u>	<u>356,920</u>
Excess (Deficiency) Revenues Over (Under) Expenses	\$ 65,920	\$ (23,740)	42,180
Working Capital, Beginning of Year	<u>0</u>	<u>496,208</u>	<u>496,208</u>
<b>Working Capital, End of Year</b>	<u><u>\$ 65,920</u></u>	<u><u>\$ 472,468</u></u>	<u><u>\$ 538,388</u></u>

## Internal Service Funds

	<u>Working Capital</u>	<u>Employee Health Wellness</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Revenues</b>				
Service Charges and Fees	\$ 1,025,000	\$ 9,526,019	\$ 820,070	\$ 11,371,089
Interest	0	3,600	2,200	5,800
Transfers	0	0	0	0
<b>Total</b>	<u>\$ 1,025,000</u>	<u>\$ 9,529,619</u>	<u>\$ 822,270</u>	<u>\$ 11,376,889</u>
<b>Expenses</b>				
Health Insurance and Workers' Compensation Claims	\$ 0	\$ 9,300,000	\$ 900,000	\$ 10,200,000
Other - Materials and Supplies	1,020,000	0	0	1,020,000
<b>Total</b>	<u>\$ 1,020,000</u>	<u>\$ 9,300,000</u>	<u>\$ 900,000</u>	<u>\$ 11,220,000</u>
Excess (Deficiency) Revenues Over (Under) Expenses	\$ 5,000	\$ 229,619	\$ (77,730)	\$ 156,889
Working Capital, Beginning of Year	<u>54,682</u>	<u>28,228</u>	<u>92,145</u>	<u>175,055</u>
<b>Working Capital, End of Year</b>	<u><u>\$ 59,682</u></u>	<u><u>\$ 257,847</u></u>	<u><u>\$ 14,415</u></u>	<u><u>\$ 331,944</u></u>

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## **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 FY13 Estimated to FY14 Budget.

The Statement of Revenue Comparisons for the Operating Funds and individually for each fund compares revenues based on Actual FY12, Budget and Estimated FY13, and Budget FY14. Projections for FY15 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 FY14 and FY15.

**City of Fort Smith  
FY14  
Budget Comparison Summary-Operating Funds**

	Estimated FY13	Budget FY14	Increase (Decrease)	Projected FY15
<b>Revenues</b>				
Intergovernmental	\$ 9,269,519	\$ 9,093,849	\$ (175,670)	\$ 8,611,295
Taxes and Assessments	35,368,692	35,820,672	451,980	36,306,389
Court Fines and Forfeitures	2,175,000	2,225,000	50,000	2,225,000
Licenses and Permits	1,552,677	1,496,000	(56,677)	1,496,000
Service Charges and Fees	52,823,563	50,889,900	(1,933,663)	51,738,911
Miscellaneous	1,163,681	1,256,262	92,581	1,317,715
Transfers	2,855,800	2,922,000	66,200	2,992,630
<b>Total</b>	<b>\$ 105,208,932</b>	<b>\$ 103,703,683</b>	<b>\$ (1,505,249)</b>	<b>\$ 104,687,940</b>
<b>Expenditures/Expenses</b>				
Policy and Administration Services	\$ 3,523,018	\$ 3,754,600	\$ 231,582	\$ 4,091,230
Management Services	6,315,255	6,672,060	356,805	6,978,860
Development Services	3,042,087	3,322,800	280,713	3,295,850
Police Services	15,801,977	16,209,790	407,813	18,868,800
Fire Services	13,445,751	13,274,160	(171,591)	15,214,120
Operation Services	57,562,589	61,593,820	4,031,231	61,776,410
Non-Departmental	5,526,212	5,258,769	(267,443)	5,171,500
<b>Total</b>	<b>\$ 105,216,889</b>	<b>\$ 110,085,999</b>	<b>\$ 4,869,110</b>	<b>\$ 115,396,770</b>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures/Expenses	\$ (7,957)	\$ (6,382,316)	\$ (6,374,359)	\$ (10,708,830)
<b>Fund Balance/Working Capital, Beginning of Year</b>				
	<u>23,607,929</u>	<u>18,637,972</u>	<u>(4,969,957)</u>	<u>9,605,656</u>
<b>Fund Balance/Working Capital, End of Year</b>				
	\$ 23,599,972	\$ 12,255,656	\$ (11,344,316)	\$ (1,103,174)
<b>Adjustment for CIP Transfers</b>				
	<u>(4,962,000)</u>	<u>(2,650,000)</u>	<u>2,312,000</u>	<u>(2,700,000)</u>
<b>Adjusted Fund Balance/ Working Capital, End of Year</b>				
	<u>\$ 18,637,972</u>	<u>\$ 9,605,656</u>	<u>\$ (9,032,316)</u>	<u>\$ (3,803,174)</u>

**City of Fort Smith  
FY14  
Budget Comparison Summary-General Fund**

	Estimated FY13	Budget FY14	Increase (Decrease)	Projected FY15
<b>Revenues</b>				
Intergovernmental	\$ 4,763,045	\$ 3,748,883	\$ (1,014,162)	\$ 3,250,377
Taxes and Assessments	33,381,406	33,793,672	412,266	34,238,889
Court Fines and Forfeitures	2,175,000	2,225,000	50,000	2,225,000
Licenses and Permits	1,387,701	1,336,000	(51,701)	1,336,000
Service Charges and Fees	650,920	641,900	(9,020)	1,407,911
Miscellaneous	1,011,001	1,048,762	37,761	1,113,215
Transfers	2,855,800	2,922,000	66,200	2,992,630
<b>Total</b>	<b>\$ 46,224,873</b>	<b>\$ 45,716,217</b>	<b>\$ (508,656)</b>	<b>\$ 46,564,022</b>
<b>Expenditures</b>				
Policy and Administration Services	\$ 2,754,072	\$ 2,905,884	\$ 151,812	\$ 3,203,027
Management Services	2,523,541	2,725,652	202,111	2,853,106
Development Services	2,698,476	2,959,247	260,771	2,945,207
Police Services	15,801,977	16,209,790	407,813	18,868,800
Fire Services	13,445,751	13,274,160	(171,591)	15,214,120
Operation Services	7,956,274	7,198,619	(757,655)	8,580,630
Non-Departmental	2,801,686	2,603,365	(198,321)	2,750,000
<b>Total</b>	<b>\$ 47,981,777</b>	<b>\$ 47,876,717</b>	<b>\$ (105,060)</b>	<b>\$ 54,414,890</b>
<b>Excess (Deficiency) Revenues Over Expenditures</b>	<b>\$ (1,756,904)</b>	<b>\$ (2,160,500)</b>	<b>\$ (403,596)</b>	<b>\$ (7,850,868)</b>
<b>Fund Balance, Beginning of Year</b>	<b>7,343,091</b>	<b>5,586,187</b>	<b>(1,756,904)</b>	<b>3,425,687</b>
<b>Fund Balance, End of Year</b>	<b>\$ 5,586,187</b>	<b>\$ 3,425,687</b>	<b>\$ (2,160,500)</b>	<b>\$ (4,425,181)</b>

**City of Fort Smith  
FY14  
Budget Comparison Summary-Street Maintenance Fund**

	Estimated FY13	Budget FY14	Increase (Decrease)	Projected FY15
<b>Revenues</b>				
Intergovernmental	\$ 4,506,474	\$ 5,344,966	\$ 838,492	\$ 5,360,918
Taxes and Assessments	1,987,286	2,027,000	39,714	2,067,500
Licenses and Permits	164,976	160,000	(4,976)	160,000
Miscellaneous	8,576	10,000	1,424	7,000
Transfers	0	60,000	60,000	60,000
<b>Total</b>	<b>\$ 6,667,312</b>	<b>\$ 7,601,966</b>	<b>\$ 934,654</b>	<b>\$ 7,655,418</b>
<b>Expenditures</b>				
Policy and Administration Services	\$ 164,221	\$ 177,069	\$ 12,848	\$ 184,350
Management Services	392,423	420,146	27,723	440,833
Development Services	71,891	77,086	5,195	79,489
Operation Services	6,714,013	6,661,431	(52,582)	7,151,110
Non-Departmental	542,226	445,925	(96,301)	485,500
<b>Total</b>	<b>\$ 7,884,774</b>	<b>\$ 7,781,657</b>	<b>\$ (103,117)</b>	<b>\$ 8,341,282</b>
<b>Excess (Deficiency) Revenues Over Expenditures</b>	<b>\$ (1,217,462)</b>	<b>\$ (179,691)</b>	<b>\$ 1,037,771</b>	<b>\$ (685,864)</b>
<b>Fund Balance, Beginning of Year</b>	<b>1,962,170</b>	<b>744,708</b>	<b>(1,217,462)</b>	<b>565,017</b>
<b>Fund Balance, End of Year</b>	<b>\$ 744,708</b>	<b>\$ 565,017</b>	<b>\$ (179,691)</b>	<b>\$ (120,847)</b>

**City of Fort Smith**  
**FY14**  
**Budget Comparison Summary-Water and Sewer Operating Fund**

	Estimated FY13	Budget FY14	Increase (Decrease)	Projected FY15
<b>Revenues</b>				
Services Charges and Fees	\$ 36,922,934	\$ 37,523,000	\$ 600,066	\$ 38,176,000
Miscellaneous	85,721	82,000	(3,721)	82,000
Total	<u>\$ 37,008,655</u>	<u>\$ 37,605,000</u>	<u>\$ 596,345</u>	<u>\$ 38,258,000</u>
<b>Expenses</b>				
Policy and Administration				
Services	\$ 397,529	\$ 446,328	\$ 48,799	\$ 468,821
Management Services	2,641,115	2,729,639	88,524	2,852,273
Development Services	271,720	286,467	14,747	271,154
Operation Services	32,675,615	36,762,480	4,086,865	35,984,620
Non-Departmental	529,859	384,000	(145,859)	386,000
Total	<u>\$ 36,515,838</u>	<u>\$ 40,608,914</u>	<u>\$ 4,093,076</u>	<u>\$ 39,962,868</u>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	\$ 492,817	\$ (3,003,914)	\$ (3,496,731)	\$ (1,704,868)
Working Capital, Beginning of Year	<u>11,532,521</u>	<u>9,463,338</u>	<u>(2,069,183)</u>	<u>4,509,424</u>
Working Capital, End of Year	\$ 12,025,338	\$ 6,459,424	\$ (5,565,914)	\$ 2,804,556
Adjustment for CIP Transfers	<u>(2,562,000)</u>	<u>(1,950,000)</u>	<u>612,000</u>	<u>(2,000,000)</u>
Adjusted Working Capital, End of Year	<u>\$ 9,463,338</u>	<u>\$ 4,509,424</u>	<u>\$ 4,953,914</u>	<u>\$ 804,556</u>

**City of Fort Smith**  
**FY14**  
**Budget Comparison Summary-Sanitation Operating Fund**

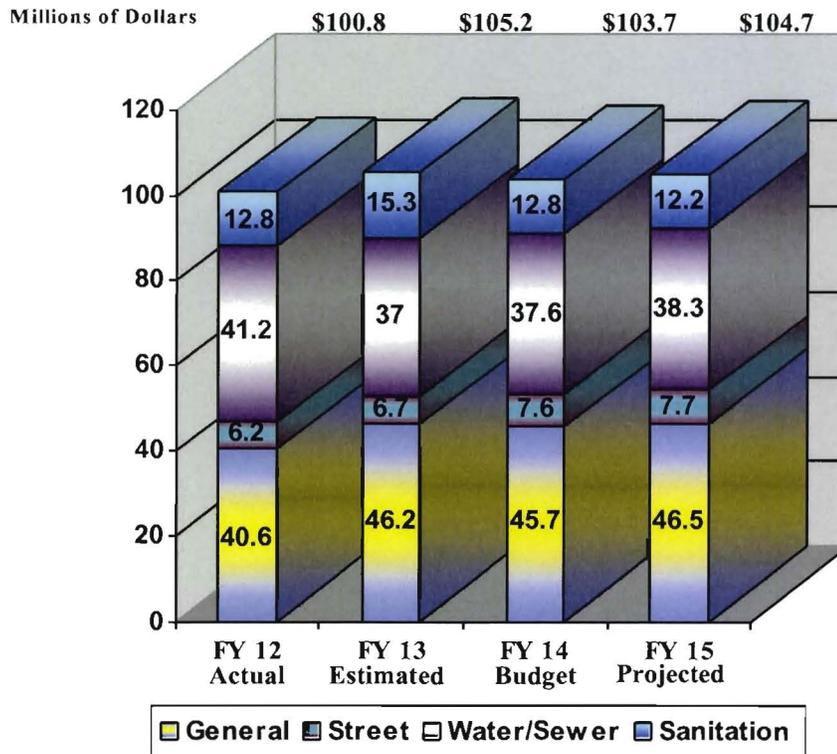
	Estimated FY13	Budget FY14	Increase (Decrease)	Projected FY15
<b>Revenues</b>				
Service Charges and Fees	\$ 15,249,709	\$ 12,725,000	\$ (2,524,709)	\$ 12,155,000
Miscellaneous	58,383	55,500	(2,883)	55,500
Total	<u>\$ 15,308,092</u>	<u>\$ 12,780,500</u>	<u>\$ (2,527,592)</u>	<u>\$ 12,210,500</u>
<b>Expenses</b>				
Policy and Administration				
Services	\$ 207,196	\$ 225,319	\$ 18,123	\$ 235,032
Management Services	758,176	796,623	38,447	832,648
Operation Services	10,216,687	10,971,290	754,603	10,060,050
Non-Departmental	1,652,441	1,825,479	173,038	1,550,000
Total	<u>\$ 12,834,500</u>	<u>\$ 13,818,711</u>	<u>\$ 984,211</u>	<u>\$ 12,677,730</u>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	\$ 2,473,592	\$ (1,038,211)	\$ (3,511,803)	\$ (467,230)
<b>Working Capital, Beginning of Year</b>				
	<u>2,770,147</u>	<u>2,843,739</u>	<u>73,592</u>	<u>1,105,528</u>
<b>Working Capital, End of Year</b>				
	\$ 5,243,739	\$ 1,805,528	\$ (3,438,211)	\$ 638,298
<b>Adjustment for CIP Transfers</b>				
	<u>(2,400,000)</u>	<u>(700,000)</u>	<u>1,700,000</u>	<u>(700,000)</u>
<b>Adjusted Working Capital, End of Year</b>				
	<u><u>\$ 2,843,739</u></u>	<u><u>\$ 1,105,528</u></u>	<u><u>\$ (1,738,211)</u></u>	<u><u>\$ (61,702)</u></u>

**Combined Operating Funds  
Statement of Revenue Comparisons**

	<b>Actual FY12</b>	<b>Budget FY13</b>	<b>Estimated FY13</b>	<b>Budget FY14</b>	<b>Projected FY15</b>
Intergovernmental	\$ 7,461,701	\$ 9,174,098	\$ 9,269,519	\$ 9,093,849	\$ 8,611,295
Taxes and Assessments	30,814,104	36,013,227	35,368,692	35,820,672	36,306,389
Court Fines and Forfeitures	2,266,844	2,110,000	2,175,000	2,225,000	2,225,000
Licenses and Permits	1,392,590	1,475,000	1,552,677	1,496,000	1,496,000
Service Charges and Fees	54,380,997	51,947,718	52,823,563	50,889,900	51,738,911
Miscellaneous	1,394,454	1,123,663	1,163,681	1,196,262	1,257,715
Transfers	3,080,995	2,855,350	2,855,800	2,982,000	3,052,630
<b>Total</b>	<b>\$ 100,791,685</b>	<b>\$ 104,699,056</b>	<b>\$ 105,208,932</b>	<b>\$ 103,703,683</b>	<b>\$ 104,687,940</b>

**Combined Operating Funds**

**Comparison of Total Revenue**



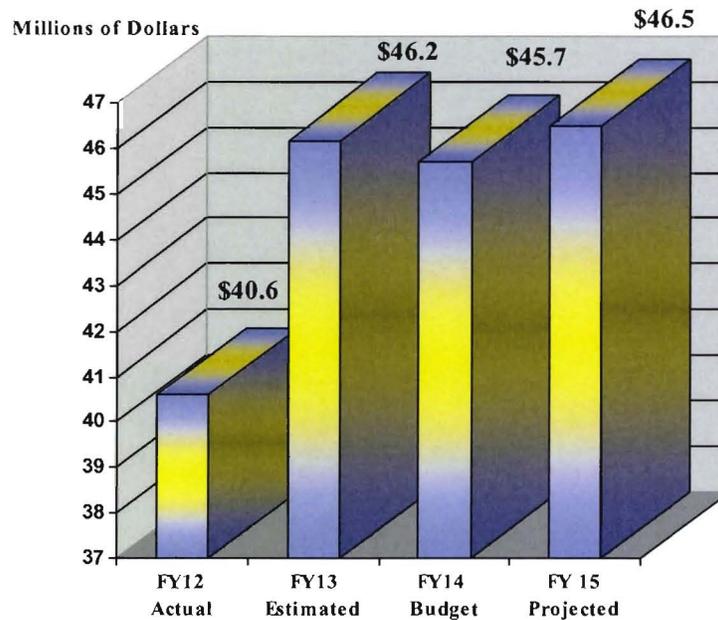
## General Fund Statement of Revenue Comparisons

	Actual FY12	Budget FY13	Estimated FY13	Budget FY14	Projected FY15
Intergovernmental					
State Turnback - General	\$ 1,212,967	\$ 1,296,328	\$ 1,405,207	\$ 1,310,377	\$ 1,310,377
Transit Reimbursement	1,967,040	2,212,691	2,212,691	1,744,510	1,750,000
Airport Security Reimbursement	137,943	109,500	125,800	120,000	110,000
State Act 833 Fire Funds	-	438,097	432,451	80,000	80,000
SAFER Grant	96,843	493,680	477,904	412,606	-
COPS Grant	104,090	117,328	108,992	81,390	-
Taxes and Assessments					
Franchise	6,071,893	6,119,730	6,241,402	6,300,000	6,350,000
Ad Valorem	6,720,195	7,090,660	6,928,050	7,066,600	7,207,900
County Sales Tax	15,279,008	15,665,165	15,273,536	15,426,200	15,580,400
1/4% City Sales Tax-Fire & Parks	768,224	5,050,582	4,924,318	4,985,872	5,085,589
Gasoline Tax Refund-Transit	15,474	17,000	14,100	15,000	15,000
Court Fines and Forfeitures	2,266,844	2,110,000	2,175,000	2,225,000	2,225,000
Licenses and Permits					
Privilege	16,028	20,000	16,040	16,000	16,000
Construction	680,265	650,000	729,661	680,000	680,000
Alcohol	594,038	545,000	551,200	550,000	550,000
Other	102,259	100,000	90,800	90,000	90,000
Service Charges and Fees					
Community Center	34,083	36,500	38,677	38,000	38,000
Fire Protection Contracts	72,462	72,400	72,400	72,400	72,400
Port Authority	14,150	12,000	20,621	12,000	12,000
Parks & Aquatics	196,106	210,000	174,978	180,000	946,011
Oak Cemetery	60,600	55,000	68,501	65,000	65,000
Animal Control	680	850	490	500	500
False Alarm Fees	35,767	17,500	28,800	25,000	25,000
Mobile Data Support Fees	68,400	62,000	44,100	44,000	44,000
Transit System	208,811	215,000	202,353	205,000	205,000
Miscellaneous					
Reimbursement from Airport	3,163	3,163	3,163	3,163	3,163
Interest Earned	12,430	5,000	11,280	12,000	12,000
Sebastian County Participation	521,490	535,000	546,896	573,599	638,052
Reimbursement from Enhanced 9-1-1 Fund	255,000	255,000	255,000	255,000	255,000
Reimbursement from FSPS for SRO Positions	42,783	44,000	44,662	45,000	45,000
Other	226,899	150,000	150,000	160,000	160,000
Transfers					
Sales Tax Fund	2,505,100	2,568,000	2,568,000	2,632,200	2,698,000
A&P Fund	22,358	22,150	22,600	22,800	22,800
Street Maintenance Fund	86,260	88,400	88,400	89,000	90,610
Water and Sewer					
Operating Fund	86,260	88,400	88,400	89,000	90,610
Sanitation					
Operating Fund	86,260	88,400	88,400	89,000	90,610
Total	<u>\$ 40,572,173</u>	<u>\$ 46,564,524</u>	<u>\$ 46,224,873</u>	<u>\$ 45,716,217</u>	<u>\$ 46,564,022</u>

See pages 185-187 for an explanation of each revenue source.

# General Fund

## Comparison of Total Revenue



### Revenue Comment

Total revenue of the General Fund FY14 Budget is estimated to decrease by approximately \$509,000 or 1.1% from FY13 Estimated. This is primarily due to the decrease in federal transit reimbursements as there are no large capital projects planned for FY14.

The general turnback from the state was \$14.07 per capita for FY12. The estimate for FY13 is \$16.30, and is anticipated to be \$15.20 per capita for FY14 and FY15.

The transit reimbursement for FY14 is \$468,000 less than FY13 Estimated due to less capital projects.

The franchise tax rate is 4% assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenue is expected to increase by 0.9% in FY14 over FY13 fees. The increase is expected from higher natural gas usage for FY14.

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 FY14 reflect a 2% increase over FY13 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY14 is 1% above the estimated FY13 revenue. The FY15 projection also reflects a 1% increase in sales tax revenue.

The city's 1/4% sales tax allocated for fire and parks programs is anticipated to increase by 1.25% for FY14 and by 2% in FY15.

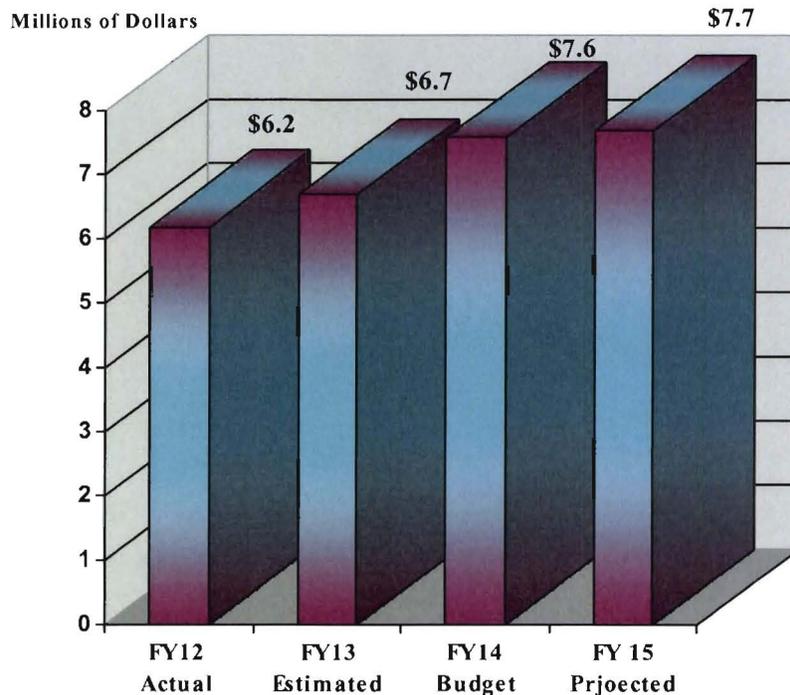
## Street Maintenance Fund Statement of Revenue Comparisons

	Actual FY12	Budget FY13	Estimated FY13	Budget FY14	Projected FY15
Intergovernmental					
State Turnback -					
Gasoline Tax	\$ 3,942,818	\$ 3,866,474	\$ 3,866,474	\$ 3,809,404	\$ 3,810,000
Highway Sales Tax	-	640,000	640,000	1,535,562	1,550,918
Taxes and Assessments					
Ad Valorem	1,959,310	2,070,090	1,987,286	2,027,000	2,067,500
Licenses and Permits					
Sidewalk Permit Assessments	-	160,000	164,976	160,000	160,000
Miscellaneous					
Interest Earned	5,908	2,000	3,576	5,000	2,000
Other	28,596	5,000	5,000	5,000	5,000
Transfers					
Water & Sewer Operating Fund	-	-	-	60,000	60,000
Sidewalk Construction Fund	294,757	-	-	-	-
<b>Total</b>	<b>\$ 6,231,389</b>	<b>\$ 6,743,564</b>	<b>\$ 6,667,312</b>	<b>\$ 7,601,966</b>	<b>\$ 7,655,418</b>

See page 188 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 55% 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 (AML) provides annual estimates for the per capita allocation to cities. The per capita turnback for the four years presented in the graph is \$45.74 for FY12, and \$44.85 for FY13 Estimated. The per capital for FY14 and FY15 is \$44.19.

Beginning July 1, 2013, the city will receive a share of the 1/2% state sales tax dedicated to highway improvements. The FY14 revenue is estimated at \$1.5 million. This shared revenue is allocated on the basis of population that is currently 86,209 per the 2010 census. The per capita turnback for the highway sales tax is \$7.42 for FY13 Estimated, \$17.81 for FY14, and \$17.99 for FY15. The AML provides estimates each year.

Ad valorem tax revenue for the Street Maintenance Fund is anticipated to increase approximately 2% in FY14. 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.

The Streets and Traffic Control Department assumed the construction and repair of sidewalks beginning in the second half of 2012. The Sidewalk Construction Fund balance was transferred to this fund at the end of FY12. The permit assessment fees applied to building permits are accounted for in the Street Maintenance Fund. This revenue is expected to generate \$160,000 in FY14.

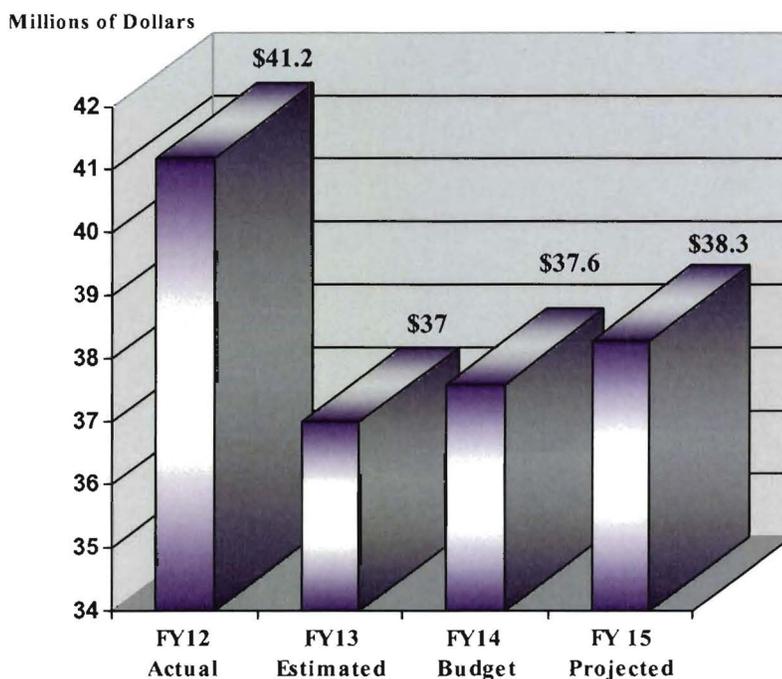
## Water and Sewer Operating Fund Statement of Revenue Comparisons

	Actual FY12	Budget FY13	Estimated FY13	Budget FY14	Projected FY15
Service Charges and Fees					
Water Sales	\$ 20,379,155	\$ 18,642,542	\$ 17,803,062	\$ 18,125,000	\$ 18,451,000
Monthly Customer Charges	471,973	425,000	440,040	440,000	440,000
Contract Water Sales	7,733,981	7,028,996	6,606,288	6,725,000	6,846,000
Fire Protection	33,086	33,500	34,176	34,000	34,000
Installations - Water Service	190,325	145,000	219,824	180,000	180,000
Sewer Service Charges	12,048,377	11,374,230	11,664,276	11,874,000	12,080,000
Sewer Connection Charges	77,671	50,000	66,540	60,000	60,000
Industrial Waste Monitoring Fees	114,948	38,000	88,728	85,000	85,000
Miscellaneous					
Interest Earned	15,463	2,500	12,264	12,000	12,000
Other	122,398	70,000	73,457	70,000	70,000
<b>Total</b>	<b>\$ 41,187,377</b>	<b>\$ 37,809,768</b>	<b>\$ 37,008,655</b>	<b>\$ 37,605,000</b>	<b>\$ 38,258,000</b>

See pages 189 for an explanation of each revenue source.

## Water and Sewer Operating Fund

Comparison of Total Revenue



## Revenue Comment

Service charges and fees account for more than 99% of total revenue for this fund. Total revenue of the fund in FY14 is anticipated to be \$596,000, or 2% more than FY13. The increase is due to normal growth in the system. consumption is expected to be level between FY13 and FY14.

Water sales from residential, commercial, and industrial users is expected to increase by 2% between FY13 and FY14. Water sales to Van Buren and the other contract users is also anticipated to increase by 2% between years. Sewer service charges for FY14 are expected to increase by 2%.

There are no water and sewer rate adjustments included in the FY14 budget.

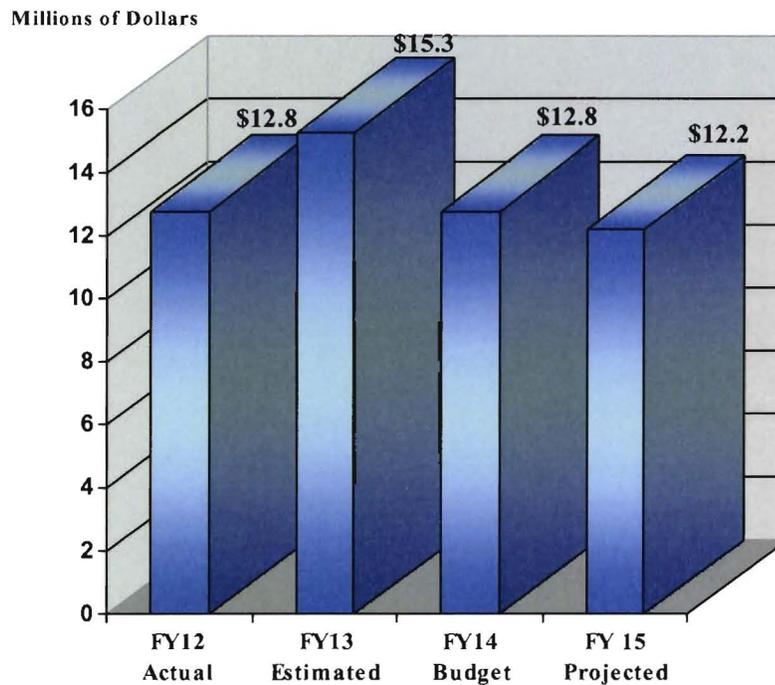
## Sanitation Operating Fund Statement of Revenue Comparisons

	Actual FY12	Budget FY13	Estimated FY13	Budget FY14	Projected FY15
Service Charges and Fees					
Residential Collections	\$ 4,698,303	\$ 4,479,200	\$ 4,569,991	\$ 4,460,000	\$ 4,460,000
Commercial Collections	2,249,762	2,250,000	2,215,092	2,220,000	2,250,000
Sanitary Landfill Operations	3,451,493	4,650,000	6,233,346	3,850,000	3,250,000
Roll-Off Collections	1,937,243	1,850,000	1,935,356	1,900,000	1,900,000
Sale of Methane Gas	212,654	200,000	216,731	215,000	215,000
Recycling Operations	90,967	100,000	79,193	80,000	80,000
Miscellaneous					
Interest Earned	6,474	2,000	5,355	5,500	5,500
Other	153,850	50,000	53,028	50,000	50,000
<b>Total</b>	<b>\$ 12,800,746</b>	<b>\$ 13,581,200</b>	<b>\$ 15,308,092</b>	<b>\$ 12,780,500</b>	<b>\$ 12,210,500</b>

See page 190 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.

Residential collection rates were amended beginning July 1, 2013 whereby the monthly rate was decreased \$1.10. A full year of the decreased rates will be in effect for FY14. Therefore, the residential revenue will decrease by approximately \$110,000 or 2.4% for FY14.

Revenues generated by commercial, industrial and roll-off services are anticipated to remain stable between years.

Landfill operations are expected to decrease by \$2.4 million for FY14. This is due to a one-time increase in waste disposal from the cleanup of a wastewater project site during FY13. A significant portion of the \$2.4 million received from this project was allocated to future landfill expansion and a new landfill scale house project.

**Distribution of Appropriations to the Operating Funds  
FY14 Budget**

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water and Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Policy and Administration</b>					
<b>Services Division</b>					
4100 Mayor	\$ 224,250	\$ 96,427	\$ 17,940	\$ 82,973	\$ 26,910
4101 Board of Directors	139,710	60,075	11,177	51,693	16,765
4102 City Administrator	693,410	298,166	55,473	256,562	83,209
4111 Economic Development	350,790	350,790	0	0	0
4201 District Court	1,558,380	1,558,380	0	0	0
4202 Prosecutor	176,900	176,900	0	0	0
4203 Public Defender	88,910	88,910	0	0	0
4204 City Attorney	322,260	161,130	80,565	0	80,565
4206 District Court-Seb. Co.	51,070	51,070	0	0	0
4405 Internal Audit	148,920	64,036	11,914	55,100	17,870
<b>Total Policy and Administration Services Division</b>	<b>\$ 3,754,600</b>	<b>\$ 2,905,884</b>	<b>\$ 177,069</b>	<b>\$ 446,328</b>	<b>\$ 225,319</b>
<b>Management Services Division</b>					
4104 Human Resources	\$ 536,110	\$ 337,749	\$ 37,528	\$ 112,583	\$ 48,250
4105 City Clerk	394,400	169,592	31,552	145,928	47,328
4301 Finance	1,256,450	540,273	100,516	464,887	150,774
4303 Collections	386,380	166,143	30,910	142,961	46,366
4304 Utility Billing/Cust Service	1,739,590	86,979	86,979	1,304,693	260,939
4306 Purchasing	558,890	240,323	44,711	206,789	67,067
4401 Info. & Tech. Services	1,758,990	1,143,343	87,950	351,798	175,899
6912 Parking Deck-Personnel	41,250	41,250	0	0	0
<b>Total Management Services Division</b>	<b>\$ 6,672,060</b>	<b>\$ 2,725,652</b>	<b>\$ 420,146</b>	<b>\$ 2,729,639</b>	<b>\$ 796,623</b>
<b>Development Services Division</b>					
4103 Engineering	\$ 1,541,720	\$ 1,310,462	\$ 77,086	\$ 154,172	\$ 0
4106 Planning and Zoning	881,960	749,665	0	132,295	0
4108 Building Safety	899,120	899,120	0	0	0
<b>Total Development Services Division</b>	<b>\$ 3,322,800</b>	<b>\$ 2,959,247</b>	<b>\$ 77,086</b>	<b>\$ 286,467</b>	<b>\$ 0</b>
<b>Police Services Division</b>					
4701 Administration	\$ 1,027,080	\$ 1,027,080	\$ 0	\$ 0	\$ 0
4702 Support Services	4,626,790	4,626,790	0	0	0
4703 Criminal Investigations	2,840,620	2,840,620	0	0	0
4704 Patrol Operations	7,152,460	7,152,460	0	0	0
4705 Radio Communications	364,950	364,950	0	0	0
4706 Airport Security	197,890	197,890	0	0	0
<b>Total Police Services Division</b>	<b>\$ 16,209,790</b>	<b>\$ 16,209,790</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Distribution of Appropriations to the Operating Funds  
FY14 Budget (Continued)**

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water and Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Fire Services Division</b>					
4801 Administration	\$ 781,970	\$ 781,970	\$ 0	\$ 0	\$ 0
4802 Suppression and Rescue	9,801,420	9,801,420	0	0	0
4803 1/8% SUT Operations	2,436,850	2,436,850			
4804 Training	253,920	253,920	0	0	0
<b>Total Fire Services Division</b>	<b>\$ 13,274,160</b>	<b>\$ 13,274,160</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Streets and Traffic Control</b>					
5101 Administration	\$ 464,320	\$ 0	\$ 464,320	\$ 0	\$ 0
5302 Street Construction	739,020	0	739,020	0	0
5303 Street Drainage	1,161,110	0	1,161,110	0	0
5304 Street Maintenance	1,031,430	0	1,031,430	0	0
5305 Sidewalk Construction	895,670	0	895,670	0	0
5401 Traffic Control Operations	797,990	0	797,990	0	0
5402 Signals	144,320	0	144,320	0	0
5403 Street Lighting	1,100,000	0	1,100,000	0	0
5404 Sign Shop	84,980	0	84,980	0	0
<b>Total Streets and Traffic Control</b>	<b>\$ 6,418,840</b>	<b>\$ 0</b>	<b>\$ 6,418,840</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Water and Sewer</b>					
5501 Utility Administration	\$ 2,190,950	\$ 0	\$ 0	\$ 2,190,950	\$ 0
5601 Water and Wastewater Treatment Administration	240,740	0	0	240,740	0
5603 Sewer Treatment	3,581,770	0	0	3,581,770	0
5604 Water Treatment	4,455,850	0	0	4,455,850	0
5605 Laboratory Services	944,610	0	0	944,610	0
5606 Wastewater Equipment Maintenance	1,712,520	0	0	1,455,600	0
5609 Industrial Waste Monitoring	395,850	0	0	396,120	0
5610 Water Line Maintenance	2,468,880	0	0	2,781,130	0
5611 Sewer Line Maintenance	2,364,300	0	0	2,193,510	0
5613 Metering/Transmission Line Maintenance	2,072,260	0	0	2,072,260	0
5615 Water and Wastewater Line Maintenance Administration	1,220,610	0	0	1,220,610	0
5616 Water Stationary Equipment Maintenance	1,630,930	0	0	1,630,930	0
6700 Debt Service	13,598,400	0	0	13,598,400	0
<b>Total Water and Sewer</b>	<b>\$ 36,762,480</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 36,762,480</b>	<b>\$ 0</b>

**Distribution of Appropriations to the Operating Funds  
FY14 Budget (Continued)**

	<u>TOTAL FUNDS</u>	<u>GENERAL FUND</u>	<u>STREET MAINTENANCE FUND</u>	<u>WATER AND SEWER OPERATING FUND</u>	<u>SANITATION OPERATING FUND</u>
<b>Operation Services Division -</b>					
<b>Parks and Community Services</b>					
6101 Health	\$ 110,030	\$ 110,030	\$ 0	\$ 0	\$ 0
6201 Parks Maintenance	1,667,270	1,424,679	242,591	0	0
6202 Oak Cemetery	172,380	172,380	0	0	0
6204 Community Centers	257,620	257,620	0	0	0
6205 Aquatics	344,550	344,550	0	0	0
6206 Riverfront	294,990	294,990	0	0	0
6207 The Park at West End	35,820	35,820	0	0	0
6208 1/8% SUT Operations	1,920,700	1,920,700	0	0	0
<b>Total Parks and Community Services</b>	<b>\$ 4,803,360</b>	<b>\$ 4,560,769</b>	<b>\$ 242,591</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Sanitation</b>					
6301 Administration	\$ 813,900	\$ 0	\$ 0	\$ 0	\$ 813,900
6302 Residential Collection	2,946,370	0	0	0	2,946,370
6303 Commercial Collection	1,519,560	0	0	0	1,519,560
6304 Fleet & Grounds Maint.	937,670	0	0	0	937,670
6305 Sanitary Landfill	3,686,880	0	0	0	3,686,880
6307 Roll-Off Collection	1,066,910	0	0	0	1,066,910
<b>Total Sanitation</b>	<b>\$ 10,971,290</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,971,290</b>
<b>Operation Services Division - Transit</b>					
6550 Public Transit	\$ 2,637,850	\$ 2,637,850	\$ 0	\$ 0	\$ 0
<b>Total Operation Services Division</b>	<b>\$ 61,593,820</b>	<b>\$ 7,198,619</b>	<b>\$ 6,661,431</b>	<b>\$ 36,762,480</b>	<b>\$ 10,971,290</b>
<b>Non-Departmental</b>					
6600 Non-Departmental	\$ 5,258,769	\$ 2,603,365	\$ 445,925	\$ 384,000	\$ 1,825,479
<b>Total Appropriations</b>	<b>\$ 110,085,999</b>	<b>\$ 47,876,717</b>	<b>\$ 7,781,657</b>	<b>\$ 40,608,914</b>	<b>\$ 13,818,711</b>

**Distribution of Appropriations to the Operating Funds  
FY15 Projected Budget**

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Policy and Administration</b>					
<b>Services Division</b>					
4100 Mayor	\$ 237,850	\$ 102,275	\$ 19,028	\$ 88,005	\$ 28,542
4101 Board of Directors	139,710	60,075	11,177	51,693	16,765
4102 City Administrator	723,450	311,083	57,876	267,677	86,814
4111 Economic Development	518,250	518,250	0	0	0
4201 District Court	1,640,590	1,640,590	0	0	0
4202 Prosecutor	187,650	187,650	0	0	0
4203 Public Defender	91,130	91,130	0	0	0
4204 City Attorney	331,930	165,964	82,983	0	82,983
4206 District Court-Seb. Co.	54,600	54,600	0	0	0
4405 Internal Audit	166,070	71,410	13,286	61,446	19,928
<b>Total Policy and Administration Services Division</b>	<b>\$ 4,091,230</b>	<b>\$ 3,203,027</b>	<b>\$ 184,350</b>	<b>\$ 468,821</b>	<b>\$ 235,032</b>
<b>Management Services Division</b>					
4104 Human Resources	\$ 598,400	\$ 376,992	\$ 41,888	\$ 125,664	\$ 53,856
4105 City Clerk	338,410	145,516	27,073	125,212	40,609
4301 Finance	1,386,580	596,229	110,926	513,035	166,390
4303 Collections	414,410	178,196	33,153	153,332	49,729
4304 Utility Billing/Cust Service	1,807,280	90,364	90,364	1,355,460	271,092
4306 Purchasing	597,120	256,762	47,770	220,934	71,654
4401 Info. & Tech. Services	1,793,180	1,165,567	89,659	358,636	179,318
6912 Parking Deck-Personnel	43,480	43,480	0	0	0
<b>Total Management Services Division</b>	<b>\$ 6,978,860</b>	<b>\$ 2,853,106</b>	<b>\$ 440,833</b>	<b>\$ 2,852,273</b>	<b>\$ 832,648</b>
<b>Development Services Division</b>					
4103 Engineering	\$ 1,589,780	\$ 1,351,313	\$ 79,489	\$ 158,978	\$ 0
4106 Planning and Zoning	747,840	635,664	0	112,176	0
4108 Building Safety	958,230	958,230	0	0	0
<b>Total Development Services Division</b>	<b>\$ 3,295,850</b>	<b>\$ 2,945,207</b>	<b>\$ 79,489</b>	<b>\$ 271,154</b>	<b>\$ 0</b>
<b>Police Services Division</b>					
4701 Administration	\$ 1,024,740	\$ 1,024,740	\$ 0	\$ 0	\$ 0
4702 Support Services	5,116,880	5,116,880	0	0	0
4703 Criminal Investigations	3,529,600	3,529,600	0	0	0
4704 Patrol Operations	8,475,620	8,475,620	0	0	0
4705 Radio Communications	507,620	507,620	0	0	0
4706 Airport Security	214,340	214,340	0	0	0
<b>Total Police Services Division</b>	<b>\$ 18,868,800</b>	<b>\$ 18,868,800</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Distribution of Appropriations to the Operating Funds  
FY15 Projected Budget (Continued)**

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Fire Services Division</b>					
4801 Administration	\$ 906,620	\$ 906,620	\$ 0	\$ 0	\$ 0
4802 Suppression and Rescue	10,620,850	10,620,850			
4803 1/8% SUT Operations		3,403,850			
4804 Training	282,800	282,800	0	0	0
<b>Total Fire Services Division</b>	<b>\$ 15,214,120</b>	<b>\$ 15,214,120</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Streets and Traffic Control</b>					
5101 Administration	\$ 511,350	\$ 0	\$ 511,350	\$ 0	\$ 0
5302 Street Construction	794,470	0	794,470	0	0
5303 Street Drainage	1,219,020	0	1,219,020	0	0
5304 Street Maintenance	1,147,680	0	1,147,680	0	0
5305 Sidewalk Construction	871,970	0	871,970	0	0
5401 Traffic Control Operations	834,810	0	834,810	0	0
5402 Signals	167,620	0	167,620	0	0
5403 Street Lighting	1,224,000	0	1,224,000	0	0
5404 Sign Shop	96,880	0	96,880	0	0
<b>Total Streets and Traffic Control</b>	<b>\$ 6,867,800</b>	<b>\$ 0</b>	<b>\$ 6,867,800</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Water and Sewer</b>					
5501 Utility Administration	\$ 1,818,330	\$ 0	\$ 0	\$ 1,818,330	\$ 0
5601 Water and Wastewater Treatment Administration	257,930	0	0	257,930	0
5603 Sewer Treatment	3,520,670	0	0	3,520,670	0
5604 Water Treatment	4,295,480	0	0	4,295,480	0
5605 Laboratory Services	867,640	0	0	867,640	0
5606 Wastewater Equipment Maintenance	1,488,650	0	0	1,488,650	0
5609 Industrial Waste Monitoring	423,090	0	0	423,090	0
5610 Water Line Maintenance	2,599,790	0	0	2,599,790	0
5611 Sewer Line Maintenance	2,356,000	0	0	2,356,000	0
5613 Metering/Transmission Line Maintenance	2,134,730	0	0	2,134,730	0
5615 Water and Wastewater Line Maintenance Administration	1,128,330	0	0	1,128,330	0
5616 Water Stationary Equipment Maintenance	1,498,980	0	0	1,498,980	0
5618 Debt Service	13,595,000	0	0	13,595,000	0
<b>Total Water and Sewer</b>	<b>\$ 35,984,620</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 35,984,620</b>	<b>\$ 0</b>

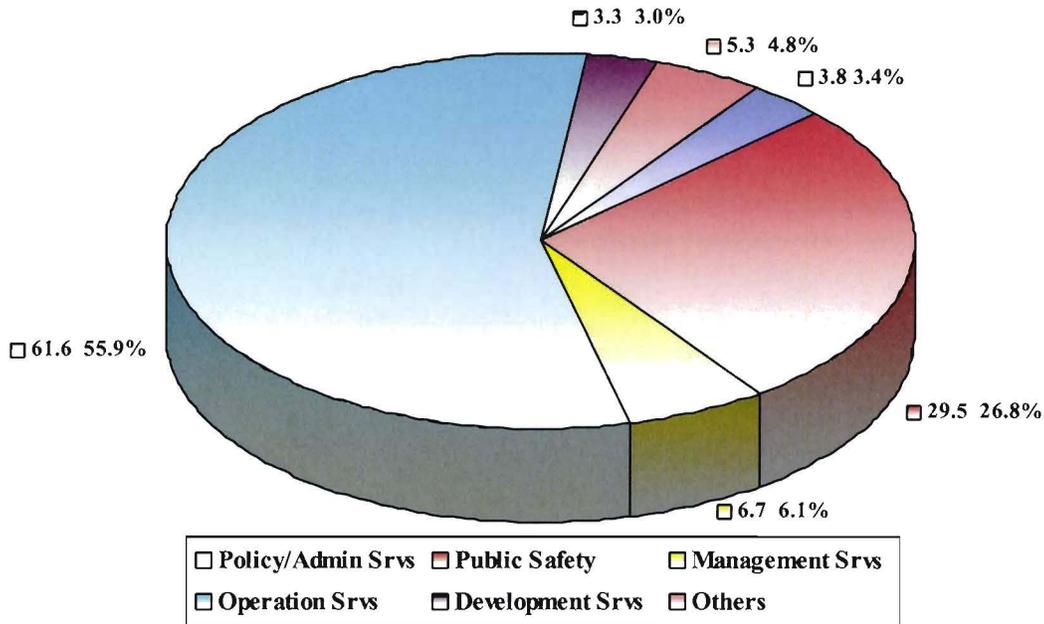
**Distribution of Appropriations to the Operating Funds  
FY15 Projected Budget (Continued)**

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Operation Services Division -</b>					
<b>Parks and Community Services</b>					
6101 Health	\$ 182,550	\$ 182,550	\$ 0	\$ 0	\$ 0
6201 Parks Maintenance	1,988,730	1,705,420	283,310	0	0
6202 Oak Cemetery	318,830	318,830	0	0	0
6204 Community Centers	307,470	307,470	0	0	0
6205 Aquatics	311,420	311,420	0	0	0
6206 Riverfront	434,100	434,100	0	0	0
6207 The Park at West End	42,760	42,760	0	0	0
6208 1/8% SUT Operations	2,502,320	2,502,320	0	0	0
<b>Total Parks and Community Services</b>	<u>\$ 6,088,180</u>	<u>\$ 5,804,870</u>	<u>\$ 283,310</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Operation Services Division -</b>					
<b>Sanitation</b>					
6301 Administration	\$ 836,260	\$ 0	\$ 0	\$ 0	\$ 836,260
6302 Residential Collection	2,933,790	0	0	0	2,933,790
6303 Commercial Collection	1,037,430	0	0	0	1,037,430
6304 Fleet & Grounds Maintenance	923,240	0	0	0	923,240
6305 Sanitary Landfill	3,399,440	0	0	0	3,399,440
6307 Roll-Off Collection	929,890	0	0	0	929,890
<b>Total Sanitation</b>	<u>\$ 10,060,050</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,060,050</u>
<b>Operation Services Division -</b>					
<b>Transit</b>					
6550 Public Transit	\$ 2,775,760	\$ 2,775,760	\$ 0	\$ 0	\$ 0
<b>Total Operation Services Division</b>	<u>\$ 61,776,410</u>	<u>\$ 8,580,630</u>	<u>\$ 7,151,110</u>	<u>\$ 35,984,620</u>	<u>\$ 10,060,050</u>
<b>Non-Departmental</b>					
6600 Non-Departmental	\$ 5,171,500	\$ 2,750,000	\$ 485,500	\$ 386,000	\$ 1,550,000
<b>Total Appropriations</b>	<u>\$ 115,396,770</u>	<u>\$ 54,414,890</u>	<u>\$ 8,341,282</u>	<u>\$ 39,962,868</u>	<u>\$ 12,677,730</u>

# Combined Division Summary Operating Funds

	Actual FY12	Amended Budget FY13	Estimated FY13	Budget FY14	Projected FY15
<b>By Division Classification</b>					
Policy and Administration					
Services	\$ 3,247,286	\$ 3,723,749	\$ 3,523,018	\$ 3,754,600	\$ 4,091,230
Management Services	6,074,611	6,698,240	6,315,255	6,672,060	6,978,860
Development Services	2,808,053	3,290,630	3,042,087	3,322,800	3,295,850
Police Services	15,174,274	16,954,650	15,801,977	16,209,790	18,868,800
Fire Services	9,762,354	14,519,506	13,445,751	13,274,160	15,214,120
Operation Services	52,001,481	62,380,975	57,562,589	61,593,820	61,776,410
Non-Departmental	5,133,799	5,249,145	5,526,212	5,258,769	5,171,500
<b>Budget Appropriations</b>	<b>\$ 94,201,858</b>	<b>\$ 112,816,895</b>	<b>\$ 105,216,889</b>	<b>\$ 110,085,999</b>	<b>\$ 115,396,770</b>

## 2014 Operating Budget Appropriations by Division Classification \$110,085,999

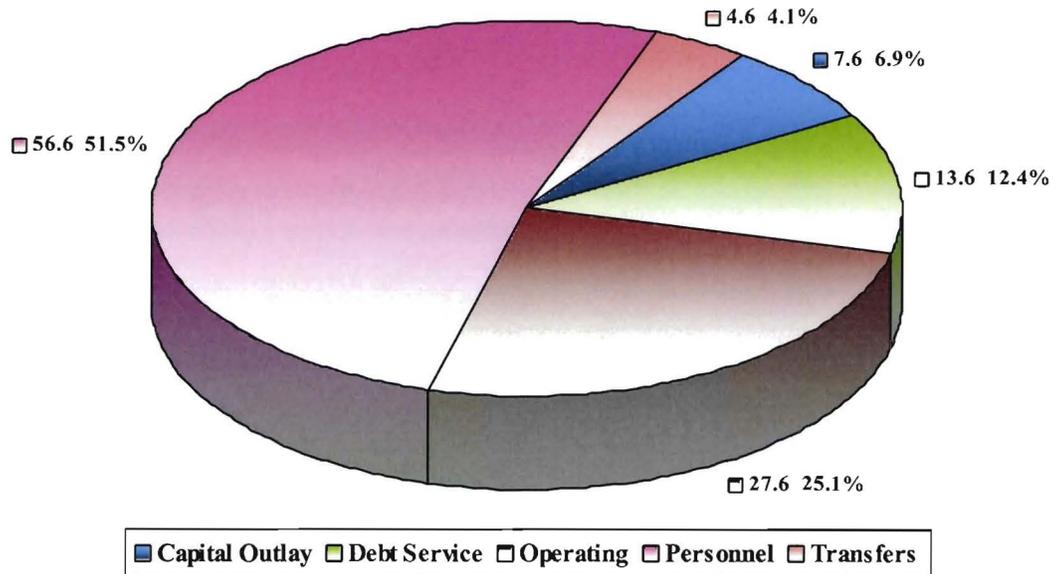


In Millions

## Combined Division Summary Operating Funds

	Actual FY12	Amended Budget FY13	Estimated FY13	Budget FY14	Projected FY15
<b>By Expenditure/Expense Classification</b>					
Personnel	\$ 49,123,072	\$ 55,526,530	\$ 51,815,116	\$ 56,653,380	\$ 61,274,510
Operating	23,556,118	27,381,250	25,170,515	27,626,560	30,068,300
Operating Budget	\$ 72,679,190	\$ 82,907,780	\$ 76,985,631	\$ 84,279,940	\$ 91,342,810
Capital Outlay	3,976,553	11,957,752	9,875,198	7,623,290	6,067,610
Debt Service	13,430,765	13,600,260	13,600,260	13,598,400	13,595,000
Transfers	4,115,350	4,351,103	4,755,800	4,584,369	4,391,350
<b>Budget Appropriations</b>	<b>\$ 94,201,858</b>	<b>\$ 112,816,895</b>	<b>\$ 105,216,889</b>	<b>\$ 110,085,999</b>	<b>\$ 115,396,770</b>

## 2014 Operating Budget Appropriations by Expenditure/Expense Class \$110,085,999



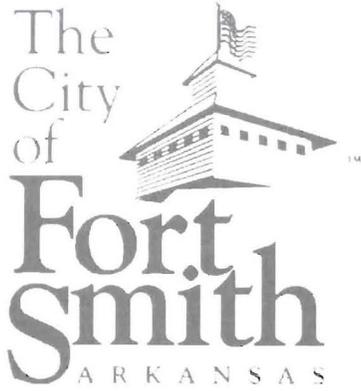
In Millions

## **DIVISION SUMMARIES**

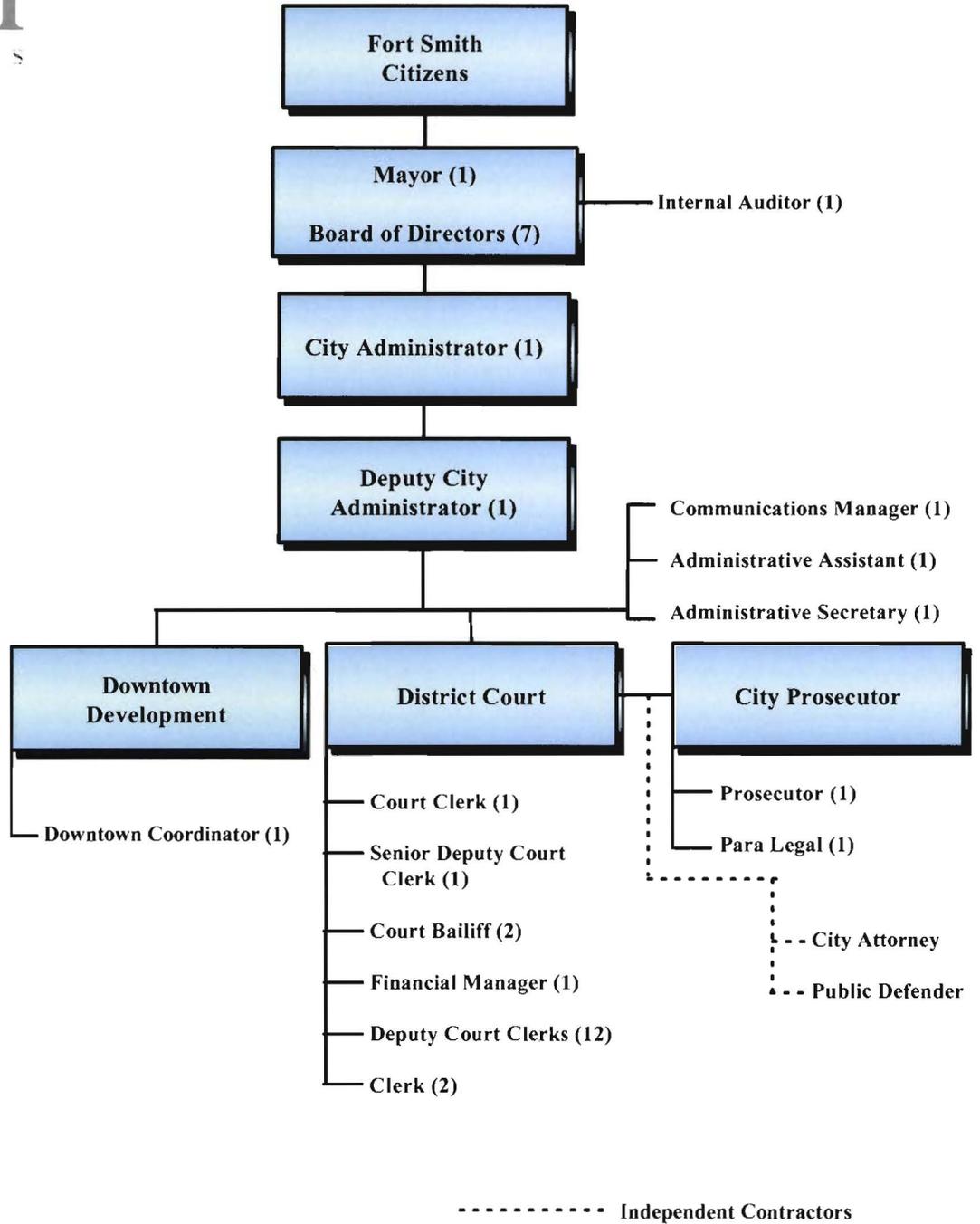
This section provides position and budget summaries for all divisions of the City. The position summaries are based on January 1 authorizations with the exception of Estimated FY13 which is based on September 30, 2013 authorizations. The dollar summaries reflect Actual FY12, Budget FY13, Estimated FY13, Budget FY14 and projected for Budget FY15.

Also, provided is a narrative of each division which reflects the purpose, overview, 2014 service objectives, 2013 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 FY14 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 FY14 Budget is \$23,649 or 1.7% less than the FY13 Budget level due to lower capital costs.

Major priorities planned for 2014 are those that follow in the Budget Message and highlighted as: involve the citizens in strategic decision making; enhance services for the homeless with a specified campus; provide more recreational opportunities; continue advocacy of the Interstate 49 project; plan for the future by completing the update of the comprehensive plan; initiate and develop economic growth strategies; enhance neighborhood vitality; identify initiatives to attract young professionals; and stimulate downtown and riverfront development.

Total personnel for these programs is 14FTE for FY14 which is the same as FY13.

POLICY & ADMINISTRATION	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 642,742	\$ 689,550	\$ 654,268	\$ 683,820	\$ 733,070
Operating Expenditures	423,534	622,259	504,161	624,340	666,190
Operating Budget	\$ 1,066,276	\$ 1,311,809	\$ 1,158,429	\$ 1,308,160	\$ 1,399,260
Capital Outlay	50,207	120,000	111,900	100,000	220,000
Budget Appropriation	\$ 1,116,483	\$ 1,431,809	\$ 1,270,329	\$ 1,408,160	\$ 1,619,260
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 2014 SERVICE OBJECTIVES

#### Mayor:

1. Continue economic development efforts. Work with Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission to work with existing businesses and industries to retain existing jobs, and support efforts to attract new jobs.
2. Maintain leadership in regional development, including partnering with Western Arkansas Planning and Development District (WAPDD), Frontier Metropolitan Planning organization, Regional Intermodal Transportation Authority (RITA), Sebastian County Regional Solid Waste Management District and area city and county governments.
3. Maintain close working relationships with local state and federal elected officials and staff members.
4. Continue emphasis on city wide cleanup and beautification.
5. Maintain effective working relationships with agencies impacting Fort Smith, including the Corps of Engineers, Federal Highway Administration, Federal Aviation Administration and the Arkansas Highway and Transportation, (AHTD).
6. Professionally represent the City at appropriate events and activities.
7. Promote Fort Smith to residents, businesses and visitors.

**Board of Directors:**

1. Engage the public in strategic decision making.
2. Enhance services for the homeless by supporting construction and operation of a homeless campus  
Provide additional recreation opportunities by planning and constructing an aquatics center at Ben Geren;
3. a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.  
Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators and the
4. Federal Highway Administration.
5. Plan for Fort Smith's future by establishing a vision and completing the update of the comprehensive plan.
6. Initiate and develop economic growth strategies to improve the job market with higher paying jobs as well as support the construction of the regional intermodal freight facilities and Interstate 49.
7. Enhance neighborhood vitality with more proactive code enforcement, creating gateway entrances to neighborhoods, improving public sidewalks, and planting parkway trees.
8. Identify initiatives to attract and retain young professionals living and working in Fort Smith.
9. Stimulate downtown and riverfront development with River Park enhancements, a water playground and riverfront trail.

**Administration:**

1. Continue to improve transparent communication with the public.
2. Implement a citizen-centered approach to customer service.
3. Continue "green initiatives".
4. Continue to refine performance measurement budgeting.
5. Communications: utilize both non-traditional and traditional media outlets. Utilize targeted ads to increase social media numbers; promote departmental pages and the Citizen Action Center page. Strategic utilization of digital billboards to promote other city initiatives and social media efforts.
6. Implement social media training with other departments geared toward department heads. Conduct three or four mini workshops and establish an internal group to facilitate self-assessment of various city initiatives and brainstorming.
7. Communication: Continue to direct the Citizen's Academy program, and provide staff support to the citizens.

**Downtown Development:**

1. Continue to work with property owners to increase occupancy of downtown properties whether through renovation, sale or lease. If repairs are not completed through the Neighborhood Services process, work to require court dates to be set so that property owners handle their properties responsibilities proactively.
2. Continue efforts to secure funds for the relocation of the Pioneer Railroad maintenance yard, which will include the closure of a section of North A between Riverfront Drive and North 2nd. A new splash park is planned for the Compass Park area.
3. With the new marketing plan in place by early 2014, it will be a priority to have a strong marketing effort for Downtown Fort Smith and the Riverfront. The plan will include outdoor advertising, engaging AEDC and our local chamber. In addition, through site selectors, seek local and national corporate headquarters for expansion or new location opportunities.
4. Continue to include the historic infrastructure predominately located in downtown as part of our marketing effort.
5. To assist citizens and tourists by installing "location signage". These signs will help pedestrians locate places of interest to visit, thereby increasing tourism dollars spent in our city.
6. Encourage both public and private investment in the district. The goal is to increase residential numbers in the area by 15-20%, and increase employment numbers 3-5%, therefore increasing the dollars spent in our downtown area..
7. Create a charting project to allow comparisons of the increase in dollars invested in downtown from year to year.
8. Research the possibility of creating a new large event, and present the suggestions to the Board for consideration.

**BOARD OF DIRECTORS**  
**2013 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Enhance communication with citizens through social media and other forms.*

**Outcome:** The city continues to embrace social media in all forms of community outreach. Several departments engage the public effectively with various social media applications, and the city is making use of improvements to iFortSmithConnect to more effectively use this public information tool.
2. **Service Objective:** *Improve citizen service by providing customer service training for all employees, legislators, and the Federal Highway Administration to develop time frames for its completion.*

**Outcome:** A third party was contracted to provide customer service training for all city employees. The training centered on controlling emotional responses, acknowledging citizen concerns, refocusing negative attention, and on facilitating solutions to problems or concerns.
3. **Service Objective:** *Enhance services for the homeless by supporting construction and operation of a homeless campus in Fort Smith.*

**Outcome:** While the campus for homeless services in Fort Smith continues to be a work in progress, a Homeless Services Coordinator position has been filled by the Fort Smith Housing Authority with funding from both the housing authority and the city.
4. **Service Objective:** *Provide additional recreation opportunities by planning and constructing two softball fields and an aquatics park center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.*

**Outcome:** The contract for construction of the two softball fields has been awarded and construction will start soon. A construction manager for the aquatics project was hired in August. The city has visited the site of the softball tournament complex at Chaffee Crossing and may be in a position to provide valuable grading and earthwork services for the project, while a Request for Proposals to fund, build, and operate such a facility are in development. The construction of the Ben Geren softball fields will garner the release of the long term lease interest in the city's riverfront property from the Sebastian County Girls Softball Association, so plans for the riverfront athletic complex can be further considered.
5. **Service Objective:** *Improve the accountability and performance measurement of our budget by including key performance indicators for all departments.*

**Outcome:** All city departments identified key performance indicators in their 2013 budgets. The data collected will accumulate to help insure proper budgeting going forward.
6. **Service Objective:** *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.*

**Outcome:** Work on the final phases of structures and grading between Highways 22 and 71 is progressing and should be complete by the end of 2013. Surfacing work for the entire segment between Highways 22 and 71 has begun and should be complete by mid 2014. Shortly after this work is completed the roadway will be opened to traffic. Contact with AHTD officials to discuss engineering work for the next phase of I-49 between Highway 22 and I-40 continues with support from the region's highway commissioner and the Frontier Metropolitan Planning Commission.
7. **Service Objective:** *Plan for Fort Smith's future by updating or preparing a new comprehensive plan-Vision 2025.*

**Outcome:** A planning committee was hired and the update to the city's comprehensive plan is underway. A project steering committee of a diverse group of citizens has been appointed as the driver of the plan, and much focus has been placed on community outreach to invite public input into the Future Fort Smith plan update. A community kickoff event was held, community forums are planned and extensive public engagement work is underway.
8. **Service Objective:** *Initiate and develop economic growth strategies to improve the job market with higher paying jobs as well as support the construction of the regional intermodal freight facilities and Interstate 49.*

**Outcome:** While specific strategies have not been adopted to date, this service objective remains a priority.

9. **Service Objective:** *Enhance Fort Smith's appearance and curb appeal through beautification and other efforts to stimulate quality of place and community pride.*

**Outcome:** While efforts to beautify the city through focused marketing, city-wide cleanups and roadway litter control programs continue, additional ideas or strategies to date have not been identified or actively developed.

## **CITY ADMINISTRATOR 2013 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Continue to improve transparent communication with public.*

**Outcome:** Quarterly neighborhood Board meetings were implemented, rotating throughout each of the city's four wards. Staff participates in weekly radio appearances to discuss city issues and/or projects. Staff developed an online report card, Progress as Promised, in order to clearly report progress on various projects approved by voters in March 2012. The Fast Focus e-newsletter is published and distributed monthly.

2. **Service Objective:** *Identify and promote funding sources for ongoing operations and capital improvements both to the Board and to the public.*

**Outcome:** The March 2012 election and voter approval of the 1/4% sales and use tax for Fire and Parks & Recreation programs provides additional funding for operations in these two General Fund supported departments. Funds will be used for staffing, operations, and capital improvements. It will be important to emphasize the success of this funding each year, as the tax will need to go before voters again in 2022. The Fire Department was also able to secure SAFER grant funds to support \$987,000 in personnel costs over the next two years, which will allow General Fund dollars to be stretched further for needed improvements in the Fire Department. Both of these examples will allow the City to do more with its General Fund dollars.

3. **Service Objective:** *Continue "green initiatives".*

**Outcome:** The Fire Department installed energy efficient lighting, air filters, new window glazing, insulation, and used Energy Efficiency Community Block Grant funding to replace the HVAC systems in ten stations. Four departments (Police, Fire, Transit and Customer Service) received grants from the Arkansas Energy Office to convert fleet vehicles to Compressed Natural Gas fueling systems, and are currently evaluating performance to determine if conversion of additional fleet vehicles makes sense for incorporating in the FY2014 budget. Paperless Board meeting packets were implemented in July via the use of iPad tablet devices, thereby reducing paper consumption and saving staff time.

4. **Service Objective:** *Implement a citizen-centered approach to customer service.*

**Outcome:** A customer service training course was presented to all city staff in 2013. The focus of the training was in recognizing different perspectives and diffusing customer frustration through a combination of controlling emotions, acknowledging the issue via empathy and active listening, refocusing from emotions to the actual issue, and resolving the issue as completely as possible.

5. **Service Objective:** *Continue to refine performance measurements budgeting.*

**Outcome:** Performance measurements initiatives were included in the FY2013 budgets for all departments. The data sets developed will assist in service delivery focus and budgeting in future years. All departments will reevaluate their key performance indicators for the FY2014 Budget.

6. **Service Objective:** *Communications: Continue to direct the Citizen's Academy program, provide staff support to the Citizens Academy Alumni Association and act as a resource for all City departments in reaching out directly to citizens through traditional and social media.*

**Outcome:** Citizens Academy continued through 2013 with spring and fall sessions, bringing the total number of classes to 14. As the number of classes grows, the Alumni Association also grows, and this group continues to be active in support of Citizen Academy programming. Even though the Alumni Association is independent from the City organization, its important for staff to maintain its relationship as a way to reinforce the lessons learned at the Citizens Academy and continue the experience for those involved. Communications is encouraging all departments to examine ways in which to communicate with the public, especially two-way communication (and the use of social media) related to service delivery and citizen satisfaction.

## **DOWNTOWN DEVELOPMENT 2013 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Continue to work with property owners on uses and conditions of their buildings. Work with business owners to keep their store fronts attractive. Plan training through the Main Street program to assist business owners on store design and window dressing.*

**Outcome:** *With the assistance of Neighborhood Services, we have placed requirements on owners to begin compliance with design standards. Owners are learning to keep their property in compliance with the standards or price their property to sell, which has in turn attracted new investment. The Friedman Mincer building sold to new investors who plan to renovate the space into offices. Continue to work to cover the inside of several vacant properties that have decayed inside. In the fall of 2013, offer a merchandising and store front education program for business owners. Customer service and tourism training will also be provided during 2013.*

2. **Service Objective:** *Continue the relocation of the Pioneer Maintenance Yard.*

**Outcome:** Communications continue with the three railroad companies involved with this move. The final plans are being worked out for the project. Private funds have been reserved for part of the funding contingent on some form of public funds match. Uses for the funds set aside include land acquisition, landscaping and new splash park.

3. **Service Objective:** *Introduce a new marketing package for the Downtown Riverfront, which will be available to the AEDC, site selectors and organizations throughout the United States. The package will also be made available online for easy referral to interested parties.*

**Outcome:** The new marketing package is nearing completion. The initial form of marketing will be a tri fold form, then an internet campaign to further drive home the point. We will continue to add to the strategy by conducting interviews with various players crucial to the development of the Riverfront. A limited number of DVDs of the downtown and the riverfront properties will be available for direct mail. This will allow us to reach the maximum number of audiences from all arenas.

4. **Service Objective:** *Increase efforts in branding downtown riverfront as an important part of downtown. Continue outdoor advertising and increase internal marketing efforts by use of visual graphics created for the relocation of the railroad maintenance yard and the new marketing plan. Promote downtown and the riverfront as one destination.*

**Outcome:** The digital board on I540 has proven successful. The generic ad along I40 has also been effective, as has use of a backup board on HWY64 at the Roland exit. We are also promoting in investment publications. The new message is an all in one destination for both tourism and investment. New branding using iconic images of locations only found in downtown Fort Smith is also being utilized.

5. **Service Objective:** *Fund a feasibility study for additional residential space and promote further discussion of an off campus satellite residential activity with UAFS.*

**Outcome:** This continues in the discussion stage as there is a need for additional residential space in the downtown area. Now that UAFS is a property owner within the CBID district, it becomes even more apparent that they need to offer campus housing in the downtown area.

6. **Service Objective:** *Fund a feasibility study for an additional parking lot or garage.*

**Outcome:** Current budget constraints prevent necessary funds for the study. However, the CBID still believes there is a need for additional parking downtown.

7. **Service Objective:** *Complete the inventory of the buildings within the CBID boundary based on occupancy and valuation. Comparables should include any renovation investment dollars used for improvements.*

**Outcome:** The inventory has been completed for valuation of the structures in 2013. Additional renovations or new structures will be added as needed from the county tax records.

8. **Service Objective:** *Plan the first phase of streetscape for Towson to begin at Garrison and Towson and go south. Look for funding through the AHTD for additional street scape improvements.*

**Outcome:** Plans for the first phase of the streetscape are complete. The advertisement for bids on the project will go out by the end of 2013.

9. **Service Objective:** *Promote the use of the downtown website to encourage citizens and tourists to enjoy the historic plaques using QR codes, which were donated by private sponsorships and installed downtown. Partner with A&P to create a map for tourists, and contact the Visitors Center on I40 to distribute these maps as well.*

**Outcome:** Promotion of the web site has increased. Information on downtown and the new marketing information on the Riverfront are available on the web site. Information on the historic plaques can also be found in a video on the site. A brochure containing a map has been completed and distributed. Now tourists can easily enjoy a walking tour at their leisure or on their smart phone or computer. Each historic plaque contains a QR code when used with a smart phone, and give additional information for each piece of history noted on the plaques.

## 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 2014 Budget represents the City's share of costs for the year.

The FY14 Budget is \$49,890 or 2.3% more than the FY13 Budget for these programs. The increase is due to the increased health insurance costs for FY14.

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

LEGAL DEPARTMENT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 1,667,252	\$ 1,809,710	\$ 1,810,084	\$ 1,889,410	\$ 1,992,000
Operating Expenditures	325,707	337,900	297,401	308,110	313,900
Operating Budget	\$ 1,992,959	\$ 2,147,610	\$ 2,107,485	\$ 2,197,520	\$ 2,305,900
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 1,992,959	\$ 2,147,610	\$ 2,107,485	\$ 2,197,520	\$ 2,305,900
Authorized Positions	21.00	21.00	21.00	21.00	21.00

## LEGAL DEPARTMENT 2014 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 a new case management software program.
5. Continue to identify further measures to improve court services and performance by 1.) establishing data collection methods for reporting the court's administrative functions. 2.) case processing clearance rate-% set for trial; 3.) contempt warrant clearance rate-% of warrant for failing to pay fines; 4.) accounts receivable clearance rate-assess how much is owed to the court and what % is past due.

### City Prosecutor:

1. Establish a process by which pro se defendants (those not represented by counsel) are able to contact this office and discuss their case prior to trial.
2. Pro-actively review cases appealed to the Circuit Court from District Court.
3. Continue accessibility to other city agencies for consultation and advice.
4. Continue to provide legal training, advice, and assistance for law enforcement officers.

## DISTRICT COURT 2013 SERVICE OBJECTIVE AND OUTCOMES

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

**Outcome:** 3 employees were required to learn a new position. All employees are cross-trained in each position within the department. Employees are required to rotate into a new position annually. Key positions within the department are Financial Administrator, Senior Deputy Clerk and the Court Clerk. The three employees holding these positions have been cross-trained in all 3 positions. Other employees were trained on various tasks that are assigned to these key positions.

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

**Outcome:** Utilization of the Court's on-line payment program continues to increase. In 2011 the Court received 3,751 payments in the amount of \$345,605. In 2012, the court received 5,370 payments in the amount of \$468,150. In the first 9 months of 2013, the court received 4,664 payments in the amount of \$459,340. Auditing continues on the jail billing on both a daily and monthly basis. 19% of the Court's collections were derived from methods such as the State Tax Intercept Program, commissary account withholdings, credit card payments, bond forfeitures, card payments and the use of a collection agency. 41% of the warrants issued were administratively handled by the District Court Business Office without law enforcement involvement or use of the detention center. Court Collections detention center. Court collections have declined in prior years, however, 2013 is expected to show a 3% increase over 2012. Procedures have been introduced to reduce the number of prisoners and the number of days a prisoner serves in the detention center, i.e. reducing jail sentences, court ordered community service in lieu of jail time electronic monitoring, consideration of signature bonds, meritorious good time jail credits, etc. The City's share of revenue derived from court collections the previous year exceeds expenditures by \$1,268,312. The County's share of revenues exceeds expenditures by \$794,871.

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

**Outcome:** The court is implementing a new case management software program creating the need to rewrite procedures and processes for the court. Go live implementation is expected in early 2014.

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

**Outcome:** Implementation of Case Management System is expected in early 2014. Once online, the Court will create a business rule and configure the program to best increase technology and automation.

5. **Service Objective:** *Identify further measures to improve court services.*

**Outcome:** Objective will begin when the new case management software has been implemented. Ongoing through 2014.

## CITY PROSECUTOR 2013 SERVICE OBJECTIVE AND OUTCOMES

1. **Service Objective:** *Establish a pre-trial system for defendants and defense counsel in District Court.*

**Outcome:** Not feasible at the present time, however, this continues to be a goal.

2. **Service Objective:** *Continue to streamline the process of review for cases appealed from District Court to Circuit Court.*

**Outcome:** On-going and being met.

3. **Service Objective:** *Continue accessibility to City agencies by being available for consultation and advice.*

**Outcome:** On-going and being met.

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.

	<u>ACTUAL FY11</u>	<u>ACTUAL FY12</u>	<u>ESTIMATED FY13</u>	<u>PROJECTED 2014</u>
<b>Traffic Cases</b>				
Workload	20,859	25,592	22,600	23,200
Completed	18,721	19,603	20,700	19,700
Completion Rate	89%	77%	92%	85%
<b>Criminal Cases</b>				
Workload	12,986	14,376	15,110	14,200
Completed	11,084	11,557	14,425	12,300
Completion Rate	85%	81%	96%	87%
<b>Civil Cases</b>				
Workload	1,740	1,537	1,370	1,500
Completed	1,823	1,543	550	1,300
Completion Rate	104%	101%	41%	87%
Caseload Total		81%	81%	81%

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

Assessed	\$5,291,365	\$5,691,348	\$6,097,120	\$5,643,579
Collected	\$5,028,748	\$5,712,752	\$5,757,980	\$5,428,138

**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 assessments 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.

	<u>ACTUAL FY12</u>	<u>ESTIMATED FY13</u>	<u>PROJECTED FY13</u>
Warrants Issued by the Court	9,426	10,223	9,500
Warrants Resolved by the Court	3,929	3,719	3,870
% Warrants Outstanding	19%	28%	18%
Warrants Served by			
Law Enforcement	3,650	3,553	3,520
% Warrants Resolved by Court	42%	37%	41%
% Warrants Served by Law			
Enforcement	39%	35%	41%

## 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 FY14 Budget is \$4,590 or 3.2% more than the FY13 Budget. The increase is related to increased health insurance costs.

INTERNAL AUDIT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 99,863	\$ 107,310	\$ 107,388	\$ 111,580	\$ 118,730
Operating Expenditures	37,984	37,020	37,435	37,340	47,340
Operating Budget	\$ 137,847	\$ 144,330	\$ 144,823	\$ 148,920	\$ 166,070
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 137,847	\$ 144,330	\$ 144,823	\$ 148,920	\$ 166,070
Authorized Positions	1.00	1.00	1.00	1.00	1.00

## INTERNAL AUDIT 2014 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. Continue to aid departments in establishing key performance 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.
4. Perform detailed risk assessment with administration and department heads.
5. Continue key performance measures in the internal audit department.

	Key Performance Indicators				
	2011 Actual	2012 Actual	2013 Target	2013 Estimated	2014 Target
Implement continuous monitoring procedure	1	1	1	1	2
Perform petty cash counts for each department	New Indicator	New Indicator	24	24	24
Percentage of recommendations implemented by departments	New Indicator	New Indicator	80%	90%	80%
Provide staff training through Webb Watch	New Indicator	2	2	2	2

**INTERNAL AUDIT  
2013 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 performance audits as considered necessary.

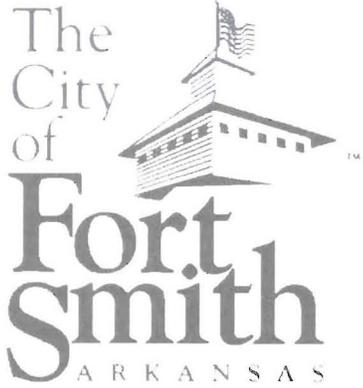
**Outcome:** Goal achieved, this is an on-going process. Audits not complete by year end will be included in the 2014 plan.

3. **Service Objective:** Assist departments in establishing key performance indicators to enable Administration, Board and citizens to be able to see the continuous improvement in all departments.

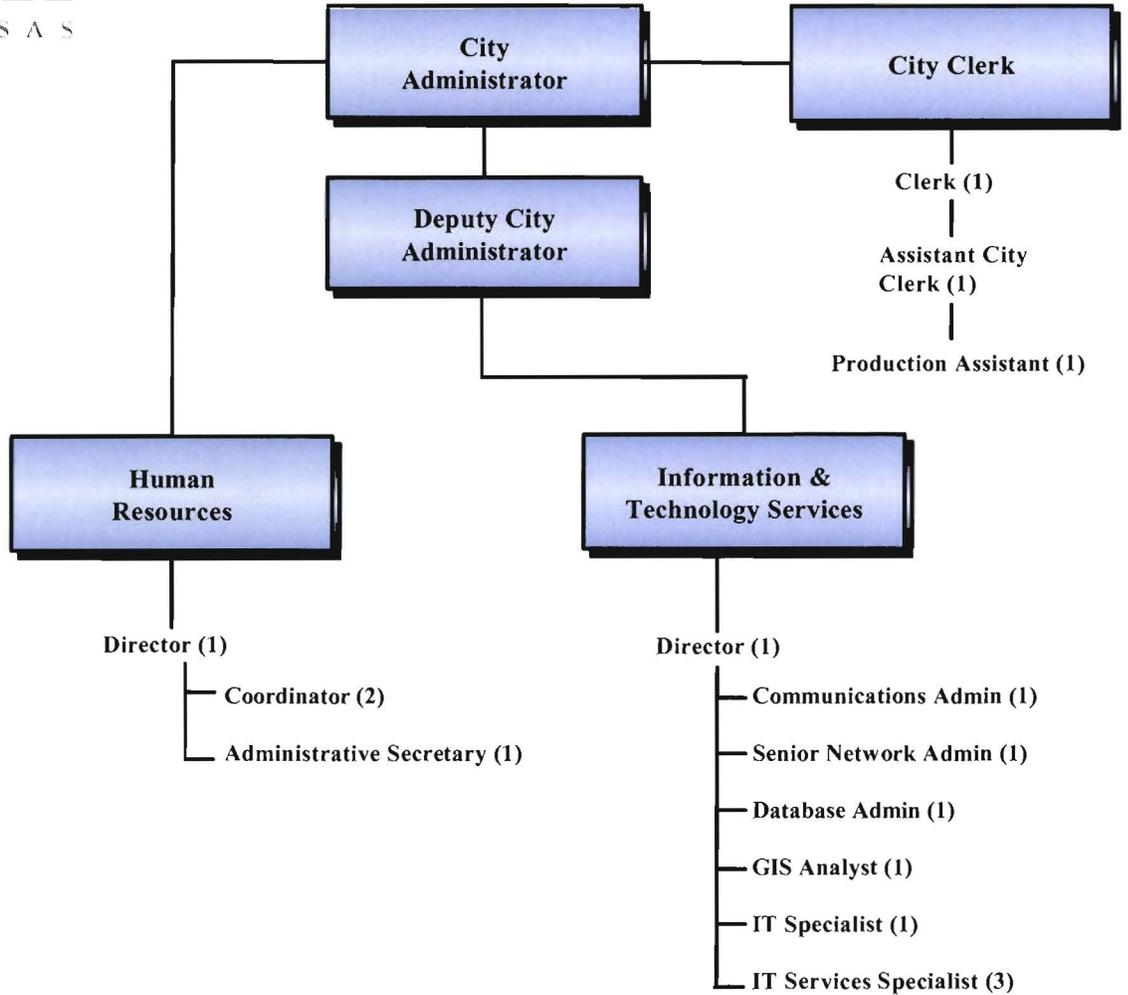
**Outcome:** Goal achieved, this is an on-going process.

4. **Service Objective:** Implement key performance measures as outlined above. controls focusing on reducing the risk of highest fraud risk areas in the city.

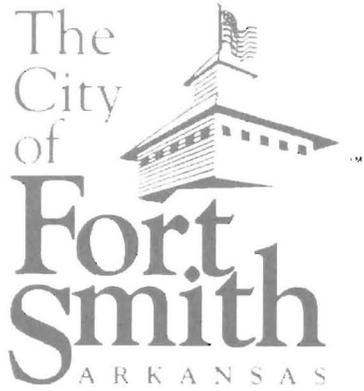
**Outcome:** Success of implementation is outlined in the chart above.



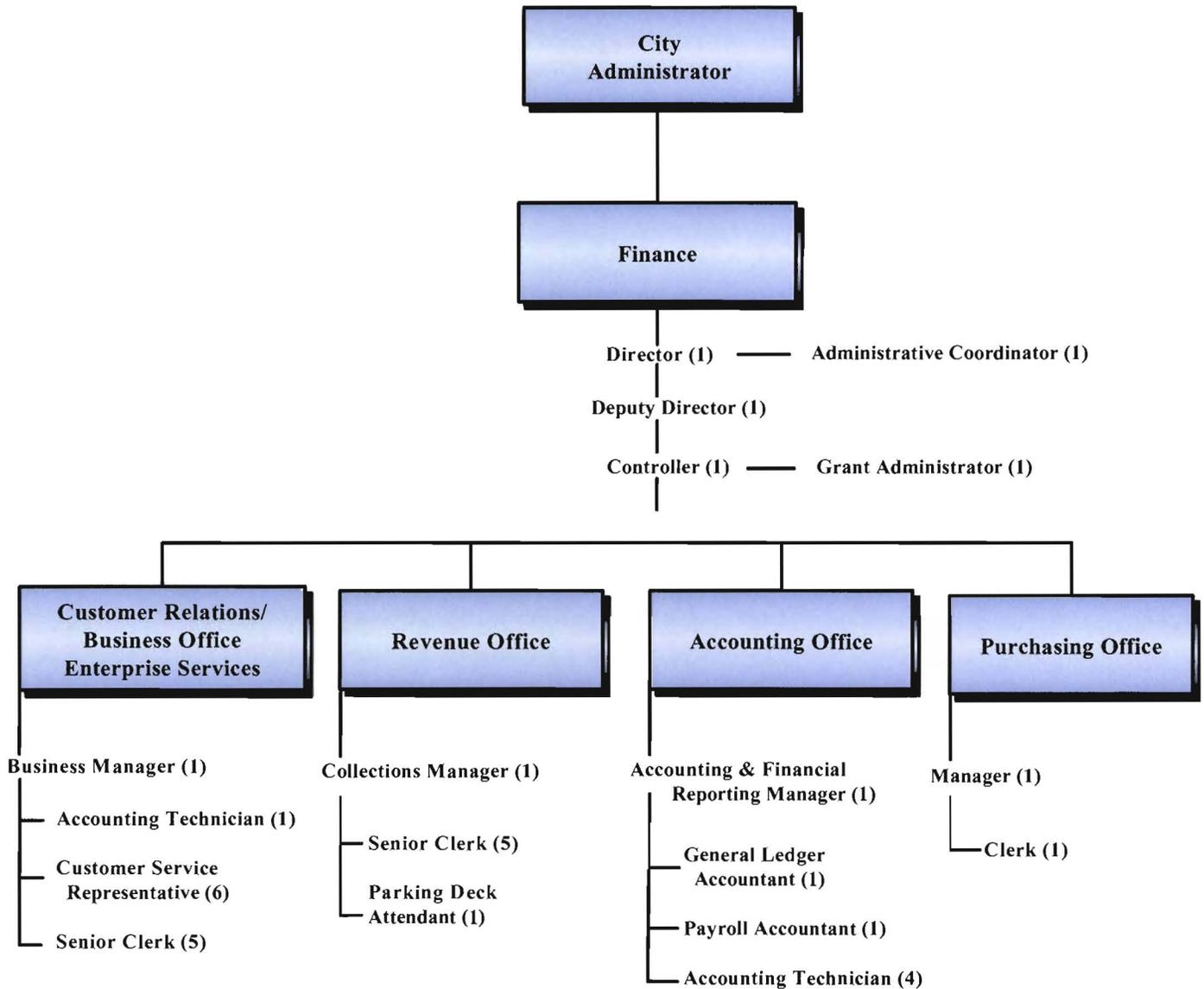
# Management Services



**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 FY14 Budget is \$17,460 less or 3.2% less than the 2013 Budget due to less operating costs.

Total Human Resource Department personnel is 4.0FTE. There is no change in the level of positions for 2014.

HUMAN RESOURCES	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 409,486	\$ 420,970	\$ 400,593	\$ 422,010	\$ 444,100
Operating Expenditures	86,511	132,600	119,132	114,100	154,300
Operating Budget	\$ 495,997	\$ 553,570	\$ 519,725	\$ 536,110	\$ 598,400
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 495,997	\$ 553,570	\$ 519,725	\$ 536,110	\$ 598,400
Authorized Positions	4.00	4.00	4.00	4.00	4.00

## HUMAN RESOURCES DEPARTMENT 2014 SERVICE OBJECTIVES

1. Maintain and administer a fair and competitive wage and compensation system.
2. Manage the medical insurance benefit program to provide quality health care at an affordable cost to City employees and their families.
3. Continue to manage a cost effective workers' compensation program.
4. Continue customer service training for targeted positions.
5. Review possible alternatives for implementing electronic performance appraisal system.
6. Work with ITS to set up an intranet for the City's employees.
7. Go paperless with all personnel status changes.

## HUMAN RESOURCES 2013 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:** Completed.

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 2013 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 2013 projection for costs, we are on budget.

5. **Service Objective:** *Set up customer service training for targeted positions.*  
**Outcome:** Almost complete.
6. **Service Objective:** *Review the possible alternatives for implementing and electronic performance appraisal system*  
**Outcome:** In progress.
6. **Service Objective:** *Go paperless with all personnel status changes.*  
**Outcome:** Progressing, estimate is two years for full completion.

**HUMAN RESOURCES  
 WORKLOAD/DEMAND STATISTICS**

	<u>ACTUAL FY12</u>	<u>BUDGET FY13</u>	<u>ESTIMATED FY13</u>	<u>BUDGET FY14</u>
Employees governed by personnel policies and procedures (FTE)	916.03	941.31	941.31	944.83
Civil Service Commission Meetings	5	4	4	4
Civil Service applicant tests administered	5	5	5	4
Employment Applications Received	2,500	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 FY14 Budget is \$70,940 or 23% more than the FY13 Budget for this program. The increase is due to the city elections projected for FY14 and the replacement equipment for the cable access channel.

The department has 3FTE which is the same as FY13.

CITY CLERK	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 196,497	\$ 209,590	\$ 193,259	\$ 215,830	\$ 228,810
Operating Expenditures	159,369	98,870	96,443	163,570	109,600
Operating Budget	\$ 355,866	\$ 308,460	\$ 289,702	\$ 379,400	\$ 338,410
Capital Outlay	0	0	0	15,000	0
Budget Appropriation	\$ 355,866	\$ 308,460	\$ 289,702	\$ 394,400	\$ 338,410
Authorized Positions	3.00	3.00	3.00	3.00	3.00

**CITY CLERK 2014 SERVICE OBJECTIVES**

1. Provide various administrative services to the public, Mayor, Board of Directors, Administration and staff.
2. Prompt payment processing of official documents, legal publications, codification of ordinances.
3. Provide up to date information on the department's web page.
4. Provide training opportunities for staff to continually increase knowledge and skills for benefit of staff and citizen customers.
5. Provide quality programming on Government Access Channel 6, and upgrade equipment/software to enhance existing channel capabilities.
6. Conduct municipal elections in compliance with city and state codes for the positions of mayor and directors-at large.

**CITY CLERK  
2013 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Render expeditious processing of official documents, legal publications, and codification of ordinances.*

**Outcome:** As required by law, all resolutions and ordinances are presented to the mayor for signature within 48 hours of the meeting at which they were adopted. Any agreements or contracts for the mayor's signature are presented on a daily basis as such are received from prospective departments. Ordinances requiring publication are submitted to the local newspaper within the same week they are adopted. If codification is required, ordinances are specifically identified for inclusion in the next code supplement.

2. **Service Objective:** *Provide various administrative services to the public, Mayor, Board of Directors, Administration and staff.*

**Outcome:** City Clerk staff is accessible at all times.

3. **Service Objective:** *Provide educational opportunities to staff to ensure knowledge and skills are increased to better benefit staff and citizens.*

**Outcome:** Staff attended multiple certification programs conducted by professional organizations and other educational/training opportunities.

4. **Service Objective:** *Furnish up to date information on departments' web page.*

**Outcome:** Packet information for the Board of Directors meetings, including agendas, staff briefings, minutes, meeting summary, audio and video recordings of Board of Directors regular meetings are made available on the website. Information and services regarding the City Clerk's office and staff bios are also available. Ordinances adopted, but not yet codified in the Fort Smith Municipal Code are also being posted to the web page to ensure code amendments are available to the public. For ease and convenience, a link to the board packet is now being attached to the calendar on the City's main web page.

5. **Service Objective:** *Provide quality programming on Government Access Channel 6, including televised regular meetings of the Board of Directors.*

**Outcome:** An average of 300 announcements aired continually providing information on city services and events, and promoting activities of community organizations. The following videos aired in 2013:

Residential Parking Regulations (Planning Department)

2013 Tales of the Crypt (Parks Department)

Meet the Locals (A&P Commission)

Regular meetings of the Board of Directors are televised live on the access channel and rebroadcast three (3) times daily, except Tuesday and Wednesday, until the next regular meeting. Board meeting agendas are also aired on the access channel each Friday preceding the meeting, and displayed five (5) times daily until the next meeting occurs.

6. **Service Objective:** *Coordinate implementataion of additional Government Access Channel (U-Verse) provided by AT&T.*

**Outcome:** Currently AT&T has not extended the U-Verse service to downtown Fort Smith. The City Clerk's office must maintain access to U-Verse before the additional channel can be utilized.

### CITY CLERK 2013 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.	98%
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 (33 at 8/8/12)	100%

**CITY CLERK  
SERVICE MEASURES/PERFORMANCE INDICATORS**

	ACTUAL FY11	BUDGET FY12	BUDGET FY13	BUDGET FY14
Sets of Board Minutes approved as written	29	30	30	30
Code of Ordinances Updates	2	2	2	2
Government Channel Announcements (average per week)	270	300	300	300
Document Imaging (average documents per week)	550	600	600	600

**CITY CLERK  
WORKLOAD/DEMAND STATISTICS**

	ACTUAL FY11	BUDGET FY12	BUDGET FY13	BUDGET FY14
Board Meetings attended (voting sessions)	29	28	28	28
Agendas prepared	55	50	50	50
Ordinances and Resolutions Adopted	336	425	425	425
Minutes Prepared	29	30	30	30
Action Center Contacts	1,900	1,900	1,900	1,900
Coordinate Elections	2	2	0	2
Permanent Records Retention	34,000	36,000	36,000	36,000
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 FY14 Budget is \$477,210 or 10% less than FY13 Budget. The decrease is primarily due to the capital project for the parking garage included in the 2013 Budget. The appropriation was approximately \$360,000 with the actual cost at approximately \$67,000. There is no such capital project for 2014. Also, there is a decrease in data-processing fees and consultant fees in 2014. These decreases are offset somewhat by the addition of the Deputy Director of Finance position and increased health insurance costs.

Total FY14 Finance Department personnel is 34FTE. This includes the addition of a Deputy Finance Director to be hired by July 1, 2014.

FINANCE	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 2,011,085	\$ 2,145,280	\$ 2,062,696	\$ 2,229,450	\$ 2,450,900
Operating Expenditures	1,807,854	2,251,740	2,084,454	2,052,900	2,022,830
Operating Budget	\$ 3,818,939	\$ 4,397,020	\$ 4,147,150	\$ 4,282,350	\$ 4,473,730
Capital Outlay	54,950	391,540	67,040	29,000	18,700
Budget Appropriation	\$ 3,873,889	\$ 4,788,560	\$ 4,214,190	\$ 4,311,350	\$ 4,492,430
Authorized Positions	33.00	33.00	33.00	34.00	34.00

**FINANCE DEPARTMENT 2014 SERVICE OBJECTIVES**

1. Implement succession plan by hiring a Deputy Director of Finance in July 2014 for eventual promotion to director position over a three to four year time table.
2. Refine the web based system for the general ledger by preparing a strategic plan during 2014 and implementing in 2015.
3. Enhance online city payment options with more user-friendly capabilities.
4. Provide budget monitoring for all city departments.
5. Continue to update and monitor Finance's key performance indicators (KPI) as follows:

**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 accounting 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. Monthly closings met 95% in FY12 to date.
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. Maintained ratings for 2012 W/S Revenue bonds and 2012 SUT 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. Currently conducting data analysis.
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	Calculation based on the total received versus outstanding receivables for the period. Target for Water-95% or higher Target-for others-80%
Quick ratio	Quarterly	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 quarterly basis compared to prior quarter. Target: 85% liquidity. For first 3 quarters of FY12, average of 691% for all four operating funds, average of 231%.
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	Calculation performed on a yearly basis. Target: 5%-7% hours saved per department; \$ savings reported. To be measured at year end.

## FINANCE DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Refine the web based system for the general ledger for implementation by the end of 2013.*  
**Outcome:** Several related general ledger projects have been designed and implemented that have enhanced the current system. These improvements will help the transition to a full web-based system in the future. Due to several large projects, including the human resources packages and utility bill payments, the general ledger project is on hold until 2014-2015.
2. **Service Objective:** *Enhance the "green initiative" by notifying mailing lists for budgets and CAFR's that these documents are available on the City's web site. This will reduce costs and paper use.*  
**Outcome:** This was implemented with the 2013 Budget and the 2012 CAFR.
3. **Service Objective:** *Improve customer service by implementing municipal utility bill sign-up for services online. This should be made available during 2013. Continue to enhance off-site payment processing options.*  
**Outcome:** This project-sign-up for services online is underway with Data Tronics and should be in place by the end of 2013. In addition, a voice operated system will be installed to allow phone-in payments by utility customers. Depending on the assistance from ITS, this may be implemented by the end of 2013.
4. **Service Objective:** *Develop and implement financial systems information for departmental budget management and tracking.*  
**Outcome:** The dashboard system, for payroll and accounts payable has been provided for nine users. This fall, additional users will be online, as well as more real-time information.
5. **Service Objective:** *Continue to develop and monitor Finance's key performance indicators (KPI)*  
**Outcome:** The Finance KPI's are updated on a previous page.

**FINANCE DEPARTMENT  
WORKLOAD/DEMAND STATISTICS**

	ACTUAL FY12	BUDGET FY13	ESTIMATED FY13	BUDGET FY14
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	7	7	7
Debt Management	\$417M	\$352M	\$387M	\$359M
Interim Reports	160	160	164	164
Investments Managed	\$177M	\$110M	\$115M	\$120M
Funds Maintained	34	34	34	34
Bank Accounts Managed	11	12	15	15
Revenue/Exp Accounts	5,019	5,700	5,500	6,000
A/P Checks Issued	14,598	15,500	15,000	15,500
1099 Forms Issued	199	200	200	205
Purchase Orders*	899	291	320	400
Formal Bids Awarded	29	40	8	12
Payroll Checks Issued	1,372	1,788	1,624	1,640
Payroll Direct Deposits	23,244	23,123	23,390	23,623
W-2 Forms Issued	1,072	1,066	1,084	1,094
401(a) Loans Processed	268	276	274	279
Utility Accounts Billed/Month	33,468	33,700	33,500	33,500
Utility Deposits	4,800	4,900	4,900	4,900
Utility Payments	365,000	367,000	367,000	367,500
License Registration	5,212	4,724	4,724	370,000
Alcohol Licenses	199	174	174	180
Value of Fixed Assets	\$850M	\$1.1M	\$1.1M	\$1.2M

\* LPO limit was increased to \$1,000 and departments began processing one PO per month to a vendor instead of issuing multiple purchase orders throughout the month.

**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 FY14 Budget is \$16,160 or 0.9% more than the FY13 Budget. The increase is due to increased health insurance costs.

The ITS Department continues with 9.0FTE.

INFORMATION & TECHNOLOGY/GIS	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 738,541	\$ 757,680	\$ 732,299	\$ 773,990	\$ 824,180
Operating Expenditures	931,042	985,150	939,416	985,000	969,000
Operating Budget	\$ 1,669,583	\$ 1,742,830	\$ 1,671,715	\$ 1,758,990	\$ 1,793,180
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 1,669,583	\$ 1,742,830	\$ 1,671,715	\$ 1,758,990	\$ 1,793,180
Authorized Positions	9	9	9	9	9

**INFORMATION & TECHNOLOGY DEPARTMENT 2014 SERVICE OBJECTIVES**

1. Continue to provide timely and effective support of personal computers, related peripherals and communication technology to Administration, and staff of the City. ITS implemented new tools to enhance the efficiency of support requests submission and subsequent tracking. This implementation has led to better customer service with regards to time-to-completion and earlier recognition of problematic technical issues.
2. Provide technical assistance, leadership and project management services to departments wishing to implement new technologies to enhance their business practices.
3. In an effort to maximize ROI for the City's technology infrastructure, ITS will implement Session Initiated Protocol (SIP) Trunking technology to converge voice and data on a single network. This will eliminate the existing costs for up to five Primary Rate Interfaces (PRI) and result in lower, overall telephony cost. SIP Trunking provides the benefit of converged communications and will save substantial expense by eliminating the need to maintain existing PRI technologies.
4. Identify and implement a branded, mobile application giving citizens the ability to communicate concerns to the City using an iPhone/iPad, Android or Blackberry device. Citizens will be able to submit problems to the City and provide detailed information about a concern including the geographic location, associate media, (e.g. images, etc.) and description. The application will also be tethered to the City's ongoing social media efforts and provide feedback throughout the resolution of the concern.
5. Continue to provide GIS support to the Fort Chaffee Redevelopment Authority (FCRA) and the Fort Smith Regional Chamber of Commerce. This support will enhance the FCRA's and Chamber's ability to pursue their economic development and management goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Chaffee Crossing GIS Portal and preparation of maps and information for site selectors representing potential business development within the region.
6. Continue to refine the City's online GIS presence to accommodate the ever growing use of mobile or smart devices by the public. In 2013, a substantial effort was undertaken and accomplished which saw most online mapping/GIS services re-written to ensure compatibility to mobile/smart devices. In 2014, that effort will continue with development of technology to enhance transparency via e-Governance and promote a synergistic, bi-directional transfer of information between citizens and City Hall.
7. Continue to expand the existing private wireless network to allow a greater number of users to access internal services from more locations.
8. Continue to expand the wireless network coverage to include more public sites. This will provide users conducting business with the City seamless access to business services in a variety of locations from a variety of devices.

9. Continue to convert numerous site links to wireless backhaul technology that will be managed internally. This will allow the City to move away from expensive monthly fees currently being assessed by third party providers. The goal is to continue to realize direct cost savings.  
City to move away from third-party providers.
10. Implement key performance indicators to measure the effectiveness of the Information and Technology Services (ITS) department as presented in chart below:

NAME	FREQUENCY	PURPOSE	MEASUREMENT
Average number of days to resolve a help desk request and average number of outstanding requests.	Weekly/ Monthly	Tracking the average number of days required to resolve a help desk request will help determine response efficiency. The measurement will also help aid in determining the longevity of certain equipment.	We will measure the average number of active support requests in the help desk log on a weekly and monthly basis. The nature of call (e.g. equipment, user difficulty, etc.) will also be observed. This will help determine if a particular piece of equipment is troublesome and/or if there is a need for City-wide training for a particular software application or task.

## INFORMATION & TECHNOLOGY DEPARTMENT 2013 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:** Staff from ITS attended HelpStar training and the department is tracking time to resolution. Users throughout the city are logging HelpDesk requests via email and web interface, and ITS staff is able to quickly assess and address issues regardless of location.

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:** Staff is working with various departments to assist with implementing new technology and methods to increase efficiencies of day to day operations.

3. **Service Objective:** *Develop a mobile friendly version of the City website. The new site will bring frequently accessed information from the main City website to a lightweight version designed to be accessed from smart devices.*

**Outcome:** In progress- ITS staff is working internally to develop mobile compatible version of the main website.

4. **Service Objective:** *Identify and implement a branded, mobile application which gives citizens the ability to communicate concerns to the City using an iPhone/iPad, Android or Blackberry device. Citizens will be able to submit issues to the City and provide detailed information about concerns including the geographic location, associate media, (e.g. images etc.) and description. The applicaion will also be tethered to the City's ongoing social media efforts and provided feedback throughout the resolution of the concern.*

**Outcome:** Goal was suspended due to budget reductions the first quarter of 2013.

5. **Service Objective:** *Develop a Citywide Technology Plan with the goal of identifying and implementing policies, infrastructure, applications, and technologies which facilitate departmental efforts to provide efficient and effective services to our community. The plan will outline an overall approach for the selection, use and support of technology that aligns City resources, business needs and processes.*

**Outcome:** In-progress.

6. **Service Objective:** *Continue to provide GIS support to the Fort Chaffee Redevelopment Authority. This support will enhance the FCRA's ability to pursue their economic development goals using GIS and mapping technology. This goal includes continued maintenance and support of the online Chaffee Crossing GIS portal.*

**Outcome:** GIS staff is working regularly with FCRA to provide graphics, maps and data in support of marketing and asset management efforts.

7. **Service Objective:** *Redesign the City's online GIS presence to accommodate the ever-growing use of mobile or smart devices by the public. Presently, much of the City's online GIS was developed using Flash based technology. Many of today's smart devices don't recognize Flash which limits the number of users having access to the GIS via a mobile device. In an effort to continually stay aware of user's needs and the most up-to-date trends in technology, City GIS staff will redesign most of the more popular GIS sites using HTML5/ JavaScript technology, ensuring complete cross browser as well as mobile device compatibility.*

**Outcome:** In progress. A mobile-compatible version of the main GIS web site will be in Beta testing by the end of July with an anticipated roll out of production version by the end of the third quarter of 2013.

8. **Service Objective:** *Continue to expand the existing private wireless network to allow a greater number of users to access internal services from more locations.*

**Outcome:** In progress

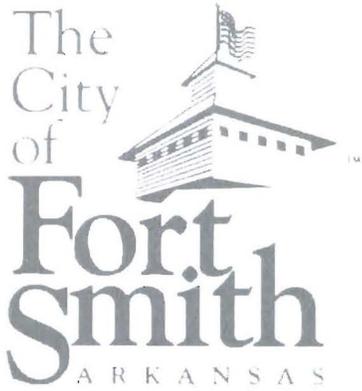
9. **Service Objective:** *Expand the wireless network coverage to include more public sites. This will provide users conducting business in the City with seamless access to business services in a variety of locations from a variety of devices.*

**Outcome:** In progress. Various locations have been enabled with WiFi and by the end of the third quarter of 2013, there will be WiFi available at the Farmer's Market downtown.

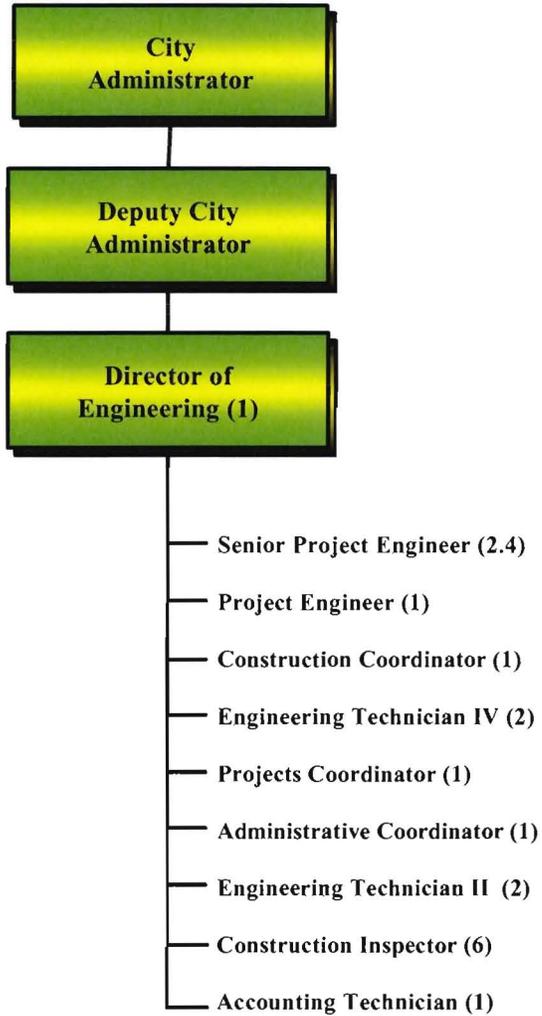
10. **Service Objective** *Convert numerous site links to wireless backhaul technology that will be managed internally. This will allow the City to move away from expensive monthly fees currently being assessed by third party providers. The goal is to realize direct cost savings within a 4-6 month period after deployment.*

**Outcome:** In progress. Staff from ITS are working with staff from Streets Department to bring wireless data transmission between traffic signals.

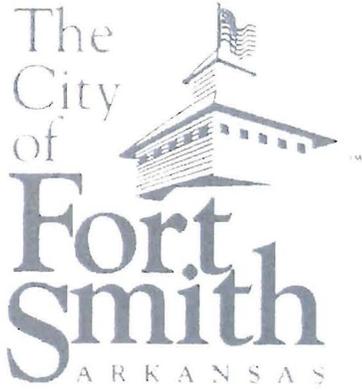
11. **Service Objective:** *Implement key performance indicators to measure the effectiveness of the Information and Technology Services (ITS) department as presented in the chart that follows:*



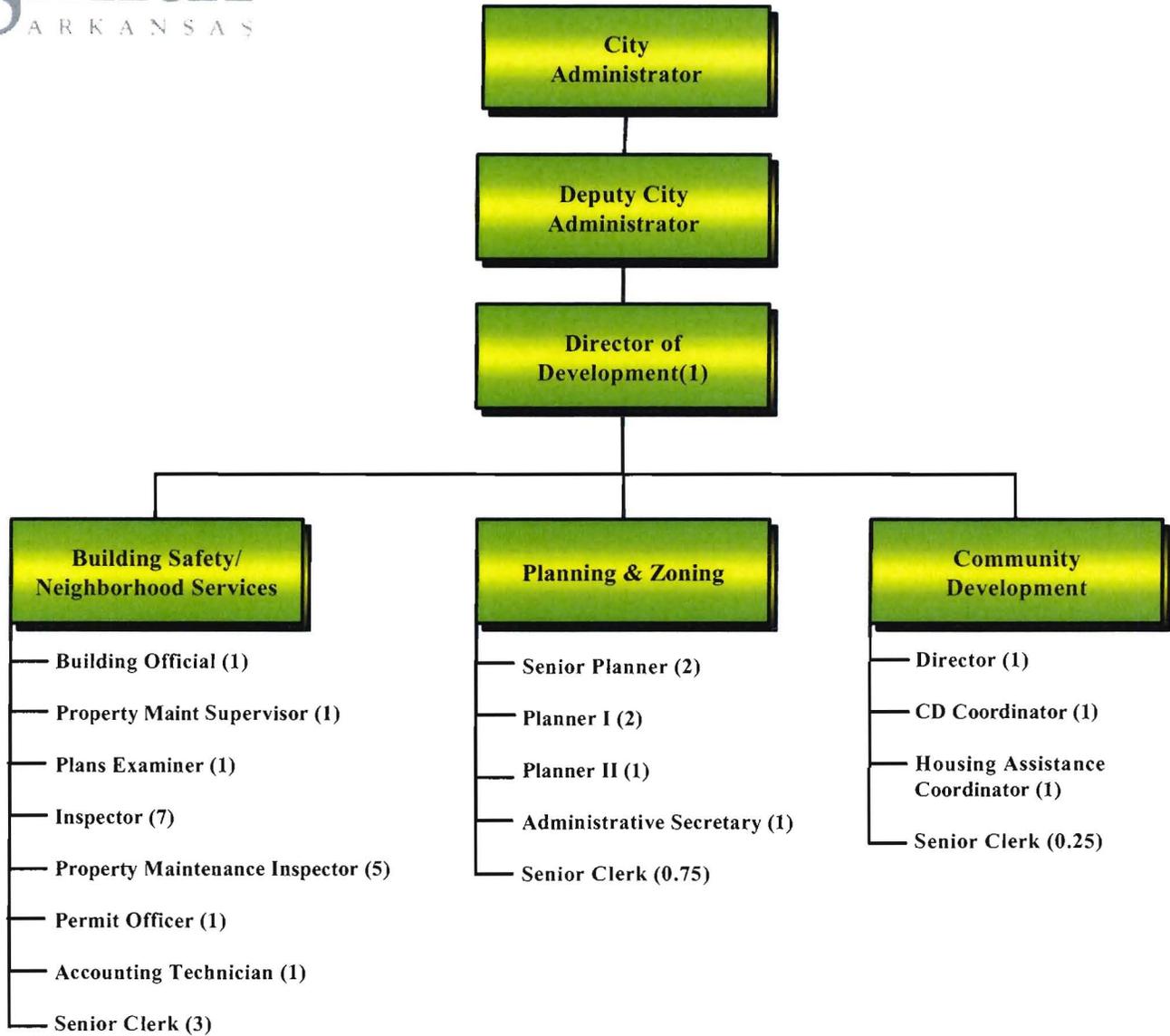
# Development Services



**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.

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 FY14 Budget is \$45,830 or 2.9% less than the FY13 Budget authorization. The decrease is due to the shift in personnel for the program.

The Engineering Department has 18.4FTE positions for FY14 which is 0.6FTE less than FY13. A project engineer engineer position is now part-time.

ENGINEERING	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 1,362,755	\$ 1,487,750	\$ 1,356,262	\$ 1,409,020	\$ 1,508,600
Operating Expenditures	55,830	78,000	59,765	82,000	81,180
Operating Budget	\$ 1,418,585	\$ 1,565,750	\$ 1,416,027	\$ 1,491,020	\$ 1,589,780
Capital Outlay	18,354	21,800	21,800	50,700	0
Budget Appropriation	\$ 1,436,939	\$ 1,587,550	\$ 1,437,827	\$ 1,541,720	\$ 1,589,780
Authorized Positions	19.00	19.00	19.00	18.40	19.00

**ENGINEERING DEPARTMENT 2014 SERVICE OBJECTIVES**

1. Support the livability of neighborhoods by constructing street overlays/reconstruction projects, street improvement projects and by alleviating drainage problems, all as identified in the 2014 Capital Improvement Program.
2. Implement special projects which evolve during the year.
3. Implement key performance measures as outlined below:

KEY PERFORMANCE INDICATORS	
Activity	FY 2014 Target
Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by October 31.	10/31/2014
Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1.	6/1/2014
Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%
Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	100%

**ENGINEERING DEPARTMENT  
2013 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Support the livability of neighborhoods by constructing street overlays/reconstruction projects, and by alleviating drainage problems as identified in the 2013 Capital Improvement Program.*

**Outcome:** The 2013 projects include three overlay/reconstruction projects, two traffic signal projects, one new construction project, two street improvement projects, two drainage projects and one drainage study. Construction contracts for the street overlay/reconstruction projects, one traffic signal project and one street improvement project are underway. The drainage study is complete. The remaining projects are under design with construction scheduled to begin next year.

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

**Outcome:** Several projects have been added which include: Evaluation of the Albert Pike and Free Ferry intersection and FEMA Conditional Letter of Map Revision flood studies for the South 46th Street and Ingersoll Avenue projects.

<b>KEY PERFORMANCE INDICATORS</b>			
Activity	FY 2012	FY 2013	FY 2013
	Actual	Target	Actual
Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by October 31.	10/8/2013	10/31/2014	10/08/13
Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1.	5/28/2013	6/1/2014	5/28/13
Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%	100%	100%
Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	100%	100%	100%

## **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 31FTE positions for FY14 that includes the addition of one environmental inspector for the Neighborhood Services program.

The FY14 Budget is \$128,690 or 4.8% more than the FY13 Budget. The increase is due to increased health insurance costs and the second year of payments to update the comprehensive plan.

DEVELOPMENT DEPARTMENT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 1,911,726	\$ 2,070,520	\$ 1,981,154	\$ 2,144,190	\$ 2,216,040
Operating Expenditures	383,913	601,950	532,348	603,170	505,510
Operating Budget	\$ 2,295,639	\$ 2,672,470	\$ 2,513,502	\$ 2,747,360	\$ 2,721,550
Capital Outlay	0	24,700	0	28,500	112,610
Budget Appropriation	\$ 2,295,639	\$ 2,697,170	\$ 2,513,502	\$ 2,775,860	\$ 2,834,160
Authorized Positions	30.00	30.00	30.00	31.00	31.00

## DEVELOPMENT DEPARTMENT 2014 SERVICE OBJECTIVES

1. Work towards the completion of the Comprehensive Plan update. Begin implementation of the goals identified for the development services department.
2. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs and creating a more proactive program in the neighborhood services division. The staff will continue to implement the described objectives contained within the Five Year Consolidated Program, staff anticipates level funding for both programs in FY2014.
3. Improve the quality of place and life by strengthening customer services and communication with citizens. Continue to monitor department performance evaluations via electronic customer service surveys.
4. Continue to review, revise and edit portions of the development codes and maps such as zoning map, Unified Development Ordinance, ETJ planning area, riverfront overlay district, annexation plans and other development maps.
5. Continue to work with the Old Fort Homeless Coalition to implement the recommendations of the Homelessness Task Force and the Board of Directors.

## DEVELOPMENT DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Improve the quality of life and place by strengthening communication and customer service with citizens. Continue the development of the Good Neighbors program by partnering projects with volunteers. We will also continue implementation and citizen awareness of the neighborhood related codes and ordinances.*

**Outcome:** Staff continues to implement ordinances and programs that strengthen neighborhoods. The staff regularly participates in community events such as booths at the Greater Fort Smith Home Show, UA Fort Smith "City Night", Small Business Expo, morning radio talk show programs and with the Greater Fort Smith Association of Homebuilders.

2. **Service Objective:** *The CDBG program will implement a new 5 year Consolidated Plan for Program Years 2013.*

**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-52-13 for Program Year 2013 will begin once the US Department of Housing and Urban Development has transmitted the grant agreement to the City Administrator for execution. The CDBG program was awarded \$823,768 (a 6%+ increase) and the HOME program award was \$326,802 which represents a slight increase. A detailed report which contains performance measures, objectives and outcomes is available online and titled as the Consolidated Annual Performance Evaluation Report (CAPER).

3. **Service Objective:** *Work towards the completion of the Vision 2025 Plan. Begin implementation of the goals identified for the development services department.*

**Outcome:** The Board appointed twenty-eight citizens to serve on the steering committee, which held its first meeting in late April. The consultant and the citizen steering committee have met twice to begin the process of establishing a community vision and updating the city's comprehensive plan. Extensive public engagement work has begun with an open house and soliciting the public's vision for the future of Fort Smith. A website, [www.futurefortsmith.com](http://www.futurefortsmith.com) has been created to gather input and allow the community to see people's interests.

4. **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.*

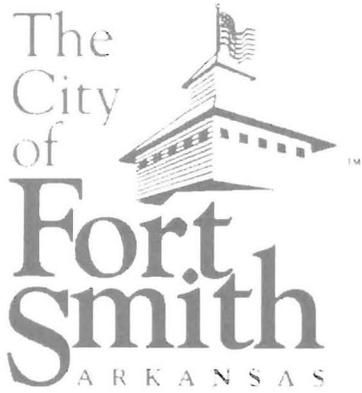
**Outcome:** Planning staff continues to participate in meetings with the Homeless Campus Development Study Ad Hoc Committee and the Old Fort Homeless Coalition. Work is continuing to obtain funds and purchase property at 301 South E as the site for the new homeless campus. The homeless coordinator has been hired. The city is paying one half the salary and benefits for this position.

5. **Service Objective:** *Continue to review and edit portions of the development codes and maps such as the Unified Development Ordinance, zoning map, coordinated planning area, ETJ and other development maps.*

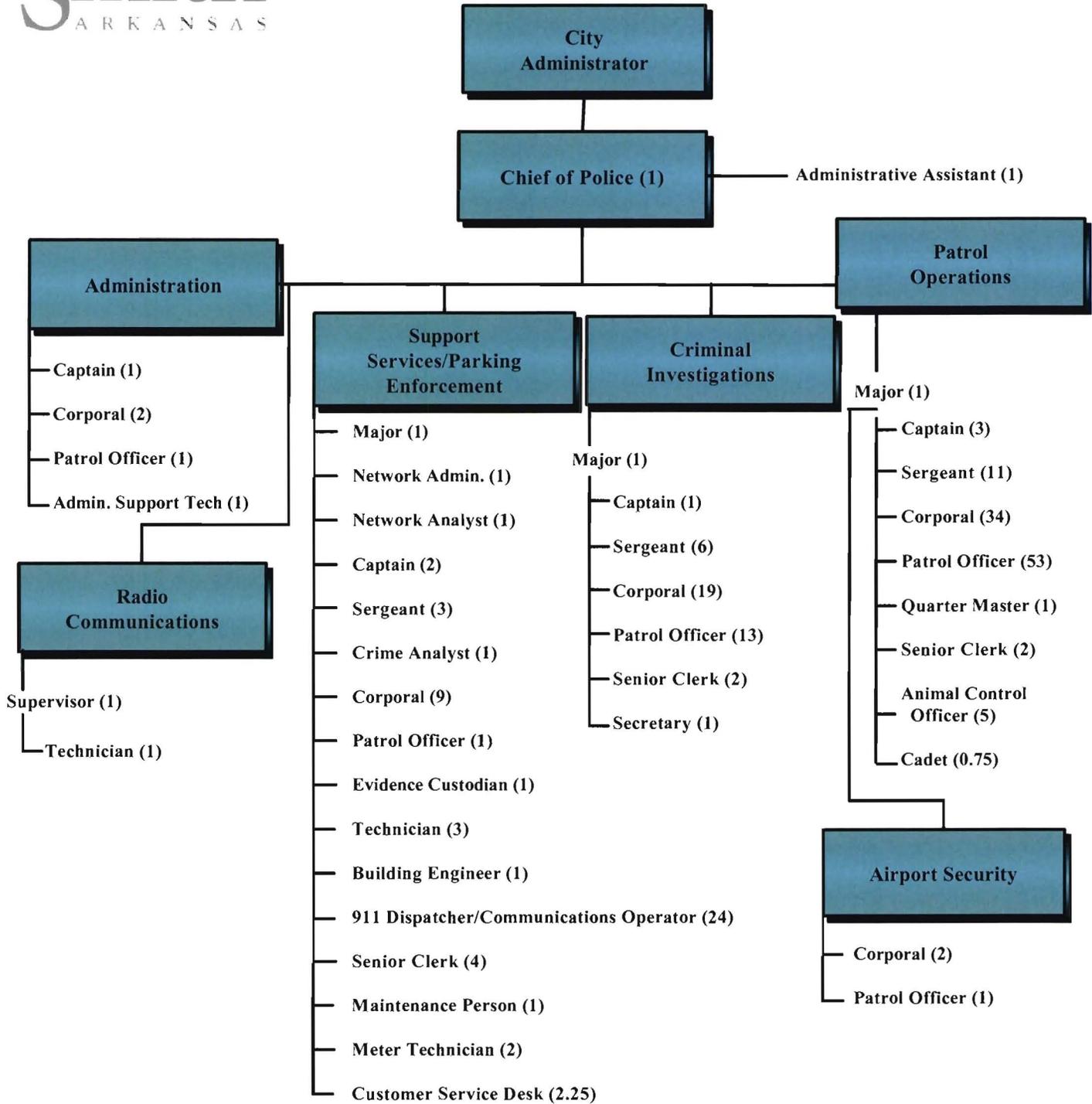
**Outcome:** We continue to review and edit portions of the Unified Development Ordinance. Some significant amendments this year include the addition of the Planned Zoning District and the revision to the Outdoor Advertising Ordinance. These amendments were a collaboration of the city staff and stakeholders within the community.

Key Performance Indicator	Actual FY 12	Estimated FY 13	Projected FY 14
To process all Building, Plumbing, Mechanical, and Electrical inspections within 24 hours.			
Workload	10,253	12,500	13,000
Completed	10,253	12,500	13,000
Completion Rate	100%	100%	100%
To enforce nuisance codes through property inspections.			
Workload	12,596	13,000	13,000
Completed	12,596	13,000	13,000
Completion Rate	100%	100%	100%
To begin implementation of the Comprehensive Plan update			
Recommended Tasks Completed	Not	New Indicator	New Indicator
Goal	Applicable	N/A	2 tasks comp.
Completion Rate		New Indicator	New Indicator
To send a customer service survey to every applicant after a Planning Commission meeting and/or permit.			
Number of Applicants	Not	63	75
Number of Surveys Sent	Applicable	63	75
Completion Rate		100%	100%
Support construction and operation of a homeless campus.			
Meetings Attended	18	13*	12
CDBG Funds Committed	\$241,003	\$232,421	\$115,000
Percentage of CDBG Funds Available	23.9%	26.3%	15%

\*actual number to date; estimated for the balance of 2013: 5 more for a total of 18



# 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 FY14 Budget is \$747,640 or 4.4% less than the FY13 Budget. The decrease is due to lower capital costs of approximately \$238,000 as there are no replacement patrol vehicles in the 2014 budget due to fiscal constraints. Decreases in operating costs, including the patrol vehicle accessories of approximately \$300,000, make up a portion of the overall reduction. In addition, eight (8) FTE positions are to remain vacant during 2014 to help with the budget shortfall.

The Police Department has 222FTE positions for FY14 that is continued from FY13.

POLICE DEPARTMENT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 11,785,652	\$ 12,827,760	\$ 12,272,098	\$ 12,670,800	\$ 14,297,640
Operating Expenditures	<u>3,512,757</u>	<u>4,015,330</u>	<u>3,450,631</u>	<u>3,660,770</u>	<u>4,288,960</u>
Operating Budget	\$ 15,298,409	\$ 16,843,090	\$ 15,722,729	\$ 16,331,570	\$ 18,586,600
Capital Outlay	<u>67,165</u>	<u>321,490</u>	<u>289,133</u>	<u>83,000</u>	<u>500,090</u>
Budget Appropriation	\$ 15,365,574	\$ 17,164,580	\$ 16,011,862	\$ 16,414,570	\$ 19,086,690
Authorized Positions	229.75	222.00	222.00	222.00	222.00

## POLICE DEPARTMENT 2014 SERVICE OBJECTIVES

### ADMINISTRATION DIVISION

Continue the implementation of performance measures.

### SUPPORT SERVICES

Support Services personnel will continue to work toward the completion of the backup communications center located at EOC.

The Network Team will continue to obtain and install necessary equipment to complete the Fort Smith Police Department Business Continuity/Disaster Recovery Plan.

The Training Unit will research and implement a more detailed volunteer program in order to aid the Department in achieving operational goals while reducing personnel costs to achieve these goals. This unit will also work toward gaining initial CALEA Training Academy Accreditation for the unit during 2014.

### CRIMINAL INVESTIGATIONS

In order to maintain and improve the quality of service in the Identification Unit, an additional person needs to be training in fingerprint analysis, as well as crime scene investigations. Due to retirement, we are left with only one certified fingerprint examiner which endangers our ability to maintain the use of the Automated Fingerprint Identification System (AFIS). Adding a person to the unit and getting them trained will ensure the department remains among the leaders in the state in investigative abilities. This training will continue throughout 2014, and we will pursue getting an investigator into the National Forensic Academy, scheduled for the third quarter 2014.

During 2014, the department would like to establish two temporary positions, one in general investigations and one in narcotics. The purpose would be twofold: (1) to have patrol officers rotate through in order to give them additional training, which will create more efficient officers, and (2) support succession planning by identifying interested and capable officers and by introducing them to the type and nature of work done in investigations. These positions would be filled as manpower constraints allow.

#### **PATROL DIVISION**

The Patrol Division will undertake a Fleet Recondition Program. The purpose of the program is to increase fleet reliability, extend the older vehicles' life cycles and reduce major mechanical costs. Older fleet units designated for reconditioning will receive major preventive maintenance services such as transmission, brake line and radiator flush, tune-ups, engine service, to help further extend the vehicle's usefulness for patrol service. The program will begin in the first quarter of 2014 and should be complete by the end of the third quarter.

## **POLICE DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES**

### **Administration Division**

**Service Objective:** *Continue implementation of performance measures initiated in 2012. By year end, the department will adopt and implement a Vision Statement based on personal and social competencies of quality and commitment to our Mission and Values.*

**Outcome:** The Vision statement was adopted by the department during the March staff meeting. The Vision Statement is "All members of the Fort Smith Police Department exemplify excellence and demonstrate leadership in fulfilling our values and achieving our mission through the application and practice of emotional intelligence competencies."

### **Support Services**

**Service Objective:** *Department will develop and plan a proposed expansion project to the building in order to provide sufficient additional evidence storage to meet current and future secure storage needs. The network team will continue to obtain and install necessary equipment to complete the departments Business Continuity/ Disaster Recovery Plan. The training unit will research and implement a more detailed volunteer program in order to aid the department in achieving operational goals while reducing personnel costs to achieve these goals.*

**Outcome:** Expansion project: Due to budget constraints, this objective was not pursued in 2013. Business Continuity/Disaster Recovery Plan: The Disc-to-Disc installation, internet upgrade, and installation of the VOIP phone system have been completed at the Emergency Operations Center. The VMware server installation is in progress and will continue in FY2014. Pending implementation of new infrastructure by City ITS, NG911 is slated for installation during the fourth quarter of 2013. The Volunteer Program: Two members of the training unit have attended training on volunteer program development and management. A software program has been identified for use in tracking and managing the program and policy development is currently in progress.

### **Criminal Investigations Division**

**Service Objective:** *Due to attrition, the division was left with only one licensed polygraph examiner. In 2013, a detective will be selected and sent to the necessary training. Upon successful completion of the training and required testing, there will be a six month period of training under the guidance of a licensed polygraph officer. Upon successful completion of the final test, the detective will be a certified polygraph examiner. This process is expected to be complete by the fourth quarter of 2013. During 2013, the department would like to establish two temporary positions, one in general investigations and one in narcotics. The purpose would be twofold: 1) to have patrol officers rotate through in order to give the additional training, creating more efficient officers, and 2) support succession planning by identifying interested and capable officers and introducing them to the type and nature of work done in investigations. These positions will be filled as manpower constraints allow.*

**Outcome:** Polygraph Examiner: In February a detective was sent to the Texas Department of Public Safety Polygraph School, and graduated in April and received license in May, which is followed by the mandatory six month internship, which the detective will complete in November. Temporary positions in the division: Due to budget reductions, four officer positions were not hired.

## Patrol Division

**Service Objective:** *The department will implement a recruitment program to assist and augment the training/recruiting unit. By the end of the first quarter of 2013, members of the Patrol Division will establish a recruit incentive and mentoring program to encourage patrol officers to identify, guide and mentor quality and minority applicants through the application process, acceptance on the police hiring list and conditional offer of employment. Mentoring officers will receive compensation for successfully meeting program requirements.*

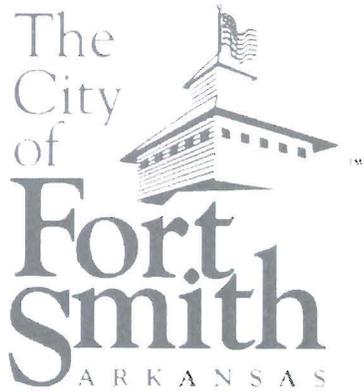
**Outcome:** Due to budget constraints, monetary compensation was not possible. A number of geographical and logistical difficulties were also discovered that prevented this program from successful implementation and completion. As a result, goals were focused on developing online reporting of the department web site. Project completion was realized in the second quarter and citizens can now request extra patrols, private property accident reports and minor offense reports online. This new call load reduction service means citizens can now print their own reports, receive a prompt notification of their Call for Service Numbers and that their reports have been filed.

### SERVICE MEASURES/PERFORMANCE INDICATORS

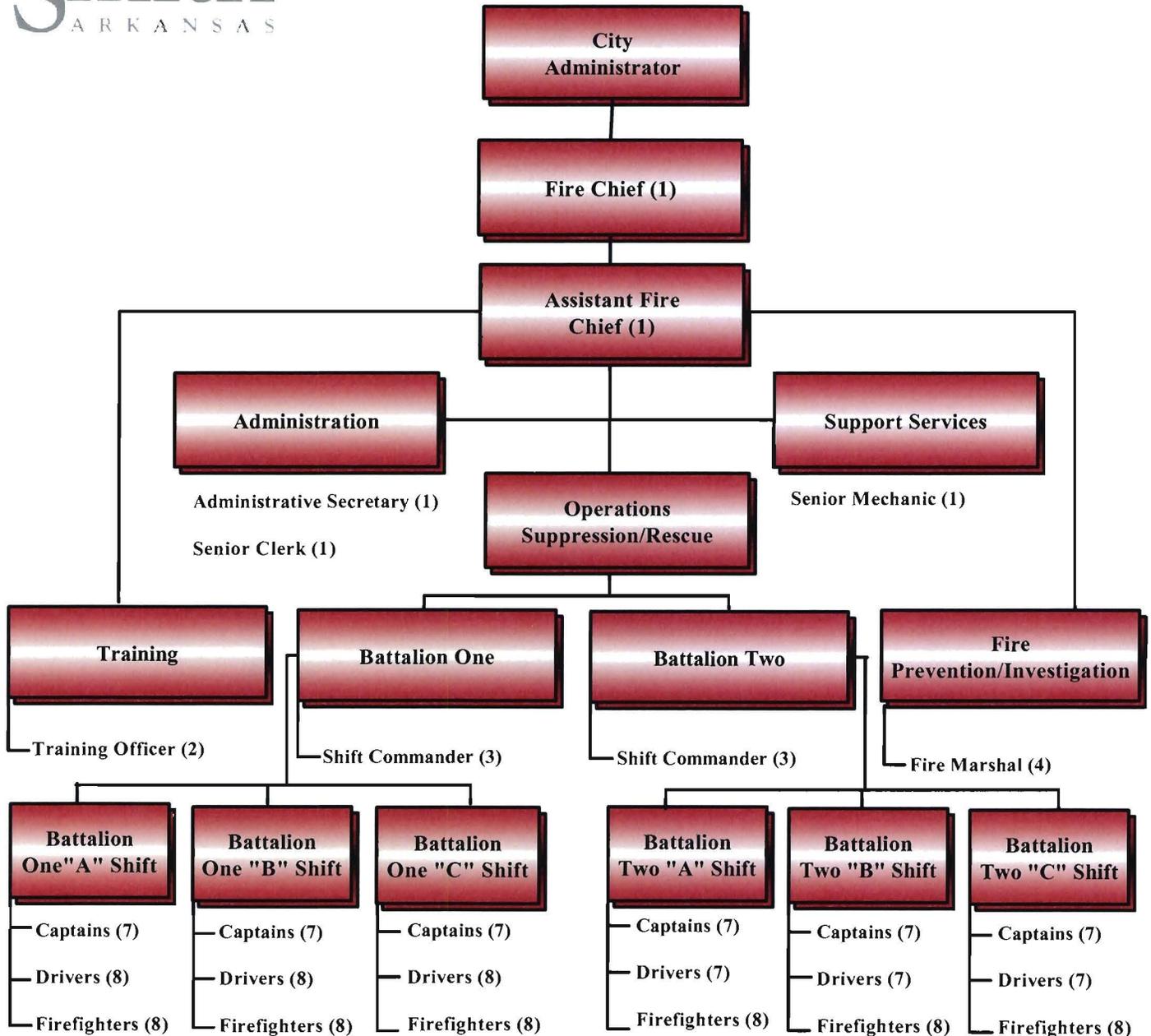
	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL FY12</u>	<u>ACTUAL FY13 thru 11/30</u>
Community Relations-				
PCR Programs Performed	237	222	81	100
PCR Program Attendance	14,550	9,674	4,687	6,072
Crime Stopper Calls	343	307	340	280
Training-				
In Service/Officers	1,208	2,010	2,458	1,451
In Service/Hours	14,562	12,935	18,270	8,684
Schools and Seminars/Officers	118	127	188	1,177
Schools and Seminars/Hours	5,038	2,292	3,013	4,031

## WORKLOAD/DEMAND STATISTICS

	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL FY12</u>	<u>ACTUAL FY13 thru 11/31</u>
Murder-Manslaughter-				
Reported	7	6	6	4
Cleared	5	6	6	4
Rape-				
Reported	133	141	69	80
Cleared	117	115	55	66
Robbery-				
Reported	144	126	61	92
Cleared	101	96	47	74
Battery-				
Reported	2,514	2,535	1,392	1,161
Cleared	1,878	2,113	1,100	847
Burglary-				
Reported	1,129	1,083	1,140	925
Cleared	183	226	203	170
Larceny-				
Reported	3,977	3,618	3,532	3,399
Cleared	986	1,113	1,057	930
Vehicle Theft-				
Reported	209	223	192	203
Cleared	111	180	136	74
Arrests-				
Adults	9,010	8,998	7,903	7,951
Juvenile	766	1,075	917	702
Calls for Assistance-				
Total Calls	92,426	75,747	73,999	63,100
Burglar Alarms	6,123	5,951	3,401	2,743
Actual Alarm Responses	3,963	3,359	541	255
Animal Control-				
Complaints Received	9,083	8,499	9,769	7,259
Animals Captured	3,072	3,180	3,123	2,495
Animal Bites Investigated	102	87	81	90
Parking Meter Collections	\$ 83,060	\$ 84,768	\$ 82,696	\$ 72,065
Overtime Parking Tickets Issued	5,702	7,622	5,984	5,163
Overtime Ticket Collections	\$ 30,091	\$ 42,209	\$ 34,990	\$ 33,048



# 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 four programs: 4801 Administration, Prevention and Training, 4802 Suppression, and 4803 1/8% Sales Tax Operations and 4804 Training. The 4801 program includes management of all fire services for the city code enforcement, investigations, construction reviews, fire prevention education and inspections. 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. Program 4803 includes the operating and capital costs supported by the 1/8% local sales and use tax. Personnel in this program will staff the new fire station to be built at Chaffee Crossing by the end of FY13. A fire training facility will be funded through this program as well as the purchase of replacement apparatus for the department. Program 4804 includes the training operations that is certified through the Arkansas State Fire Academy.

The FY14 Budget is \$675,056 or 4.8% less than that FY13 Budget. The decrease is in capital projects for 2013 as many of the projects begun in 2013 will be completed during 2014 and the appropriations for those projects were made in 2013. There are decreases in operating costs due to budget constraints. The decreases are offset by the first full year of employing the eleven (11) FTE fire positions added on October 1, 2013 as well as increased health care costs.

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 152FTE for FY14 that is consistent with the FY13 Budget.

FIRE DEPARTMENT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 8,817,882	\$ 10,957,480	\$ 10,111,863	\$ 11,650,330	\$ 12,494,800
Operating Expenditures	910,011	1,469,048	1,428,010	1,168,830	1,934,820
Operating Budget	\$ 9,727,893	\$ 12,426,528	\$ 11,539,873	\$ 12,819,160	\$ 14,429,620
Capital Outlay	34,461	1,522,688	1,505,878	455,000	784,500
Budget Appropriation	\$ 9,762,354	\$ 13,949,216	\$ 13,045,751	\$ 13,274,160	\$ 15,214,120
Authorized Positions	132.00	152.00	152.00	152.00	152.00

## FIRE DEPARTMENT 2014 SERVICE OBJECTIVES

### Administration

1. Improve public and firefighter safety and assist in holding down consumer's property insurance costs by beginning operation of a new fire station at Chaffee Crossing.
2. Improving our Insurance Service Office's (ISO) Fire Public Protection Classification score by implementing the Fire Department Improvement Plan released in June 2011.
3. Continue with the implementation of emergency response protocols to align with the standards of the National Fire Protection Association (NFPA) and ISO.
4. Complete Phase 1 of the construction of a NFPA compliant training facility with a burn building.
5. Continue to develop and implement a succession plan for the fire department.
6. Assist the Finance Department with an analysis of police and fire pension funding.

Name	Purpose	Target	Measurement Through December 12, 2013
Property Loss/Property Saved Report	To strive to keep property loss from fires or other incidents to a minimum	To keep property loss to less than 10%	Value of property responded to: <b>\$43.8 Million</b> Total Percent Lost: <b>5.13%</b> Total Percent Saved: <b>94.87%</b>
Response Time Report	To meet NFPA and ISO Response Time Standards	To be on scene in 4 minutes or less after receipt of alarm	3 minutes 22 seconds
ISO Rating	To keep property fire insurance rates as low as possible	Public Protection Class 2 or better	Class 2 with a score of 80.28 out of 100
Fire Prevention and Education	To keep casualties and property loss from fire as low as possible through education and inspections	Citizens and Homeowners that cannot afford a working smoke detector	The Fort Smith Fire department received a FEMA grant to purchase and install 600 smoke detectors free of charge in the homes of citizens of Fort Smith that could not afford one. The program has just went to effect with about 30 smoke detectors installed to date.
Training	To increase safety and efficiency through training	47,794.5 total training hours for individual and company training per year	26,619 individual & company training hours completed as of December 12, 2013

## FIRE DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

**Administration:**

1. **Service Objective:** *Improve public safety and assist in holding down consumers property insurance costs by beginning construction of a new fire station at Chaffee Crossing.*

**Outcome:** Construction of Fire Station 11 began in January and is approximately 50% complete at June 30. Completion and opening is still on schedule for late December 2013, or January 2014.

2. **Service Objective:** *Improving our Insurance Service Office's (ISO) Fire Public Protection Classification score by implementing the Fire Department Improvement Plan released June 1, 2011.*

**Outcome:** The Fire Department Improvement Plan identified five (5) categories out of a possible nine (9) categories that the department was deficient in our 2010 ISP rating. One of the deficient categories has been resolved and the other four are under improvement with completion scheduled upon the opening of Fire Station 11.

3. **Service Objective:** *Continue with the implementation of emergency response protocols to align with the standards of the National Fire Protection Association (NFPA) and ISO.*

**Outcome:** The department is continuing to revise and align our emergency response protocols with the standards of the NFPA and ISO. A major portion of the revisions will be completed upon opening of Fire Station 11.

4. **Service Objective:** *Begin construction of a NFPA compliant training facility with a burn building.*

**Outcome:** The conceptual design is complete and the Master Site Plan was 95% complete as of June 30. We anticipate accepting bids for the fire training tower by August 2013, and construction to begin later in 2013.

5. **Service Objective:** *Begin developing and implementation of a succession plan for the department.*

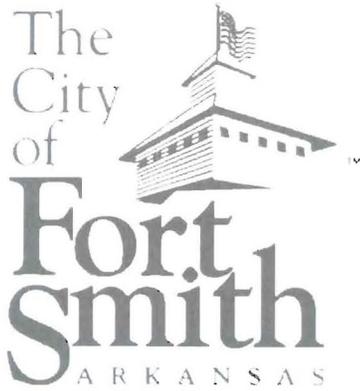
**Outcome:** With the additional administrative staff positions filled and those that will be filed in 2013, we now have a better opportunity to prepare for succession planning. Training and education will be ongoing in preparation of future vacancies.

## FIRE DEPARTMENT SERVICE MEASURES/PERFORMANCE INDICATORS

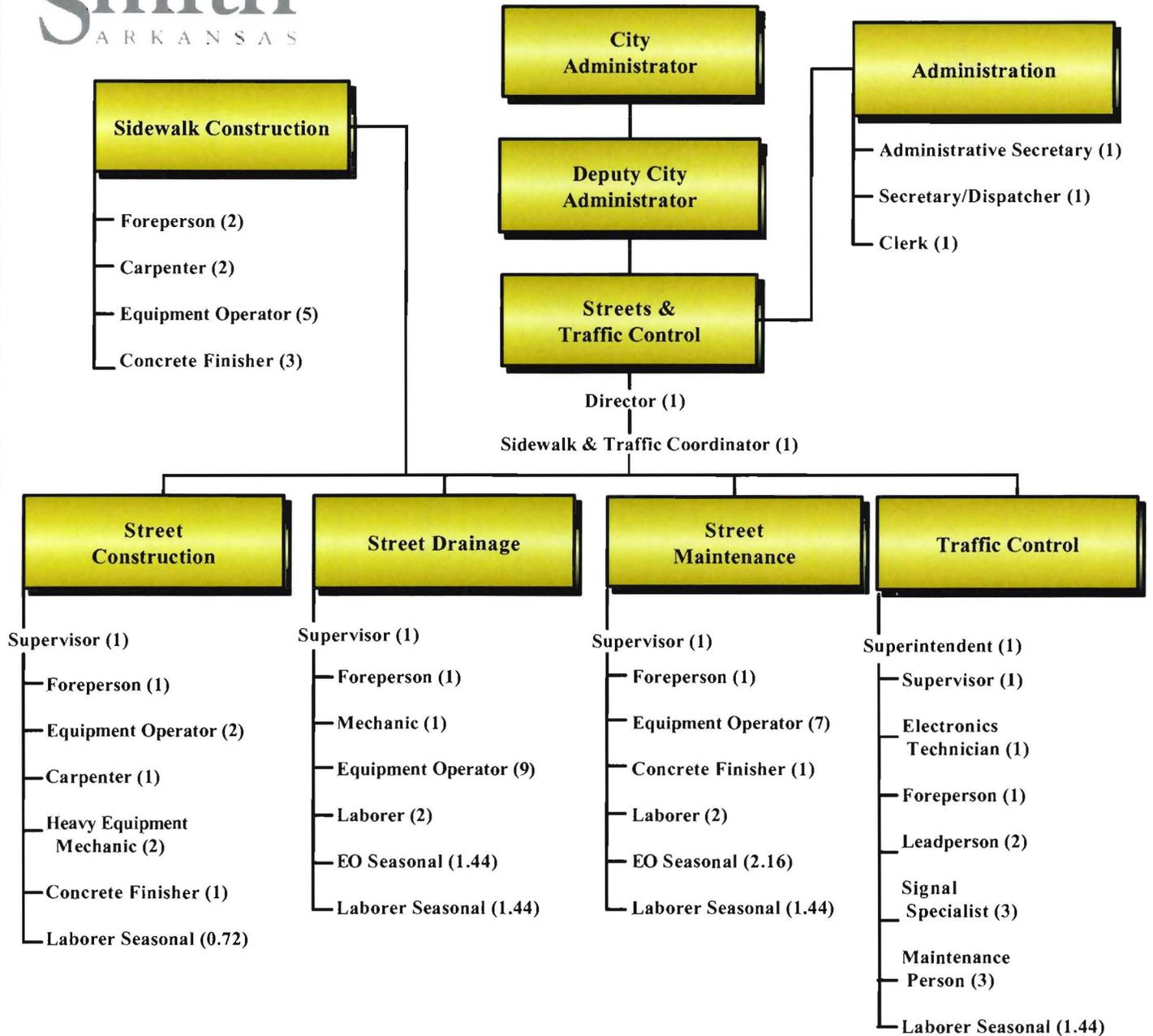
	ACTUAL FY12	BUDGET FY13	ACTUAL FY13 Thru 11/30	BUDGET FY14
Alarm Responses	8,793	8,000	7,834	8,500
Number of Fires or incidents involving property loss	203	250	213	250
Value of Property Responded To	\$ 61,043,855	\$ 150,000,000	\$ 44,015,824	\$ 150,000,000
Total Property Loss	\$ 5,785,045	\$ 15,000,000	\$ 2,384,605	\$ 15,000,000
Total Property Saved	\$ 55,258,810	\$ 135,000,000	\$ 41,631,219	\$ 135,000,000
Total Percent Lost	9.48%	10%	5.42%	10%
Total Percent Saved	90.52%	90%	94.58%	90%

**FIRE DEPARTMENT  
WORKLOAD/DEMAND STATISTICS**

	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL FY12</u>	<u>ACTUAL FY13 Thru 11/30</u>
<u>Alarm Statistics:</u>				
Fire-				
Structure	157	188	155	130
Vehicle Fires	82	85	70	60
Brush, Grass, Leaves	86	121	128	58
Trash, Rubbish	53	60	64	38
Explosions, No After Fire	1	3	4	1
Outside Spill with Fire	0	0	0	0
Other Fires	34	18	21	17
Rescue and Emergency-				
Overpressure Rupture	1	4	4	8
Emergency Medical Call	4,869	5,047	5605	5,367
Locked In, Trapped	0	4	1	1
Search	0	2	1	1
Extrication	22	19	14	15
Rescue, Not Classified	171	309	369	13
Spill, Leak- No Fire	93	87	109	76
Electrical/Hazardous Response-				
Power Line Down	76	108	106	76
Arching Electric Equipment	58	98	91	76
Chemical Spill	6	6	3	0
Hazardous Condition	4	8	9	8
Smoke Removal	17	16	12	9
<u>Other Responses:</u>				
Animal/Rescue	3	0	3	9
Assist Police	40	32	27	24
Unauthorized Burning	118	148	174	112
Other Service Calls	142	172	185	192
Smoke Scare	116	162	126	93
Steam, Gas Mistaken for Smoke	45	54	41	40
Malicious False Alarm	8	9	5	4
Bomb Scare	4	8	6	8
Alarm Malfunction	121	166	134	102
Unintentional False	305	331	306	244
Other	655	816	905	991
Controlled Burn	5	10	10	7
Bomb Removal	20	20	20	19
Haz-Mat Investigation	14	20	16	15
Water Rescue	13	24	8	4
Construction Plan Reviews	151	217	183	262
Citizens Reached in Education Programs	13,271	14,212	16107	12,935
New Business Occupation Fire and				
Life Safety Inspections	661	673	479	469
Fire Safety Surveys Performed	4,508	4,644	6,303	4,753
Fire Hydrants Maintained	7,942	7,950	7,950	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 nine programs: 5101 Administration, 5302 Street Construction, 5303 Street Drainage, 5304 Street Maintenance, 5305 Sidewalk Construction, 5401 Traffic Control 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, constructing and repairing sidewalks, and providing and installing high visibility street signage.

The Department's major priority for 2014 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 FY14 is 71.64FTE which is 0.88FTE less than FY13. The decrease in positions is a combination of adding 2FTE in the Sidewalk Program and eliminating 2.88FTE that were part-time and seasonal employees in other programs.

The FY14 Budget is \$587,706 or 10.1% more than the FY13 Budget. The increase is due to staffing a full year for the more than 8FTE added last year coupled with the higher costs associated with full-time employees rather than part-time employees. The increase is also attributable to increased health care costs.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 2,837,506	\$ 3,073,360	\$ 2,890,199	\$ 3,659,890	\$ 3,821,670
Operating Expenditures	2,399,508	2,502,774	2,469,345	2,758,950	2,976,130
Operating Budget	\$ 5,237,014	\$ 5,576,134	\$ 5,359,544	\$ 6,418,840	\$ 6,797,800
Capital Outlay	0	255,000	282,518	0	70,000
Budget Appropriation	\$ 5,237,014	\$ 5,831,134	\$ 5,642,062	\$ 6,418,840	\$ 6,867,800
Authorized Positions	64.24	72.52	72.52	71.64	71.64

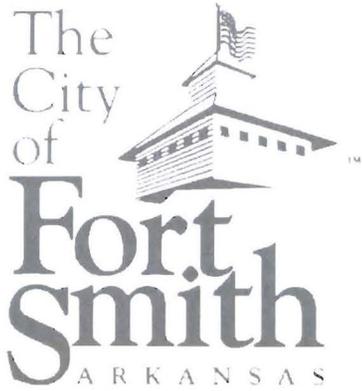
## STREETS AND TRAFFIC CONTROL DEPARTMENT 2014 SERVICE OBJECTIVES

1. Continue to respond to citizens request for service in a timely, effective and efficient manner.
2. Continue to lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches and channels, and drainage structures.
3. Continue to preserve the appearance of public property by mowing detention ponds, levees and City owned right of way and drainage easements.
4. Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.).
5. Develop a sidewalk repair plan to better plan the location of sidewalk repairs and replacements.
6. Continue to improve the efficiency of the snow removal program by further equipping trucks with snow plows and spreaders and better utilizing crews in storm events.

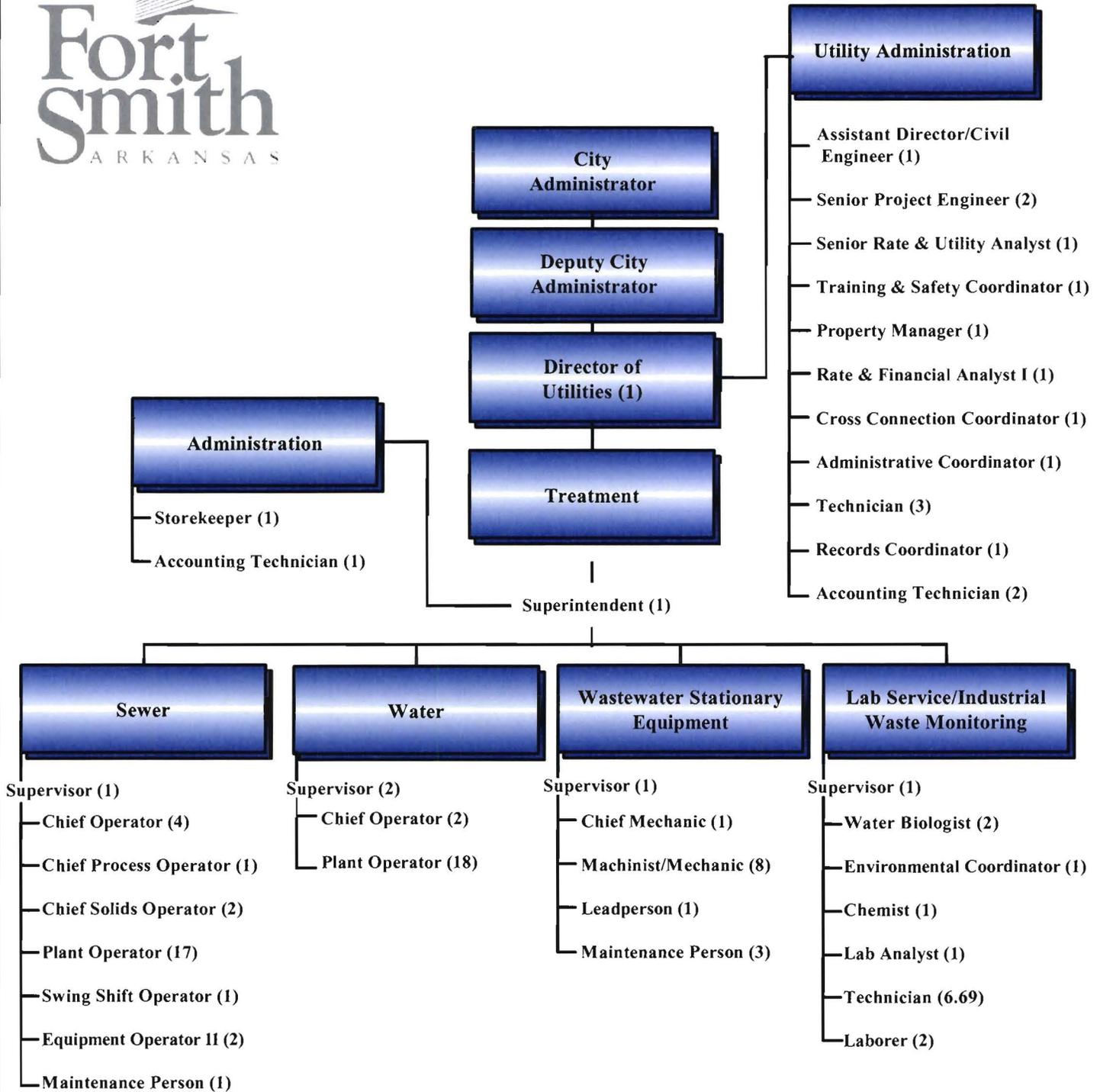
## STREETS AND TRAFFIC CONTROL DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Continue to respond to citizen's request for service in a timely, effective and efficient manner.*  
**Outcome:** Quick response remains a top priority. We have implemented different ways for citizens to report problems. The department now has a Facebook page where we receive comments and complaints.
  
2. **Service Objective:** *Lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches and channels.*  
**Outcome:** We continue to clear miles of major creeks and concrete channels. Placed rip rap in channels to reduce maintenance problems. Cleaned and flushed storm drains throughout the city and re-graded miles of roadside ditches.
  
3. **Service Objective:** *Preserve the appearance of public property by mowing detention ponds, levees and City owned right of way.*  
**Outcome:** Mowing has continued and about 80 trees have been removed from city right-of-way. The new sidewalks being constructed have also attributed positively to the appearance of public right-of-way.
  
4. **Service Objective:** *Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.).*  
**Outcome:** Signals have been kept in working order and improvements to traffic flow have been continually implemented. We have streamlined the crosswalk striping at intersections and cut costs by changing high performance paints that we can replace when worn with painting over in lieu of grinding up the old stripes.
  
5. **Service Objective:** *Implement a sidewalk repair and construction crew that handles the sidewalk construction program for the City in lieu of contracting the work to outside contractors.*  
**Outcome:** The sidewalk program is moving forward and has made a very positive impact on the city. *The two sidewalk crews replaced over three miles of deteriorated sidewalk in the first six months of 2013. This is significantly ahead of our projection of four miles per year. Citizens are seeing the positives of this work and we are continually getting positive comments about the sidewalk work and crews.*
  
6. **Service Objective:** *Improve the efficiency of the snow removal program by setting up a satellite sand storage location and equipping trucks with snow plows.*  
**Outcome:** A satellite site has been constructed at the old landfill and was used in the snow events during 2013. Two plows are now in use and were instrumental in clearing roadways in this years storm events.

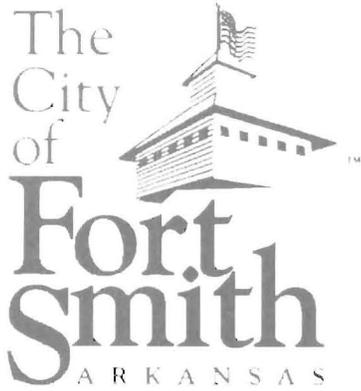
<b>KEY PERFORMANCE INDICATORS</b>							
DEPARTMENT	PERFORMANCE MEASURE	FY 2012 Target	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2014 Actual
Traffic Control (5401 and 5405)	% of traffic light repairs completed within 4 hours	100%	95%	100%	97%	100%	N/A
Street Maintenance (5304)	% of repairs (utility cuts, driveway cuts and sidewalks) within 4 days	100%	90%	100%	93%	100%	N/A
Drainage Department (5303)	Regrade major creeks (12 locations) annually	100%	83%	100%	67%	100%	N/A
Drainage Department (5303)	Complete mowing cycle every 4 weeks during the growing season	100%	100%	100%	100%	100%	N/A
Sidewalk Department (5305)	Complete 6 miles of sidewalk repair	N/A	N/A	N/A	50%	100%	N/A
Street Construction (5302)	Regrade 30% (400 blocks) of alley road ways annually	100%	88%	100%	10%	N/A	N/A
Street Construction (5302)	Complete 2011 Sidewalk Construction program as per plans	N/A	25%	100%	100%	N/A	N/A
Street Maintenance (5304) Street Construction (5302) Drainage Department (5303)	Construct Satellite Sand Site and equip trucks with snow plows.	N/A	N/A	100%	100%	N/A	N/A



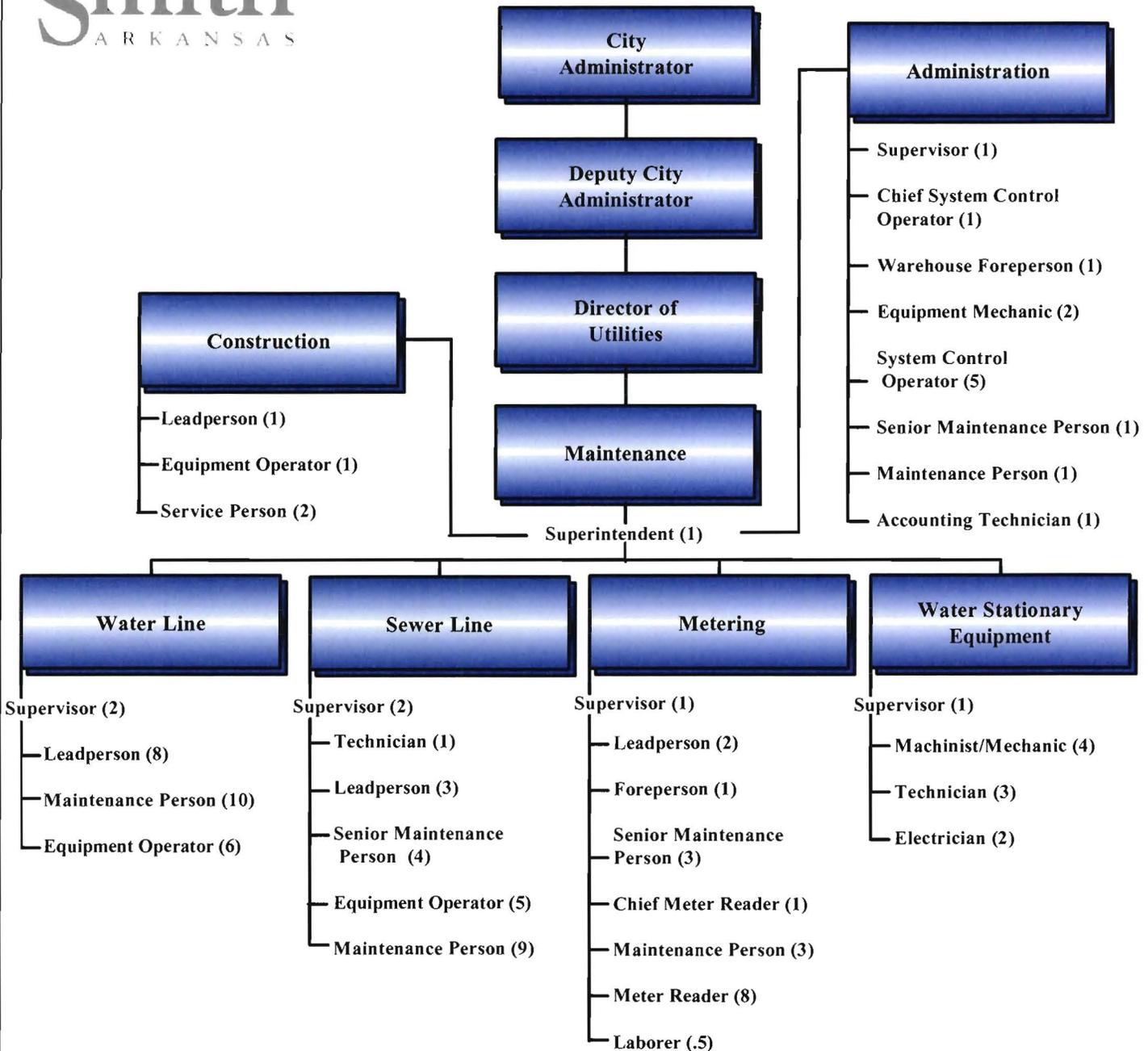
# Operation Services Water and Sewer



**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 FY14 Budget is \$505,989 or 1.4% more than the FY13 Budget. Part of the increase is due to the addition of four additional positions and the increased health care costs. Operating costs for materials and utilities are expected to increase by approximately \$97,000 in FY14. Capital equipment is approximately \$214,000 more in FY14 as compared to last year.

Total positions for the Department are 196.19 for FY14 that is four (4)FTE positions more than FY13. The additions include a rate and utility analyst I, a senior maintenance person, a warehouse forperson, and an electronics technician.

WATER AND SEWER OPERATING FUND	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenses	\$ 10,057,988	\$ 11,353,410	\$ 10,174,261	\$ 11,547,900	\$ 12,080,870
Operating Expenses	20,915,042	22,609,134	21,161,075	22,706,220	22,723,220
Operating Budget	\$ 30,973,030	\$ 33,962,544	\$ 31,335,336	\$ 34,254,120	\$ 34,804,090
Capital Outlay	1,811,605	2,363,407	1,923,033	2,577,820	1,691,400
Budget Appropriation	\$ 32,784,635	\$ 36,325,951	\$ 33,258,369	\$ 36,831,940	\$ 36,495,490
Authorized Positions	191.19	192.19	192.19	196.19	196.19

## WATER AND SEWER DEPARTMENT 2014 SERVICE OBJECTIVES

1. Use innovation and improved uses of technology to better utilize resources for serving the community.
  - Continue planning, design and construction practices that assure reliability and lower operations costs.
  - Continue the development and integration of strategic management planning and benchmark assessments.
2. Cost effective execution of the Wastewater Management Plan to meet EPA required implementation schedule for wet weather wastewater treatment and collection system improvements.
  - Complete update of Wastewater Management Plan to incorporate completed wet weather projects and management strategies.
  - Initiate construction of wet weather improvements in Mill Creek basin for pump station capacity, equalization storage, interceptor sewers and collection system rehabilitation.
  - Continue design and construction of wet weather improvements in Zero Street basin for pump station capacity, equalization storage, and collection system rehabilitation.
  - Complete installation of standby emergency power improvements for wastewater pump stations at Massard wastewater treatment plant.
  - 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.
  - Initiate construction for first section of 48 inch water transmission line for the Lake Fort Smith water treatment plant to allow delivery of 40 MGD capacity.
  - Identify funding source for the design and construction of water and wastewater improvements to serve a river front soccer complex.
  - Improve water service and upgraded fire protection through line replacement projects within older residential areas.

## WATER AND SEWER DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Use innovation and improved uses of technology to better utilize resources for serving the community. Continue planning, design and construction practices that assure reliability and lower operating costs. Continue the development and integration of strategic management planning and benchmark assessments.*

**Outcome:** Ongoing process with each construction project. The strategic plan development is underway.

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.*

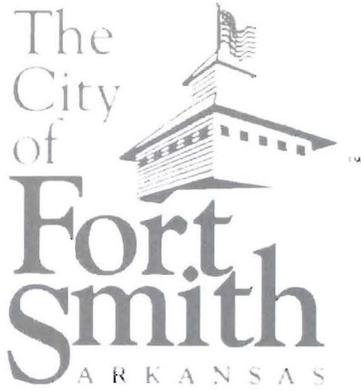
**Outcome:** Draft report of the Wastewater Management Plan has been prepared and reviewed by staff. Project design of Mill Creek basin is nearing completion with bid anticipated during the third quarter of 2013. The construction contract has been awarded for the wet weather improvements in Zero Street basin. Equipment has been purchased and site installations are underway of the standby emergency power improvements for wastewater pump stations and Massard wastewater treatment plant. The development of technical positions with the Department of Justice and EPA for resolution of the draft Consent Decree is ongoing.

3. **Service Objective:** *Plan for water and sewer extensions to support growth and better serve neighborhoods.*

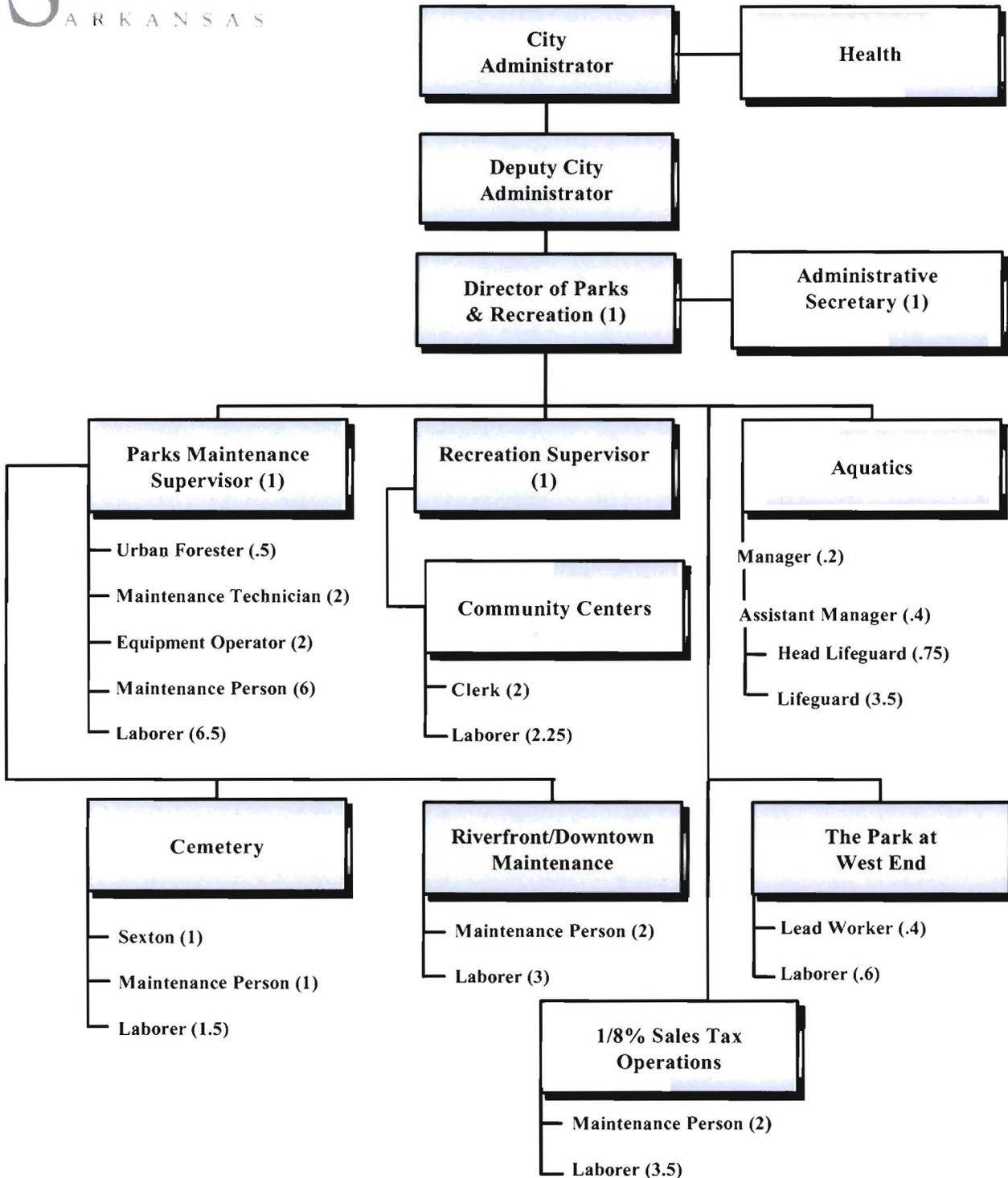
**Outcome:** Project design for the first section of 48 inch water transmission line for the Lake Fort Smith water treatment plant is nearing completion with bid opening anticipated during the third quarter of 2013. Design of improvements for the Chaffee Crossing wastewater pump station and for main to deliver wastewater flows from Fort Smith's portion of Chaffee Crossing and the city's southern growth area to Massard wastewater treatment plant is in process. Funding requirements to establish a capital improvement reserve fund to support this goal will be reviewed as part of rate study.

## WATER AND SEWER DEPARTMENT WORKLOAD/DEMAND STATISTICS

	<u>ACTUAL FY12</u>	<u>ESTIMATED FY13</u>	<u>ACTUAL FY13 thru Sept.</u>
New Water Service Line Installations	270	275	242
New Sewer Service Line Installations	67	70	50
Sewer Service Line Replacements	117	120	180
Sewer Line Replacements	2,446 LF	2,500 LF	920 LF
Total Water System Work Orders	13,617	13,800	15,605
Total Sewer System Work Orders	4,499	4,550	3955
Sewer Lines Cleaned	361,136 LF	375,000 LF	259,666 LF
Sewer Lines TV Inspected	89,580 LF	92,000 LF	67,063 LF
Locate Tickets Completed	8,952	9,130	7,083
Leaks Repaired	1,043	1,065	657



# 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 eight programs: 6101 Health, 6201 Parks Maintenance, 6202 Oak Cemetery, 6204 Community Centers, 6205 Aquatics; 6206 River Park/Downtown Maintenance, 6207 The Park at West End and 6208 1/8% Sales Tax Operations. The functions of the Department include maintenance and beautification of City parks 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. This department will manage and operate the city/county aquatics part once it becomes operational in 2015.

The FY14 Budget is \$1.06 million less than the FY13 Budget. The decrease is primarily due to the capital projects. Some of the capital projects funding in FY13 will be brought forward as encumbrances in FY14 as there were multi-year projects.

The Department has 45.1FTE positions allocated for FY14 that is same as FY13.

PARKS & RECREATION	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 1,452,284	\$ 1,736,580	\$ 1,419,477	\$ 1,758,890	\$ 2,229,740
Operating Expenditures	902,288	1,079,650	811,839	1,089,050	1,857,690
Operating Budget	\$ 2,354,572	\$ 2,816,230	\$ 2,231,316	\$ 2,847,940	\$ 4,087,430
Capital Outlay	30,015	2,877,450	2,964,373	1,790,420	2,000,750
Budget Appropriation	\$ 2,384,587	\$ 5,693,680	\$ 5,195,689	\$ 4,638,360	\$ 6,088,180
Authorized Positions	38.10	45.10	45.10	46.10	45.10

### PARKS AND RECREATION DEPARTMENT GOAL

To position the City of Fort Smith to attract and retain your professionals through the utilization and enhancement of its parks, trails, and recreation programming.

### PARKS AND RECREATION DEPARTMENT 2014 SERVICE OBJECTIVES

1. Study the need for Kelley Stage to be expanded as a permanent expansion or with temporary staging, identify funding options, and contract with a consultant if it is determined a permanent stage addition is needed.
2. Contract with a consultant to assist with identifying the need for extreme sports and identify funding options for planning, building, and operating these facilities.
3. Contract with a consultant with the Engineering Department to study the incorporation of bike lanes into transportation planning.
4. Study and make a recommendation on the re-prioritization of projects to allow for more funding for the development of trails sooner in the Capital Improvements Plan.
5. Study and make a recommendation along with the Advertisement and Promotion Commission to provide seed money for a new signature event.
6. Study and recommend the resources needed for the department to acquire the role of Sports Council.
7. Continue to meet the goals of the Capital Improvements Plan through the dedicated funding of the sales and use

KEY PERFORMANCE INDICATORS						
Parks and Recreation Department Divisions	Performance Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2014 Actual
Park Maintenance 6201	Mow each park weekly during the mowing season (approx. 24)	Approx. 20 (excessive heat and drought)	24	24	24	
Oak Cemetery 6202	Mow the cemetery weekly during the mowing season (approx. 24)	Approx. 20 (excessive heat and drought)	24	24	24	
Community Centers 6204	Maintain the same number of hours reserved	+ 16%	5,200 Hours	5,084	4,900 Hours	
Aquatics 6205	Maintain the same revenue to expense ratio	37%	45%	45%	45%	
Riverfront, Downtown 6206	Maintain the same level of hours reserved	- 11%	3,775 Hours	3,859	3,500 Hours	
The Park at West End 6207	Maintain the same level of revenue	20,500	21,500	28,169	21,500	

## PARKS AND RECREATION DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Enhance communication with citizens through social media and other forums.*

**Outcome:** Facebook and Twitter are being used to communicate programs and activities scheduled in the parks and improvements being made to the parks.

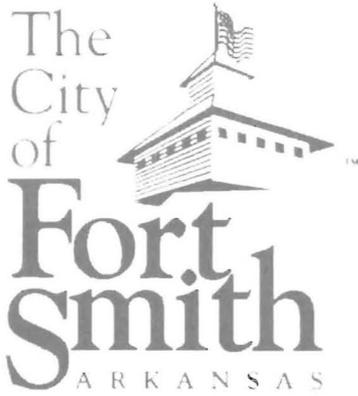
2. **Service Objective:** *Provide additional recreation opportunities by planning and constructing two softball fields and aquatics center at Ben Geren Park, a softball tournaments complex at Chaffee Crossing; and a riverfront soccer complex.*

**Outcome:** The Ben Geren softball field project has been bid and construction will begin in 2013 with a completion date in late spring 2015. The Ben Geren Aquatic Park has been given direction from the Board and Quorum Court. A construction manager is being selected with plans expected to be complete and the project bid in 2013 with a completion date of 2015. The tournament sports complex at Chaffee Crossing is being prepared to receive proposals from organizations to build and operate the facility. The Riverfront Drive soccer complex project has not begun to date.

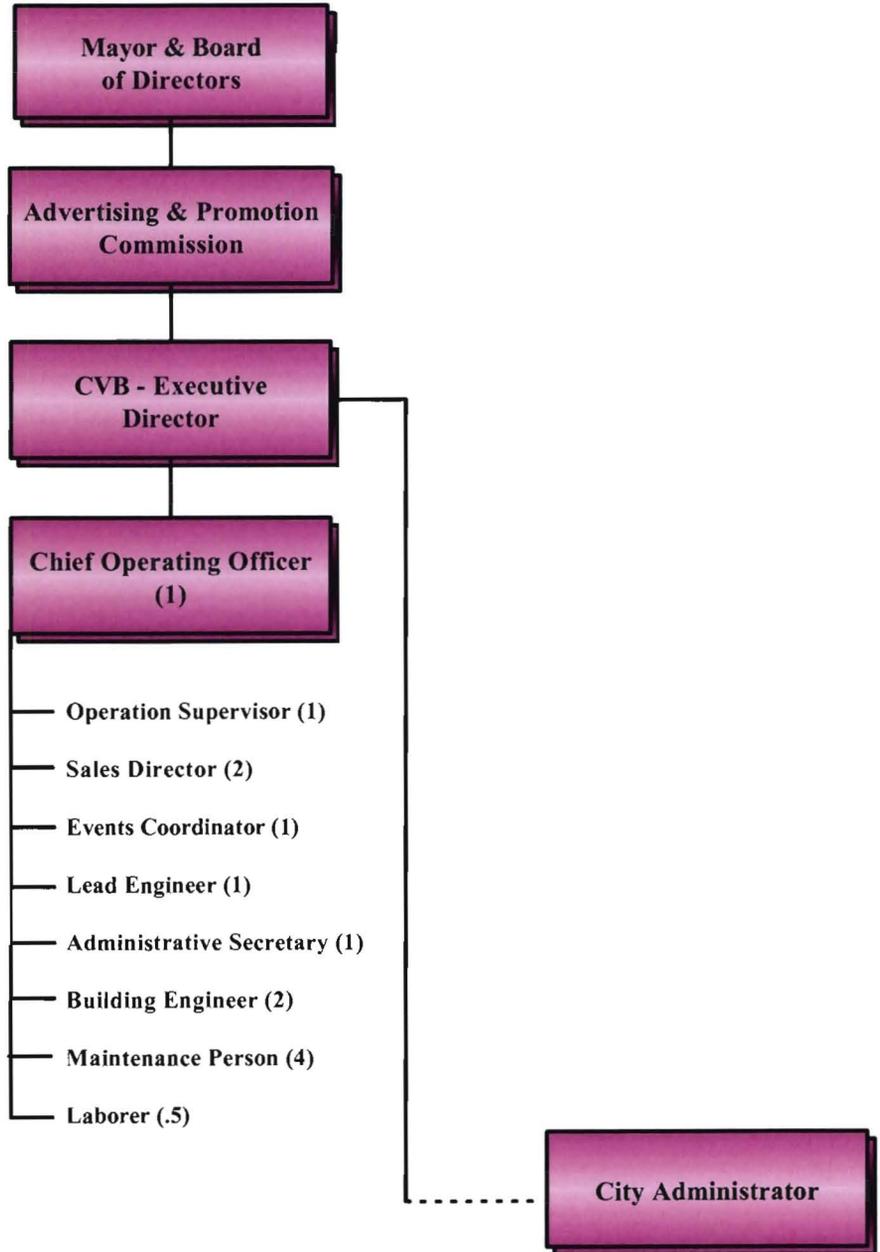
3. **Service Objective:** *Improve the accountability and performance measurement of our budget by including key performance indicators for the parks department as outlined below:*

**PARKS AND RECREATION DEPARTMENT  
WORKLOAD/DEMAND STATISTICS**

	<u>ACTUAL FY12</u>	<u>BUDGET FY13</u>	<u>ACTUAL THRU 11/30</u>	<u>BUDGET FY14</u>
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	330,200	330,000
Medians Maintained	50	60	60	60
Street Easements Maintained-Miles	8	8	8	8
Trees Planted	239	120	40	25
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	\$11,046	\$11,500	\$12,865	\$11,500
Train Riders	44,184	46,000	51,460	46,000
Cemetery Spaced/Niches Sold	77	40	117	40
Cemetery Interments/Interments/ Scatterings	70	50	62	50
Cemetery Revenue	\$65,494	\$50,000	\$80,600	\$50,000
Community Center Bookings	1,065	650	921	900
Community Center Patrons	45,000	35,000	46,050	45,000
Community Center Revenue	\$24,495	\$36,000	\$38,282	\$35,000
Number of Community Centers	2	2	2	2
Aquatic Admissions	34,783	33,000	32,736	35,000
Aquatic days of Operations	84	90	84	90
Aquatic Revenue	\$79,436	\$65,000	\$70,991	\$70,000
Red Cross Class Provider Revenue	-	-	\$6,459	\$35,000
Number of Swimming Pools	1	1	1	1
Number of Wading Pools	3	3	3	3
Splashpad	1	1	1	1
Riverpark Bookings	570	450	403	500
Riverpark Patrons	42,000	55,000	32,240	40,000
RiverPark Revenue	\$43,470	\$50,000	\$38,706	\$50,000
Number of Facilities	3	3	3	3
Total Events	55	75	76	70
Total Events Patrons	85,000	60,000	92,855	60,000
Private Events	40	40	49	40
Private Event Patrons	35,000	40,000	56,355	40,000
Parks and Recreation Events	15	35	27	30
Parks and Recreation Events Patron	50,000	60,000	36,500	20,000
Park at West End Revenue	\$22,610	\$23,000	\$28,169	\$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 FY14 Budget is \$28,240 or 1.8% less than the FY13 Budget. The decrease is in the capital improvements due to budget constraints. The City General Fund will provide \$777,000 to the Convention Center Fund in FY14 as it did in FY13.

The Convention Center has 13.50FTE positions for FY14 that is the same as FY13.

CONVENTION CENTER	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 707,875	\$ 804,050	\$ 798,341	\$ 818,390	\$ 880,830
Operating Expenditures	568,235	629,400	591,861	671,320	709,710
Operating Budget	\$ 1,276,110	\$ 1,433,450	\$ 1,390,202	\$ 1,489,710	\$ 1,590,540
Capital Outlay	9,960	101,500	116,959	17,000	90,500
Budget Appropriation	\$ 1,286,070	\$ 1,534,950	\$ 1,507,161	\$ 1,506,710	\$ 1,681,040
Authorized Positions	13.50	13.50	13.50	13.50	13.50

## CONVENTION CENTER 2014 SERVICE OBJECTIVES

1. Attract new clients and retain the current 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. Continue to 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.
6. Continue administering the client survey "report card" program designed to gather feedback about service levels and quality of facilities from our clients. Achieve minimally a 25% client response rate, garnering a completed report card from approximately 25% of our events. Maintain an overall score showing that the center meets or exceeds expectations 95% of the time in all areas of sales and planning process and operations areas.
7. In conjunction with the CVB staff, center staff will populate the Event Impact Calculator with appropriate event details within three months following the event's conclusion. This objective will ensure the CVB goal of producing/publishing measureable local/regional economic impact data in a timely fashion.

## REVENUE GOALS FOR 2013

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

	Revenue Goal	Revenue Thru Oct.
25 Large Center Programs/Concerts	\$ 140,000	\$ 131,734
20 Exhibits and/or Tradeshows	132,000	72,457
10 State Conventions/Meetings/Events	36,500	37,742
10 Regional/National/Conventions/Meetings/Events	36,500	32,969
75 Local Events	100,000	86,914
60 Theater Events	130,000	94,315
200 Events		
Catering/Concessions/Vending	40,000	59,133
Total	\$ 615,000	\$ 515,264

## REVENUE GOALS FOR 2014

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

	Revenue Goal
36 Large Center Programs/Concerts	\$115,000
14 Exhibits and/or Tradeshows	\$105,500
9 State Conventions/Meetings/Events	\$53,500
9 Regional/National/Conventions/Meetings/Events	\$41,000
75 Local Events	\$109,500
57 Theater Events	
Catering/Concessions/Vending/Beverages	\$65,000
200 Events	
Total Revenue	\$580,000

## 2014 STRATEGIES

1. Achieve goal of prospecting and qualifying at least 15 new potential clients weekly.
2. Maintain memberships with several industry related organizations such as Arkansas Society of Advertising Executives (ASAE), Religious Conference Management Association (RCMA), Collinson Media's Connect Marketplace and Rejuvenate Marketplace, and the National Guard of Arkansas Association.
3. 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 short-term business by maintaining communication with active client leads.
4. Provide timely and precise followup on all sales and event related inquiries. Every inquiry is a potential client. Files and communication records will be created for all inquiries regardless of the booking outcome.
5. Provide our clients with quality sales collateral to include facility portfolio, meeting space diagrams, hotel and local business and attraction information in conjunction with the Fort Smith Convention and Visitor's Bureau.
6. Market in conjunction with the Fort Smith Convention and Visitor's Bureau to have a broader reach not only locally, but regionally and nationally.
7. 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.
8. Work with the Fort Smith Convention and Visitors Bureau/A&P Commission to extend incentives for conventions through the co-operative program currently in place. Groups must meet specific criteria (i.e. minimum 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.
9. Participate in industry trade shows to develop a high level of awareness of the Fort Smith Convention Center as a meeting and convention destination through participation in industry trade shows with colleagues from the Fort Smith Convention and Visitor's Bureau as well as networking at local events.

10. Maintain memberships in organizations that promote local development and growth, such as Chamber of Commerce, Western Arkansas Mountain Frontier (WAMF), International Association of Venue Managers and Arkansas Hospitality Association (AHA).
11. Remain abreast of industry information to discover new event/booking trends that could be successful in the Fort Smith/River Valley area.
12. Maintain continuous assessment of the facilities, schedule regular servicing of equipment, provide ongoing preventive maintenance and seek out energy efficiency opportunities.
13. Establish relationships with convention center sales/operations staff at facilities in Hot Springs, Little Rock and other regional cities to expose show routing opportunities previously not explored.

## CONVENTION CENTER 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Attract new clients and retain current client base with excellent customer service. Seek new opportunities to ensure clients receive the best value and service for their money.*

**Outcome:** Achieved and ongoing. 83 new accounts added through September 2013. 862 potential clients and other citizens participated in site tours through September 2013.

2. **Service Objective:** *Next to customer service, operational efficiencies will be a top priority for staff. Each team member will establish ongoing programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.*

**Outcome:** Achieved and ongoing. Operations team is centered on customer service and operational efficiency, resulting in maximized service levels and minimized overtime expenses. Operations team has been challenged during 2013 and 2012 keeping consistent with facility upkeep and cleanliness day to day due to elevated event levels. Despite the challenge, the team has improvised ways to achieve the objectives. Sales and Event planning team is consistently focused on selling event space and servicing clients needs at all hours of the day. Sales managers are often stepping in to assist in the event planning process to balance the work load of the Event Coordinator/Planner.

3. **Service Objective:** *Capitalize on the new working relationship with the Convention and Visitors Bureau with regard to integrated marketing. Partnership allows the Convention Center to be better poised to achieve brand recognition, credibility and greater market share. Emphasis will be placed on the new partnership in marketing strategies to maximize customers understanding of the benefits and opportunities the partnership creates.*

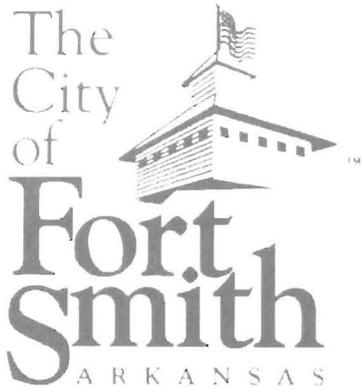
**Outcome:** Achieved and ongoing. Convention Center staff and CVB staff attended Religious Conference Managements Association (RCMA), Army National Guard Association of Arkansas, Arkansas Society of Association Executives, Collaborate Marketplace, and Rejuvenate Marketplace. FSCC and CVB will co-advertise in Arkansas Business. The FSCC and CVB regularly team up to book events such as the Christian Congregation of Jehovah's Witnesses, Mid-America President Elect Training Seminars and the Episcopal District AME youth events.

4. **Service Objective:** *Create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. Future capital needs for replacements have been identified to ensure the facility is up to date.*

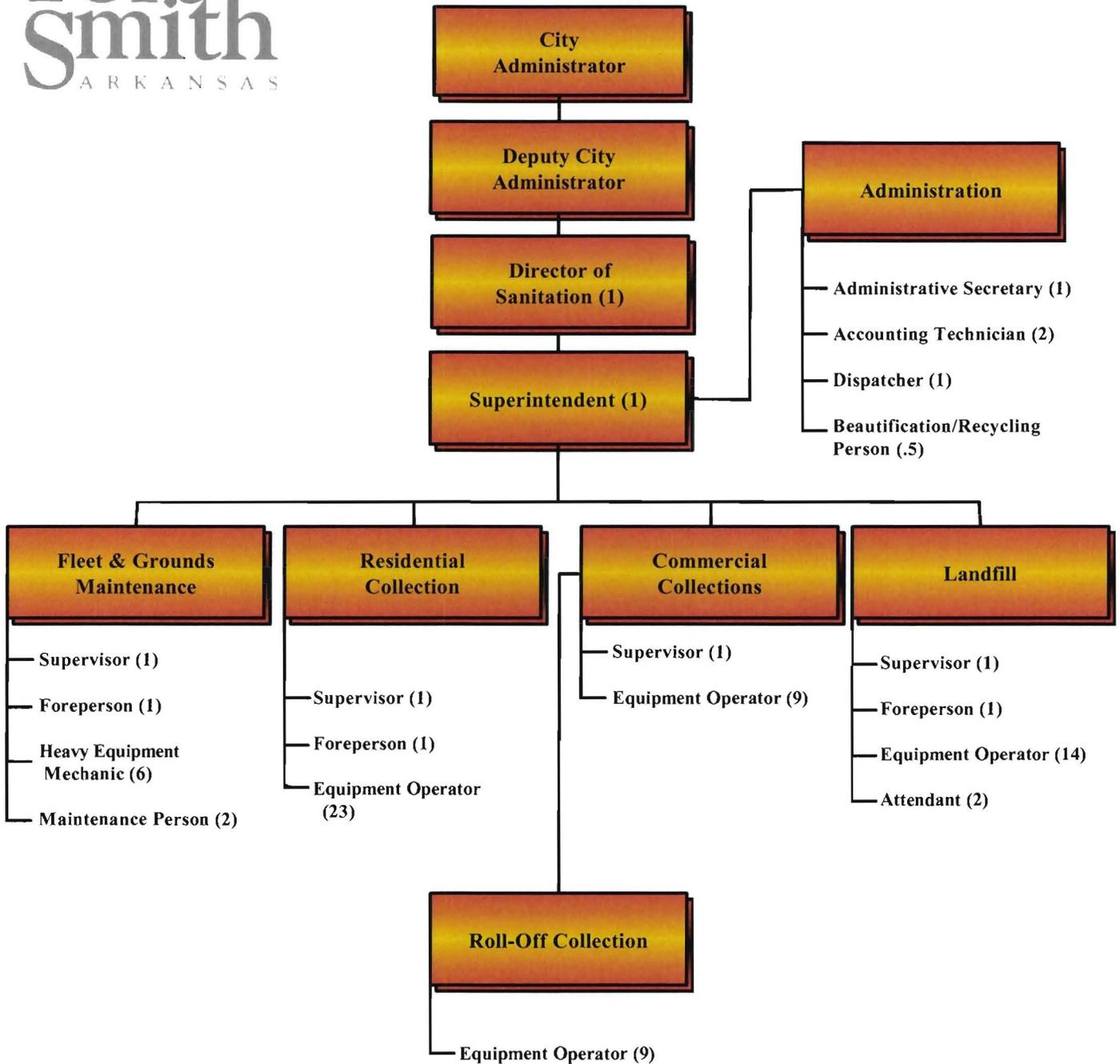
**Outcome:** Achieved and ongoing. Staff follows a regimented schedule of facilities upkeep and cleanliness. Staff teams maintain working relationships with over 28 restaurants and caterers in the River Valley approved to cater events at the Convention Center. Staff is also active in the Arkansas Hospitality Association (AHA) and the Western Arkansas Mountain Frontier Association (WAMF).

5. **Service Objective:** *Maximize revenue to allow for future growth by controlling costs, additional services, increasing utilization and creating a price schedule that properly reflects the market and economic realities to maximize bookings and regain customers who may have chosen alternative venues based on affordability.*

**Outcome:** Achieved and ongoing. The Convention Center has added services which drive additional revenue sources from events. Examples include; providing in-house alcohol service, in-house ticketing of events, offering in-house audio visual solutions and collecting service fees for additional event labor and equipment rentals. Sales staff is constantly in tune with local and regional market conditions and competitor strategies, which helps in negotiating with prospective clients. The center has also begun to benefit from the closure of the Phoenix Expo Center in June and picked up new event bookings for 2013 and 2014.



# 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 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 FY14 Budget is \$207,199 or 1.9% less than the FY13 Budget. The decrease is in capital equipment between years of approximately \$192,000. This is offset by the anticipated increased health insurance contributions and the addition of the 0.50FTE position in 2014.

The Sanitation Department has 78.50FTE positions for FY14, that includes the addition of a 0.50FTE beautification position.

SANITATION DEPARTMENT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenses	\$ 4,581,657	\$ 4,739,290	\$ 4,583,589	\$ 4,770,230	\$ 5,030,520
Operating Expenses	3,727,784	4,415,636	4,219,739	4,369,910	4,463,190
Operating Budget	\$ 8,309,441	\$ 9,154,926	\$ 8,803,328	\$ 9,140,140	\$ 9,493,710
Capital Outlay	1,233,696	2,023,563	1,413,359	1,831,150	566,340
Budget Appropriation	\$ 9,543,137	\$ 11,178,489	\$ 10,216,687	\$ 10,971,290	\$ 10,060,050
Authorized Positions	78.00	78.00	78.00	78.50	78.00

## SANITATION DEPARTMENT 2014 SERVICE OBJECTIVES

1. Continued expansion and increase participation of the Residential Automated Refuse Collection Program.
2. Increase participation of local businesses in the Operation GO (Green Office) commercial recycling program.
3. Complete construction of the Regional Sanitary Landfill Scale House.
4. Improve safety and security of and access to the landfill, as required by state permit, by redesigning the gate and entrance to the department facility to include an access control system, traffic calming devices, and continued expansion of video surveillance systems.
5. Create a marketing plan to promote commercial and industrial collection and regional sanitary landfill services.
6. Conduct a comprehensive regional sanitary landfill environmental audit.

## SANITATION DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Continue expansion of the automated refuse collection system.*  
**Outcome:** The final expansion of the Automated Refuse Collection program was completed in December 2012.
2. **Service Objective:** *Begin implementation of an Automated Recycling Collection Program.*  
**Outcome:** The first phase of the program began on April 29, 2013 for approximately 8,233 households.

3. **Service Objective:** Increase participation of local businesses in the Operation GO (Green Office) commercial recycling program.

**Outcome:** Recyclables collection tonnage for Operation GO increased by 23.8%. Fifty-two (52) new businesses began participation during 2013.

4. **Service Objective:** Enhance departmental grounds and facility asset security by expanding the video surveillance system.

**Outcome:** Expansion of the system was completed in June 2013.

5. **Service Objective:** Complete construction of the regional sanitary landfill scale facility.

**Outcome:** Construction on the facility began on June 26, 2013.

**Department of Sanitation  
Key Performance Indicators**

	Actual FY11	Actual FY12	Actual FY13	Target 2014
Cubic Yards of Residential Recyclables Diverted from the Landfill	15,359	14,160	15,867	15,900
Cubic Yards of Residential Yard Waste Diverted from the Landfill	25,899	21,020	24,933	25,100
Residential Collections Serviced by the Trouble Shooter per Day	163	180	291	275
Cubic Yards of Commercial Recyclables Diverted from the Landfill	6,991	6,807	6,329	6,450
Gallons of Diesel Fuel Consumed per 1,000 Customers (Residential, Commercial, Industrial Collections)*	551	569	502	475

**Other Performance Indicators / Service Measures**

	Actual FY11	Actual FY12	Actual FY13	Target 2014
<b>Residential Accounts</b>				
Residential Accounts	26,265	29,021	29,122	29,250
Requests for Dial-A-Truck	3,880	3,784	3,622	3,575
Tons of Residential Refuse Collected Per Year	22,246	22,500	21,899	21,500
<b>Commercial Container Accounts:</b>				
Tons Collected Per Week	399	391	373	385
Tons Collected Per Year	20,738	20,339	19,404	20,000
<b>Industrial Roll-Off Accounts:</b>				
Tons Collected Per Week	736	732	801	808
Tons Collected Per Year	38,260	38,068	41,634	42,000
<b>Landfill Operations</b>				
Tons of Refuse Disposed at Landfill Per Year	226,391	212,982	303,818	250,000
Tons of Yard Waste Diverted from Landfill	7,258	6,652	7,481	7,600

\*Gallons of Diesel Fuel Consumed per 1,000 customers included the landfill division in the 2012 & 2013 budget. The corrected numbers are above.

**SANITATION DEPARTMENT  
KEY PERFORMANCE INDICATORS**

	<u>ACTUAL FY11</u>	<u>ACTUAL FY12</u>	<u>ACTUAL FY13</u>	<u>TARGET FY14</u>
Cubic Yards of Residential Recyclables Diverted from the Landfill	15,539	14,160	15,867	15,900
Cubic Yards of Residential Yard Waste Diverted from the Landfill	25,899	21,020	24,933	25,100
Residential Collections Serviced by the Trouble Shooter Per Day	163	180	291	275
Cubic Yards of Commercial Recyclables Diverted from the Landfill	6,991	6,807	6,329	6,450
Gallons of Diesel Fuel Consumed per 1,000 Customers (Residential, Commercial, Industrial Collections)	551	569	502	475

**OTHER PERFORMANCE INDICATORS/SERVICE MEASURES**

**Residential Accounts**

Residential Accounts	26,265	29,021	29122	29,250
Requests for Dial-A-Truck	3,880	3,784	3622	3,575
Tons of Residential Refuse Collected Per Year	22,246	22,500	21899	21,500

**Commercial Container Accounts**

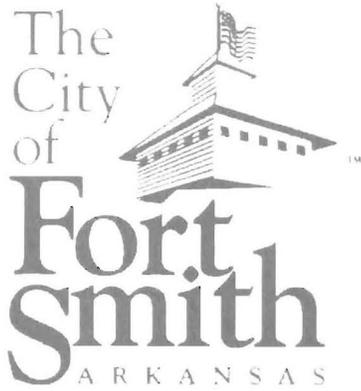
Tons Collected Per Week	399	391	373	385
Tons Collected Per Year	20,739	20,339	19,404	20,000

**Industrial Roll-Off Accounts**

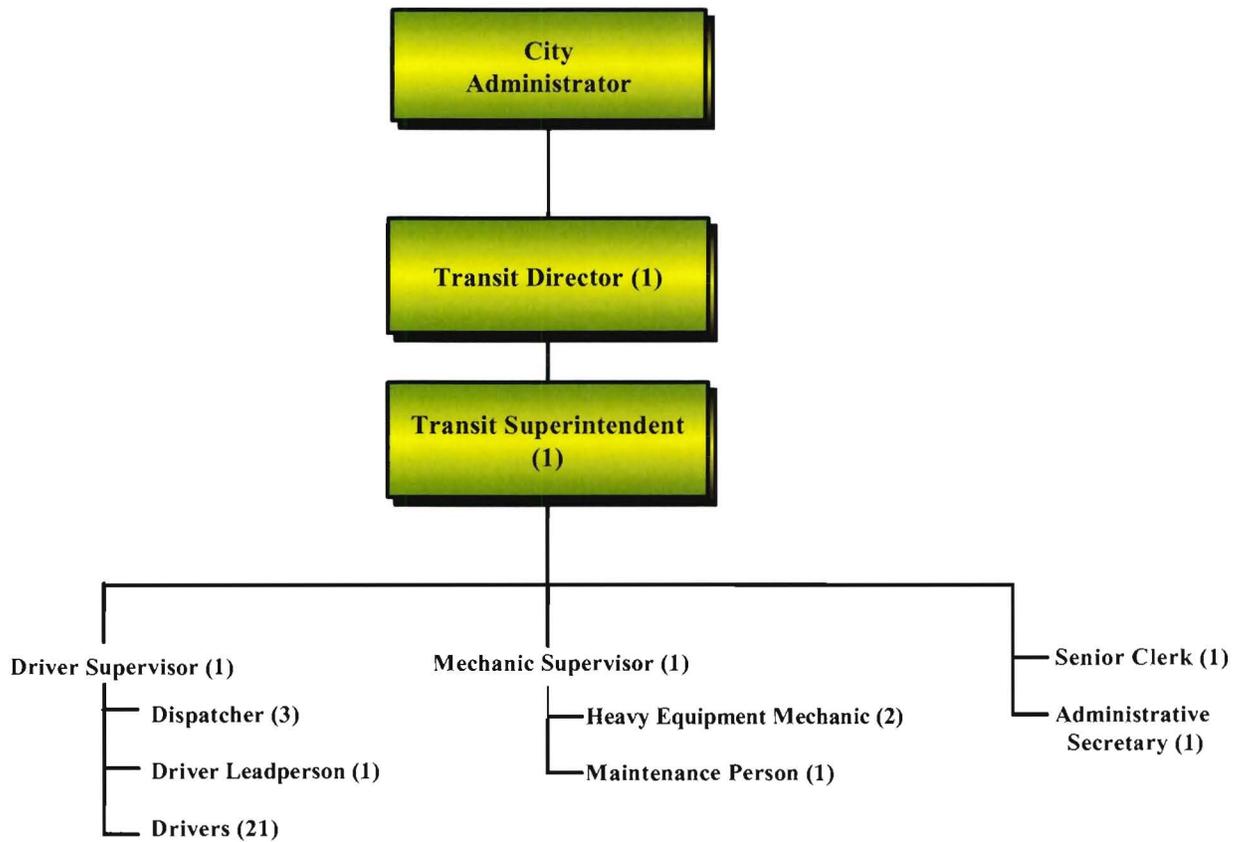
Tons Collected Per Week	797	732	801	808
Tons Collected Per Year	38,260	38,068	41,634	42,000

**Landfill Operations**

Tons of Refuse Disposed at Landfill Per Year	226,391	212,982	303,818	250,000
Tons of Yard Waste Diverted from Landfill	7,258	6,652	7,481	7,600



# 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 FY14 Budget is \$497,528 or 15.9% less than the the FY13 Budget. The decrease is attributable to the elevator capital project completed in FY13 and there being no similar project in FY14. The elimination of the 2FTE positions does not decrease personnel costs due to the significant increase in employee health contributions in 2014.

The total personnel in the Department is allocated at 34FTE for FY14 that is 2FTE less than FY13. Two driver positions were eliminated for FY14 due to route reconfiguration.

TRANSIT DEPARTMENT	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 1,532,552	\$ 1,750,540	\$ 1,626,017	\$ 1,793,650	\$ 1,929,600
Operating Expenditures	568,648	533,538	556,445	626,500	546,160
Operating Budget	\$ 2,101,200	\$ 2,284,078	\$ 2,182,462	\$ 2,420,150	\$ 2,475,760
Capital Outlay	147,024	851,300	791,747	217,700	300,000
Budget Appropriation	\$ 2,248,224	\$ 3,135,378	\$ 2,974,209	\$ 2,637,850	\$ 2,775,760
Authorized Positions	36.00	36.00	35.00	34.00	34.00

## TRANSIT DEPARTMENT 2014 SERVICE OBJECTIVES

1. Research new scheduling software applications that provide tools and options for real time public access electronically.
2. Convert two new buses to compressed natural gas to replace existing demand response buses.
3. Plan and design a seasonal bus route in anticipation of the water park at Ben Geren park.
4. Implement key performance indicators for 2014 as outlined below:

### Key Performance Indicators 2014

NAME	PURPOSE	PERFORMANCE	TARGET
Ridership	Encourage demand response riders to shift service usage to fixed route since demand response is significantly more costly to operate than the fixed route service.	Increase fare structure for demand response and develop incentives for more utilization of the fixed routes.	5% shift in riders from demand response to fixed route service.
Capital Assets	Compliance with the new MAP-21 requirements in the area of asset management.	Develop asset management plan that assesses needs and prioritizes investments for bringing all assets into a state of good repair.	Implement plan to increase life of capital assets which include transit equipment and vehicles.
Alternative Fuels	Environmental sustainability/reduction in carbon emissions and improve energy efficiency.	Secure funding for the conversion of 2 replacement buses to compressed natural gas.	Increase total CNG vehicles from 1 to 3 (from 6% of fleet to 20%).

## TRANSIT DEPARTMENT 2013 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Develop new rider information packet with DVD to improve customer understanding of the transit system.*

**Outcome:** A new rider packet was developed and will be distributed beginning in 2014. The amended packet provides a wealth of information regarding transit services and options in a consolidated format.

2. **Service Objective:** *Install an elevator to improve ADA passenger access to the transit office building.*

**Outcome:** The elevator project was completed on schedule and now provides full ADA access to all transit offices.

3. **Service Objective:** *Implement a bus tracking application as an electronic tool for public access to real time location of fixed route buses.*

**Outcome:** The bus tracking application has been postponed due mid year budget reduction requirements during 2013.

4. **Service Objective:** Implement key performance indicators for 2013.

**Outcome:** Staff researched various methods to achieve target activities outlined in the outcome of key performance indicators for 2013.

## NON-DEPARTMENTAL

NON-DEPARTMENTAL	ACTUAL FY 12	BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenditures	3,765,087	3,939,489	4,129,933	3,935,365	4,017,000
Operating Budget	\$ 3,765,087	\$ 3,939,489	\$ 4,129,933	\$ 3,935,365	\$ 4,017,000
Capital Outlay	1,368,712	1,309,656	1,396,279	1,323,404	1,154,500
Budget Appropriation	\$ 5,133,799	\$ 5,249,145	\$ 5,526,212	\$ 5,258,769	\$ 5,171,500
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 page.

**GENERAL FUND**

Allocation to Outside Agencies	162,000
Port Authority Insurance & Advertising	8,000
Fort Smith Museum of History - Utilities	20,000
SRCA, Inc. Social Services	173,893
Transfer to Cleanup/Demolition	90,000
Transfer to Parking Authority Fund	200,000
Transfer to Convention Center Fund	777,000
Property Insurance Deductible	5,000
Fort Chaffee Redevelopment Authority	84,400
Western Arkansas Regional Intermodel Authority (RITA)	50,000
Fort Smith Public Library-6% County Sales Tax Allocation	925,572
US Marshals Museum	50,000
Area Agency on Aging	50,000
Project Compassion	7,500
	<hr/>

Sub-Total 2,603,365

**STREET MAINTENANCE FUND**

50/50 Sidewalk Repair Program	\$ 15,000
DRIPP	20,000
Sinking Account	316,925
Property Insurance Deductible	5,000
Transfer to General Fund	89,000
	<hr/>

Sub-Total 445,925

**WATER AND SEWER OPERATING FUND**

James Fork Association-Annual Payment Per Agreement	280,000
Property Insurance Deductible	15,000
Transfer to General Fund	89,000
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384,000

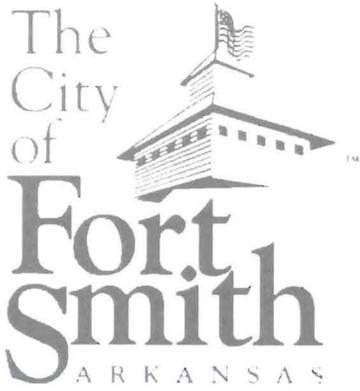
**SANITATION OPERATING FUND**

Transfer to Sanitation Sinking Fund for Equipment Replacement	1,006,479
Transfer to Sanitation Sinking Fund for Closure/Postclosure Care Costs	250,000
Transfer to Cleanup/Demolition Fund	470,000
Transfer to General Fund	89,000
Property Insurance Deductible	10,000
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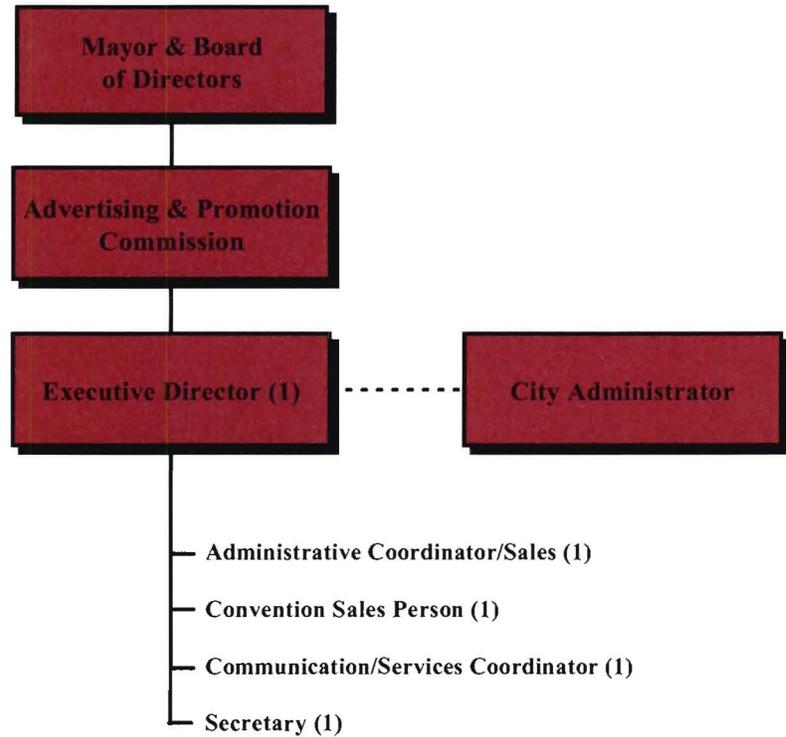
Sub-Total 1,825,479

GRAND TOTAL

\$ 5,258,769



# 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 FY14 Budget is \$44,564 or 5.5% less than the FY13 Budget. The decrease is in the operating costs for the program. The authorized positions for FY14 total 5.0FTE which is the same as FY13.

CONVENTION & VISITORS BUREAU	ACTUAL FY 12	AMENDED BUDGET FY 13	ESTIMATED FY 13	BUDGET FY 14	BUDGET FY 15
Personnel Expenditures	\$ 330,156	\$ 352,430	\$ 350,053	\$ 360,800	\$ 387,710
Operating Expenditures	406,511	460,404	416,866	407,470	407,470
Operating Budget	\$ 736,667	\$ 812,834	\$ 766,919	\$ 768,270	\$ 795,180
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 736,667	\$ 812,834	\$ 766,919	\$ 768,270	\$ 795,180
Authorized Positions	5.00	5.00	5.00	5.00	5.00

## CONVENTION AND VISITORS BUREAU 2014 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. Continue to build on 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. Continue to 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, the Phoenix Village Expo and the Kay Rodgers Park Expo Facility.

12. Place increased emphasis on rebooking successful events, particularly those that comprise a two state region of attendees of Arkansas and Oklahoma memberships, taking advantage of our geographic location as a "border destination".
13. Capture on a regular basis, past event statistics for use in the Event Impact Calculator to maximize our knowledge of the economic value of hosted events.

### CONVENTION AND VISITORS BUREAU

#### 2014 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% to 165.
3. Contribute to the increase in Fort Smith area hotel occupancy through and increase in convention/event guests. Influence achievement in 3% occupancy tax to a minimum of \$750,000.
4. Increase the number of citywide convention/event proposals by 20% to 43.
5. Increase the number of motor coach tour groups into the Fort Smith area by 10% to 74.
6. Increase the number of guests to the Fort Smith Visitor Information Center, "Miss Laura's" and Chaffee Barber Shop by 3% to 13,800.
7. Influence a consistent monthly increase in web site and Facebook activity.

### CONVENTION AND VISITORS BUREAU 2013 SERVICE OBJECTIVES AND OUTCOMES

SERVICE OBJECTIVE	OUTCOME			
	Actual FY12	Budget FY13	Estimated FY13	Budget FY14
1. Maximize exposure of the Fort Smith area through advertisements & articles about the City of Fort Smith hospitality offerings.	1,874 column inches of editorial	2,750 column inches of editorial	Through Sept. 1,131 inches editorial	2,000 column inches of editorial
2. Increase number of leads provided to the Fort Smith Convention Center and the Fort Smith Hospitality Community by 10%.	109 leads (2011-2012)	142 leads (2012-2013)	150 leads (2012-2013)	165 leads (2013-2014)
3. Contribute to an increase in Fort Smith area hotel occupancy through an increase in convention/event guests.	Room Tax \$708,140	Room Tax \$794,589	Room Tax \$498,030 -7% (Jan-Sept)	Room Tax \$750,000
4. Increase the number of city-wide convention/event proposals by 20%.	18 (2011-2012)	23 (2012-2013)	36 (2012-2013)	43 (2013-2014)
5. Increase the number of tour groups into the Fort Smith area by 10%.	87	62	41 Thru Sept.	74
6. Increase the number of guests to the Fort Smith Visitor Information Center, "Miss Laura's" and Chaffee Barber Shop attraction by 3%.	12,718	13,421	10,079 Thru Sept.	13,800
7. Influence a consistent monthly increase in web site and Facebook activity			Thru Sept. Web site hits Facebook Fans Pageviews	506,192 4,762 704,277

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## **CAPITAL IMPROVEMENT PROGRAM**

This section includes highlights of the City's FY14 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, the Tilles Park Fund, and the Parking Authority Fund. Also included is a schedule of capital outlay included in the operating programs for FY14. 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, 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.

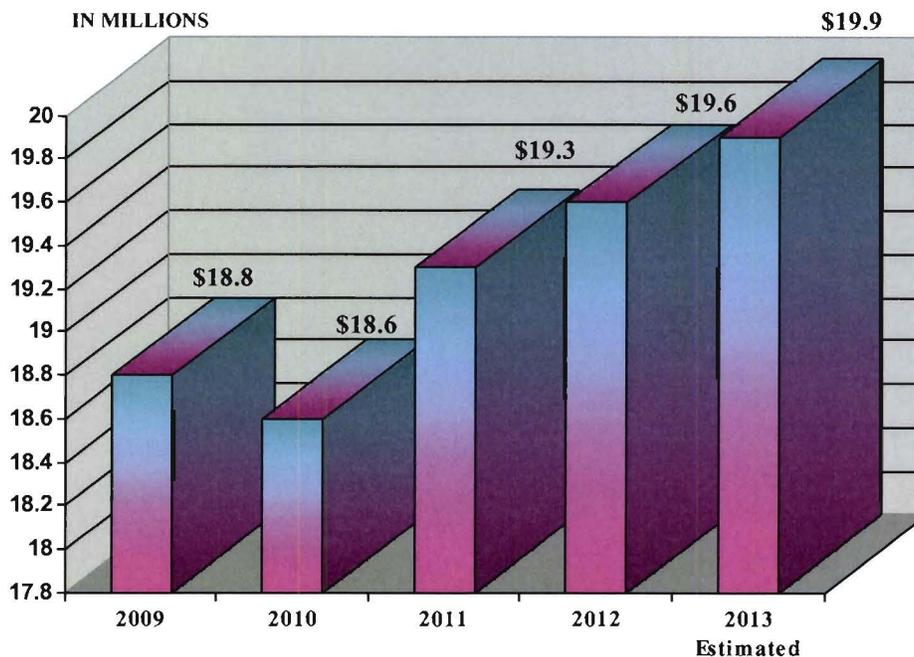
### Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund in October 2013. The FY14 CIP for the sales tax street program was included in the approval document Resolution No. R-150-13.

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 2014 is \$19.9 million which represents a 1.25% increase over the estimated 2013 tax revenue of \$19.7 million. Interest earnings and other revenue for 2014 are estimated at \$3.5 million and the beginning fund balance is estimated to be \$20.8 million. Therefore, total resources available for 2014 are \$44.3 million. Of this amount, \$7.9 million is estimated as the ending fund balance at December 31, 2014 which represents funds available for contingency and for future years' projects. Total project funds available are \$36.4 million and will be used for the 2014 program allocated as follows:

<b>FY14 Program:</b>	
Neighborhood Overlays and Reconstruction	\$ 10.9 million
Neighborhood Drainage Improvements	8.0
Intersection Signal Improvements	0.6
Multi-Year and/or Major Projects	13.8
Special Projects	0.3
Administrative Costs	2.6
Overlays by Street Department	0.2
	<hr/>
	\$ 36.4 million
	<hr/> <hr/>

The 2014 neighborhood overlays and reconstruction projects are as follows:

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Length (linear feet)</u>	<u>Cost</u>
Free Ferry	66th Street	74th Street	2,356	\$ 295,809
74th Street	Free Ferry	Euper Lane	4,139	519,674
Jackson Dr.	End of Road	Bolton Dr.	481	60,392
47th Street	End of Road	Park Avenue	900	113,000
7th Street	Wheeler Ave	Rogers Ave.	927	197,863
Parker Ave.	6th Street	7th Street	341	42,815
39th Street	Intersection with	Grand Avenue	75	20,000
21st Street	Dallas Street	South R Street	4,439	651,784
Fincastle Drive	End of Road	End of Road	1,722	291,879
Old Oaks Lane	End of Road	End of Road	695	113,439
Harriet Lane	6th Street	50th Street	693	87,010
50th Street	Park Street	Harriet Lane	700	87,889
South P Street	End of Road	Towson Ave.	518	52,030
26th Street	Phoenix Ave.	Memphis St.	950	116,748
31st Street	Phoenix Ave.	Memphis St.	960	156,317
Veterans Ave.	Custer Blvd.	Roberts Blvd.	8,727	1,698,371
Wirsing Ave.	18th Street	23rd Street	1,673	210,054
66th Street	Cliff Drive	Euper Lane	1,957	245,712
Cliff Drive	Rogers Ave.	66th Street	638	80,104
South B Street	Wheeler Ave	Rogers Ave.	3,138	709,188
Candlestick Lane	Candlestick Ln.	End of Road	180	30,510
Candlestick Cr.	Candlestick Ln.	End of Road	180	30,510
Coventry Lane	Tensley Ln.	End of Road	450	76,275
Muirfield Cr.	Glen Flora Way	Glen Flora Way	1,066	180,687
Crossover Cr.	Crossover St.	End of Road	120	20,340

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Length (linear feet)</u>	<u>Cost</u>
Geren Road	St. HWY 45	58th Street	5,335	769,731
Cavanaugh Rd.	State Line	Joseph St.	1,665	209,050
Lakeside Way	87th Street	Brighton Pointe	1,422	241,029
Lakeview Pointe	Lakeside Way	1/2 Cul-De-Sac	375	63,563
Brighton Pointe	Dallas Street	Lakeside Way	775	131,363
Commerce Rd.	Intersection with	Highway 45	75	40,000
Williams Lane	34th Street	Riverfront Dr.	1,520	152,676
RS. Boreham Jr.	Zero Street	End of Pkng. Lot	1,270	199,319
Total 2014 Street Overlay/Reconstruction Program				7,895,131
Balance of 2013 Projects Currently Under Construction				2,998,026
Total 2014 Street Overlay/Reconstruction Program				<u>\$ 10,893,157</u>

The 2014 neighborhood drainage improvements total \$1.3 million. In addition, there is \$6.7 million of prior year projects to be completed during FY14. The FY14 projects are identified as follows:

**3100 Block of Glen Flora Way-\$200,000**

This project will add a concrete wall and storm drain to intercept runoff from the hillside. One house is experiencing flooding in this area, and severe yard flooding is also occurring.

**4000 Block of South 89th Street- \$150,000**

This project will add inlets and a storm drain to intercept runoff from South 89th Street. One house is experiencing flooding in this area, and severe street and yard flooding are also occurring.

**4500 Block of North O Street-\$120,000**

This project will add inlets and a storm drain to intercept runoff from North O Street. Two houses are experiencing flooding in this area, and severe street flooding is also occurring.

**Jenny Lind Drainage Extension from Brazil Avenue to Mill Creek-\$410,000**

Storm drain improvements that will be constructed as part of the Jenny Lind project will be discharging to an undersized roadside ditch and driveway culverts along Brazil Avenue and Blys Club Lane. This project will replace the undersized earthen channel and driveway culverts.

**2800 Block of Grand Avenue-\$280,000**

This project will add trench grates, inlets, and storm drains to intercept runoff from May Avenue. One business is experiencing flooding in this area, and severe street flooding is also occurring.

**2300 Block of Wedgewood Boulevard-\$140,000**

This project will add curb and gutter, inlets, and a storm drain to intercept runoff overtopping Horan Drive. One house is experiencing flooding in this area, and severe street and yard flooding are also occurring.

**Multi-year and major projects are allocated at \$13.8 million for FY14. 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. Plans are generally complete. The appraisal and right of way acquisition process is nearing completion. There are 55 tracts of property involved with 29 having been acquired. Construction is expected to begin in FY14. Prior year allocations totaled \$2,037,000. The FY14 allocation is \$4 million with future allocations totaling \$17 million in FY15 and FY16.

**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 continues to lobby 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. By the end of FY13, the City expects the Corps of Engineers to obtain approval for the final agreement that will allow this to occur. The anticipated construction will follow preparation of final plans, right of way acquisition and utility relocations. Construction of the lower section would reduce flooding for both the lower May Branch area and the Town Branch sub-basin. Prior year allocations have totaled \$740,000. The FY14 allocation is \$509,000 with future allocations totalling \$13.4 million for FY15-FY18.

**FCRA Development-**

The funds budgeted in 2014 and beyond will be utilized for public street and/or drainage work identified for public street and/or drainage for identified in association with the FCRA for economic development. Prior year allocations for various projects totaled \$2.4 million. The allocation for 2014 is \$1 million. Future allocations for FCRA are estimated at \$1 million per year in FY15-FY18.

**Streetscape-Towson Avenue**

The project includes streetscaping along Towson Avenue from Garrison Avenue to South A Street and replacement of a traffic signal at Rogers Avenue and Towson Avenue. A federal grant in the amount of \$270,000 will benefit this project. Prior year funding was \$19,500 and the allocation for FY14 is \$850,000.

**Levee Certification and Repair-**

This project includes items associated with flood protection and levee certification evaluation in accordance with federal design criteria. Work to be completed in 2014 includes repairs to the P&J Street pump stations and construction of a flood closure device at North P Street. Prior year funding totaled \$541,000. The FY14 allocation is \$1.52 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. The FY14 allocation of \$2 million is for improving the upstream outfall beginning at the South G Street/Towson intersection and extending to the west. This outfall is currently restricted which is contributing to the flooding in the downtown areas. Construction plans are generally complete and the city is seeking approval from the AHTD. Right of way acquisition and construction will then follow. Future additional improvements for this area are contingent upon the lower reach of the May Branch Drainage project. The prior year funding totaled \$191,000.

**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. This project includes replacement of approximately 1,300 feet of the culvert. Construction of this project is about 60% finished with completion in early FY14. Prior year funding totaled \$4.7 million. The FY14 allocation is \$1.4 million.

**North B Street Truck Route-**

This project is the modification of North B Street from 5th Street west to Riverfront Drive to accommodate two way truck traffic. This is in lieu of the current one way split that exists along this section of North A and B Streets. This project is based on the concept of closing a section of North A Street between North 1st and 2nd Streets to add more green space and allow for construction of a splash pad. The project includes radius improvements at North 5th and B Streets, upgrading of the railroad crossings on North B Street and reconstruction/resurfacing of the remaining sections of North A Street which are being removed from the truck route. This street work is being designed in FY13 with construction scheduled for FY14 and FY15. The prior year funding was \$66,000. The FY14 allocations is \$760,000 with the FY15 allocation planned at \$1.5 million.

**Spradling Avenue Extension at Riverfront Drive-**

This project includes the new construction of Spradling Avenue eastward from Riverfront Drive approximately 1,700 feet. This street will serve the proposed athletic fields of the city's 51 acre tract. Plans are basically complete and the construction of the sports fields starting in late FY14. Prior year funding was \$64,000. The FY14 allocation is \$700,000 and the FY15 allocation is expected to be \$1 million.

**FSHA-Street and Drainage**

This item includes assistance for the street and drainage construction associated with two Fort Smith Housing Authority residential developments. One project is located on the old Bailey Hill Reservoir and the other is southwest of the current Northpoint development. The FY14 allocation is \$1.1 million.

Intersection Signal Improvements total \$618,500 for FY14. These improvements include the replacement of the traffic signals at the intersections of Townson Avenue/Fresno Street and the Midland Avenue/North 32nd Street also included is the proposed construction of a new traffic signal at the intersection of Zero Street with Ben Geren Park that will serve traffic associated with the new water park.

Special projects are various street related improvements and studies and include the following for FY14:

Traffic Studies	\$	25,000
Priorities from Board Retreat		30,000
Contingency		200,000
		<u>200,000</u>
	\$	<u>255,000</u>

Administrative- costs for in-house engineering services and administration services total \$2,632,000.

Overlays provided by the Street Maintenance department will total \$200,000 for 2014.

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	2010	2011	2012	2013
January	\$ 1,789,657	\$ 1,886,548	\$ 2,049,307	\$ 1,928,749
February	1,398,655	1,428,001	1,585,141	1,497,408
March	1,429,494	1,465,798	1,482,308	1,614,568
April	1,646,044	1,685,471	1,676,106	1,646,650
May	1,555,270	1,608,339	1,591,629	1,583,826
June	1,578,857	1,562,373	1,628,384	1,608,546
July	1,627,063	1,664,129	1,672,905	1,614,459
August	1,535,521	1,658,822	1,607,956	1,641,118
September	1,584,536	1,580,194	1,644,055	1,622,236
October	1,504,029	1,582,136	1,594,435	1,685,228 *
November	1,424,484	1,574,468	1,512,472	1,603,265 *
December	1,541,365	1,645,481	1,560,423	1,651,217 *
Totals	<u>\$ 18,614,975</u>	<u>\$ 19,341,760</u>	<u>\$ 19,605,121</u>	<u>\$ 19,697,270</u>
Y-T-D % Change	-	3.9%	1.4%	0.5%

\* Estimated Revenue

The following schedule reflects the proposed current year projects for the sales tax program for the years 2014 through 2018:

<b>Improvements</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Neighborhood Overlays and Reconstruction	\$ 10.9	\$ 6.5	\$ 6.5	\$ 9.0	\$ 9.0
Neighborhood Drainage Improvements	8.0	2.8	1.0	1.5	1.5
Intersection and Signal Improvements	0.6	0.3	0.3	0.3	0.3
May Branch Drainage	0.5	0.5	1.3	6.0	5.6
Jenny Lind- Zero to Cavanaugh	4.0	8.0	9.0	-	-
Levee Certification & Repair	1.5	-	-	-	-
Town Branch/Carnall Street Drainage	2.0	-	-	-	1.0
Towson Avenue Streetscape	0.8	-	-	-	-
May Branch Outfall Culvert Replacement	1.4	-	-	-	-
FCRA Development	1.0	1.0	1.0	1.0	1.0
North B Truck Route	0.8	1.0	-	-	-
Spradling Extension at Riverfront Drive	0.7	1.0	-	-	-
Jenny Lind-Dallas to Phoenix	-	-	-	-	0.3
FSHA-Street and Drainage	1.1	-	-	-	-
Special Projects	0.3	0.3	0.2	0.2	0.2
Administrative	2.6	2.7	2.8	2.9	2.9
Overlays by Street Department	0.2	0.2	0.2	0.2	0.2
<b>Total</b>	<u>\$ 36.4</u>	<u>\$ 24.3</u>	<u>\$ 22.3</u>	<u>\$ 21.1</u>	<u>\$ 22.0</u>

**Impact on 2014 Operating Budget:**

The street sales tax program projects have no significant impact upon the current year budget. The program does reimburse the General Fund for engineering and administrative services totaling \$2.7 million in FY14. The program also reimburses the Street Maintenance Fund approximately \$200,000 for its assistance for various project. The Towson Avenue streetscape should enhance the appearance of local businesses. This may provide an increase in sale tax revenues but it is too soon to calculate and there may be no statistical evidence in future years.

**Water and Sewer Capital Improvement Projects Funds**

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, 2013 are estimated at \$2.8 million. These funds will be spent during 2014. Funding for additional projects listed for years 2014 through 2018 will be provided by annual transfers from the operating fund.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Water Projects</b>					
Distribution System Improvements and Fire Protection Improvements	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Chaffee Crossing Water Transmission Treatment Design	30,000	-	-	-	-
Neighborhood Water System Improvements-Haven Hill	2,000,000	-	-	-	-
24-Inch Transmission Line Edwards Street	800,000	-	-	-	-
Chaffee Crossing Water Transmission Treatment Design	30,000	-	-	-	-
Lake Fort Smith 48-inch Transmission Line Design	200,000	-	-	-	-
Water Storage Tank Painting	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>
<b>Water Projects Totals</b>	<u>4,725,000</u>	<u>1,665,000</u>	<u>1,665,000</u>	<u>1,665,000</u>	<u>1,665,000</u>
<b>Wastewater Projects</b>					
Program 5612 Const. Equipment Replacement	120,000	-	-	-	-
Chaffee Crossing Pump Station & Force Main Improvements	<u>407,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Wastewater Projects Totals</b>	<u>527,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Water and Wastewater CIP</b>	<u>\$5,252,000</u>	<u>\$1,665,000</u>	<u>\$1,665,000</u>	<u>\$1,665,000</u>	<u>\$1,665,000</u>

In addition to these projects, a \$450,000 transfer to the W/S Depreciation Fund will be made to add funding for a sinking fund. The Depreciation Fund is expected to have a balance of \$1,5 million at December 31, 2014.

**Impact on 2014 Operating Budget:**

There is no direct impact on the current year budget from the projects listed for 2014.

## **Sales and Use Tax Bond Construction Funds**

In May 2012, the City issued \$110.66 million in Sales and Use Tax Bonds, Series 2012. The bonds are supported by a 3/4% local sales tax approved by voters on March 13, 2012. The bonds refunded the outstanding sales and use tax bonds, series 2006, 2008 and 2009 of \$51.645 million and provided proceeds of \$39.6 million for wastewater improvements; \$20.7 million for water improvements; \$8.6 million for fire improvements; and \$4.02 million for the aquatics parks. The City retains bond authorization of approximately \$24 million for more wastewater improvements. Many of the projects in 2017 and 2018 will require future bond issues for funding.

Wastewater projects include storage improvements, relief sewer construction and upgrades, sub-basins construction and improvements, collection system rehabilitation, and pump station upgrades. Water projects include 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 include construction of station #11, fire apparatus, and repair/renovation of the existing fire stations. Park improvements include a joint venture with Sebastian County for a water park.

The following is the five year CIP for the Sales and Use Tax Bond Construction Fund for 2014 through 2018:

<b>Wastewater Projects</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Wastewater Collection System					
Flow Monitoring	\$ 353,000	\$ -	\$ -	\$ -	\$ -
Wastewater Pump Station					
Standby Power Equipment	260,000	-	-	-	-
Pump Station 5 Interceptor					
Sewer ROW & Access Road	50,000	-	-	-	-
Wastewater Master Plan 2012	135,000	-	-	-	-
Sunnymede Interceptor Impr.	1,390,000	-	-	-	-
Mill Creek Pump Station Wet					
Weather Improvements	5,735,000	8,515,000	-	-	-
Zero Street Pump Station Wet					
Weather Improvements	10,250,000	-	-	-	-
Basin 9 Collection System Impr.	1,800,000	-	-	-	-
Mill Creek Interceptor Impr.					
Phase 1	477,000	1,333,000	326,000	-	-
Basin 17 Collection System					
Improvements	600,000	1,655,000	-	-	-
"P" Street Interceptor Impr.	-	1,152,000	1,038,000	4,172,000	-
Mill Creek Intereceptor Impr.					
Phase 2	1,785,000	1,215,000	-	-	-
Basin 15 Collections System					
Improvements	-	605,000	1,560,000	390,000	-
Lift Stations 15, 16, & 17					
Replacements	-	1,770,000	-	-	-
May Branch Interceptor Impr.					
Phase 1	-	629,000	2,751,000	1,750,000	-
Basin 19 Collection System Impr.	-	380,000	615,000	1,560,000	-
Tilles Park Interceptor Impr.	-	200,000	-	-	-
Pump Station 19 Force Main					
Replacement (Candlestick)	1,963,000	-	-	-	-
4th Street Interceptor Impr.	-	304,000	1,521,000	-	-
20th Street Interceptor Impr.					
Phase 1	-	278,000	2,092,000	-	-
Basin 19 Collections System					
Improvements	-	328,000	1,032,000	1,195,000	-

<b>Wastewater Projects (cont.)</b>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Basin 12 Collections System Improvements	-	-	-	510,000	2,500,000
May Branch Interceptor Impr. Phase 2	-	-	-	600,000	3,500,000
Zero Street Interceptor Impr.	-	-	-	-	500,000
20th Street Interceptor Impr. Phase 2	-	-	-	40,000	2,000,000
12th Street Interceptor Impr.	-	-	-	-	125,000
9th Street Interceptor Impr.	-	-	-	-	400,000
Sub-total-Wastewater	<u>24,798,000</u>	<u>18,364,000</u>	<u>10,935,000</u>	<u>10,217,000</u>	<u>9,025,000</u>
<b>Water Projects:</b>					
Chaffee Crossing Reservoir Pump Station	850,000	-	-	-	-
Chaffee Crossing Geren Road 24 & 30 inch Transmission Line	3,500,000	-	-	-	-
Chaffee Crossing 2.5 Gallon Reservoir	1,787,000	-	-	-	-
Lake Fort Smith 48 inch Transmission Line	<u>10,682,000</u>	<u>6,134,000</u>	<u>960,000</u>	<u>10,700,000</u>	<u>6,500,000</u>
Sub-total-Water	<u>16,819,000</u>	<u>6,134,000</u>	<u>960,000</u>	<u>10,700,000</u>	<u>6,500,000</u>
<b>Fire Department Projects:</b>					
Repair/renovations for existing stations	<u>723,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total Fire Department	<u>723,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Parks Projects:</b>					
Water Park at Ben Geren Park Project with Sebastian County	<u>2,800,000</u>	<u>810,609</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>\$ 45,140,773</u></u>	<u><u>\$ 25,308,609</u></u>	<u><u>\$ 11,895,000</u></u>	<u><u>\$ 20,917,000</u></u>	<u><u>\$ 15,525,000</u></u>

**Impact on 2014 Operating Budget:**

There may be some operating efficiencies from the wastewater projects. However, an estimate has not been made. The Chaffee Crossing water project should have a sizeable, favorable economic impact for development in that area. However, it is too soon to develop an estimate for such. The repair and renovations to the ten existing fire stations should provide for some HVAC efficiencies but the amount is minimal. The completion of the water park will not impact the current year budget since it will be under construction for the entire year. The estimated impact of the aquatic center in 2015 is a net loss of \$113,422 (revenues of \$709,300 less expenditures of \$822,722). The deficit will be shared equally between Sebastian County and the city.

### **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 \$1,922,000 in FY14. Equipment purchases planned for 2014 total \$376,606. Total capital transfers into the sinking fund total \$1,778,394. Therefore, the capital improvements for 2014 total \$4,072,000.

**Impact on 2014 Operating Budget:** Once the scale house and system are completed in 2014, the city should benefit from more exact weighing of waste for more accurate revenue production. The city has not projected an estimate.

### **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 2014 for improvements or equipment total \$11,116. These funds will be used for future years' capital needs.

### **Parking Authority Fund**

There are no planned capital improvements for the parking facilities in FY14.

**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 2014-2018. Funding will be provided by the Parks 1/8% local sales tax.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Neighborhood Parks	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 300,000
Trails & Greenways	-	700,000	1,000,000	1,500,000	1,000,000
Equipment	100,000	100,000	100,000	100,000	100,000
Creekmore Tennis Court Repair & Tilles Tennis Court-Resurface	275,000	-	-	-	-
Strategic Plan	-	-	100,000	-	-
FSP Playground	-	100,000	-	-	-
FSP Parking & Fishing Pavilion	-	200,000	-	-	-
Wilson Park-Playground & Pavilion	-	-	100,000	-	-
River Valley Sports Complex	265,420	-	-	-	-
Creekmore Park Land Acquisition and Parking	50,000	150,000	-	-	-
Shade Structures at Creekmore					
Pool & MLK Splash Pad and Playground	-	-	75,000	-	-
Glass Pavilion	100,000	-	-	-	-
Kelley Stage & River Park Amphitheater	-	-	75,000	-	-
River Park Compass Splash Pad	150,000	-	-	-	-
Riverfront Drive Sports Fields	750,000	1,000,000	250,000	-	-
Belle Grove Center	-	-	-	500,000	1,000,000
<b>Total</b>	<b><u>\$ 1,840,420</u></b>	<b><u>\$ 2,400,000</u></b>	<b><u>\$ 2,000,000</u></b>	<b><u>\$ 2,400,000</u></b>	<b><u>\$ 2,400,000</u></b>

**Impact on the 2014 Operating Budget:**

Many of the current year projects are expected to have a favorable impact on the economy and enhance the quality of life for citizens. The River Valley Sports Complex and Riverfront Drive sport fields will provide more recreation opportunities for youth leagues and an increase in tournaments. The splash pad in downtown should increase tourism revenue for the city.

## 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 FY14:

### Building/Infrastructure Improvements-

Riverfront Railroad Improvements	\$	100,000
Replace Roof at Kelley Highway Facility		375,000
Replace Roof at Creekmore Community Center		55,000
Replace Roof for Creekmore Pool Facility-Main Building and Pump House		110,000
Tilles and Creekmore Tennis Courts		275,000
River Valley Sports Complex		265,420
Riverfront Pavilion Imp.- Kitchen and Storage		100,000
Creekmore Park Land Acquisition		50,000
Riverfront Drive Sports Fields		750,000
Riverfront Park Splash Pad		150,000
Neighborhood Park Imp-Texas Road Park		150,000
Front Gate Traffic Calming Devices & Access Control Systems at Landfill		350,000
2-Air Conditioning Units-Transit		10,500

2,740,920

### Heavy Equipment -

Tractor w/Loader & Brush Hog-Addition-Fire	\$	30,000
Apparatus Replacement Sinking Fund-Fire		425,000
3-2 Ton Dump Trucks-Replacements-Water & Ww		239,000
Excavator-Replacement-Water & Wastewater		85,000
Skid Steer Loader-Replacement-Water & Wastewater		56,000
Jet Cleaning Easement Machine-Replacement-Water & Wastewater		75,000
2-Backhoes-Replacements-Water & Wastewater		155,000
Utility Tractor-Replacement-Water & Wastewater		35,000
2-Bus-Replacements (w/CNG Kits)-Transit		145,000
Automated Sideloaders-Replacement-Sanitation		270,000
Cart Maintenance Vehicle-Replacement-Sanitation		90,000

### Total Heavy Equipment

1,605,000

### Water & Wastewater Plant & Systems

2-Chlorinators-P Street-Replacements		11,800
Air Blower-Massard-Replacement		33,600
Chlorine Scales & Electronic Equipment-Lee Creek-Replacements		31,000
Generator Control System Software Upgrade-Lee Creek-Replacement		160,000
Automated Chlorine Valve Closure System-Lee Creek-Replacement		56,000
4-Overhaul Turbines-Lee Creek-Replacements		58,000
SCBA Units-Lee Creek-Replacements		14,000
Automated Oil & Grease Extraction System-Addition		32,000
3-Type 1 Water Systems-Replacements		43,100
Glassware Washer-Replacement		12,000

TOC/TN Analyzer-Replacement	61,120	
BOD Incubator-Replacement	6,600	
Generator for North Pointe Pump Station	20,000	
Variable Frequency Drives-Euper & Brooks Stephens Pump Stations-Additions	33,000	
2-Standy Generators-Wild Cat Mountain & Stephens Pump Stations	110,000	
		<u>682,220</u>

**City Fleet-**

**Replacement Vehicles:**

7-1/2Ton Pickups (3 w/CNG Kits)	209,500
3/4 Ton Pickup	24,200
4-Full Size Sedans	107,100
2-Midsize Vans w/CNG Kits	65,000
Fullsize SUV	28,900
3/4 Ton Cab & Chassis	42,000
6-1 Ton Cab & Chassis	256,000
1/4 Ton Cab & Chassis	55,000

**Additions:**

1/2 Ton Pickup-Neighborhood Services	21,800
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**Total City Fleet** 809,500

**Miscellaneous Capital Outlay-**

Water Meters	450,000
Automatic Refuse Carts & Containers-Sanitation	180,650
Solid Waste Commercial Containers	475,000
Solid Waste Roll-Off Compactors & Containers	125,000
Bus Tracking Application-Transit	
3-Bus Shelters-Installed-Transit	37,500
Police CAD/RMSS System Replacement	65,000
Mower-Replacement-Water & Wastewater	12,000
Equipment Trailer-Replacement- Water & Wastewater	11,000
8 Pipe & Metal Locators-Replacements-Water & Wastewater	44,000
Skid Steer Hammer-Addition-Water & Wastewater	
2-Leak Detectors-Water & Wastewater	13,000
2-Electronic Radio Transmitters-1-Replacement, 1-Addition Water & Wastewater	94,000
Hydrant & Valve Exercising Equipment-Addition- Water & Wastewater	75,000
Theater Leg & Border Drapes-Convention Center	4,000
Lobby Furniture Recovering-Convention Center	13,000
2 Mowers-Parks	50,000
Dispatch System-Sanitation	188,000
3 Electric Signs-Sanitation	65,000
Heavy Duty Truck Lift-Sanitation	60,000
Antenna Combiners-Police	18,000
Replace Access Channel Equipment-City Clerk	15,000

**Total Miscellaneous** 1,995,150

\$ 7,832,790

**Reconciliation of Total Capital Outlay:**

Capital Outlay -	
Operating Funds (see page 92)	7,623,290
Convention Center (see page 63)	17,000
Program 5612 Sewer Construction (see page 172)	120,000
CDBG Fund (see page 62)	28,900
Neighborhood Services (see page 67)	43,600

179 \$ 7,832,790

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 2014 are as follows:

<b>Streets and Traffic Control:</b>	
2014 Depreciation	<u>\$ 316,925</u>
 <b>Planned Fleet Purchases in 2014:</b>	
2-1 Ton Flat Bed Pickups	\$ 80,000
Bucket Truck	85,000
Tractor	85,000
Backhoe Trailer	11,000
2 Ton Dump Truck with 5 Yard Bed & Snow Plow	110,000
Sign Truck	35,000
2 Ton Flat Bed Dump Truck	80,000
10' Salt Spreaders	<u>35,000</u>
<b>Total</b>	<u>\$ 521,000</u>
 <b>Sanitation:</b>	
2014 Depreciation	<u>\$ 1,006,479</u>
 <b>Planned Fleet Purchases in 2014:</b>	
Full Size SUV	\$ 28,900
Fuel Truck	170,000
Grinder-3 Year Lease Purchase	172,706
Large Compactor 3 Year Lease Purchase	<u>292,000</u>
<b>Total</b>	<u>\$ 663,606</u>

## **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 48-49. Each fund's budget is presented on pages 61-69 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
<b>Policy and Administration Services</b>		
	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
<b>Management Services</b>		
	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
4803 1/8% Sales Tax Operations	100% General Fund
404 Training	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
5305 Sidewalk Construction	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)	85% General Fund; 15% 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
6208 1/8% Sales Tax Operations	100% General Fund

**Operation Services -**

**Convention Center**

6203 Convention Center	100% Convention Center Fund
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**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
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**Non-Departmental**

6870 Convention and Visitors Bureau	100% Advertising and Promotion Fund-CVB
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## **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.

##### **State Act 833 Fire Funds**

Revenue derived from the state for fire safety equipment and facilities. These monies have been accumulated for several years for the purpose of funding a training facility.

##### **SAFER Grant**

Grant monies for the purpose of hiring 9 additional fire positions over a two year period beginning October 1, 2012.

#### **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.

##### **1/4% Sales Tax-Fire and Parks**

One-quarter percent (1/4%) of a one percent (1%) sales tax is being allocated for fire department and parks department operations and capital projects. The tax will be split evenly between the two departments as approved by a voter referendum in March 2012.

#### **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.

#### **State Turnback-Highway Sales Tax**

The city's share of a 1/2% state sales tax dedicated for highways and local street maintenance. The city revenue will be based on population. The collection of the tax will begin July 1, 2013. The tax is to be in place for ten (10) years.

### **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.

#### **Licenses and Permits**

#### **Sidewalk Assessment Fees**

Revenue derived from permit assessments on building permits for repair and construction of sidewalks.

### **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**

<u>Purpose</u>	<u>FY14 Principal and Interest</u>	<u>Principal/Interest Outstanding</u>	<u>Year of Retirement</u>	<u>Original Issue</u>
Water and Sewer Revenue Bonds- Series 2005B	\$ 833,795	\$ 7,722,842	2025	\$ 7,330,000
Water and Sewer Revenue Bonds- Series 2007	1,888,767	24,555,778	2027	24,470,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2008	6,913,779	185,581,738	2032	117,420,000
Water and Sewer Revenue Refunding Bonds-Series 2011	1,810,673	16,292,665	2023	18,920,000
Water and Sewer Revenue Refunding Bonds-Series 2012	2,151,700	10,742,000	2019	13,250,000
Parking Facilities Refunding and Improvement Revenue Bonds- Series 1998	138,043	284,588	2017	2,025,000
Sales & Use Tax Bonds Series 2012	11,605,805	113,778,235	2027	110,660,000
<b>Total</b>	<b>\$ 25,342,562</b>	<b>\$ 358,957,846</b>		<b>\$ 294,075,000</b>

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 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 2014.

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 2005B, 2007 and 2008 water and sewer revenue bonds. Rates generated by the water and sewer system are expected to cover the required debt service payments in 2014.

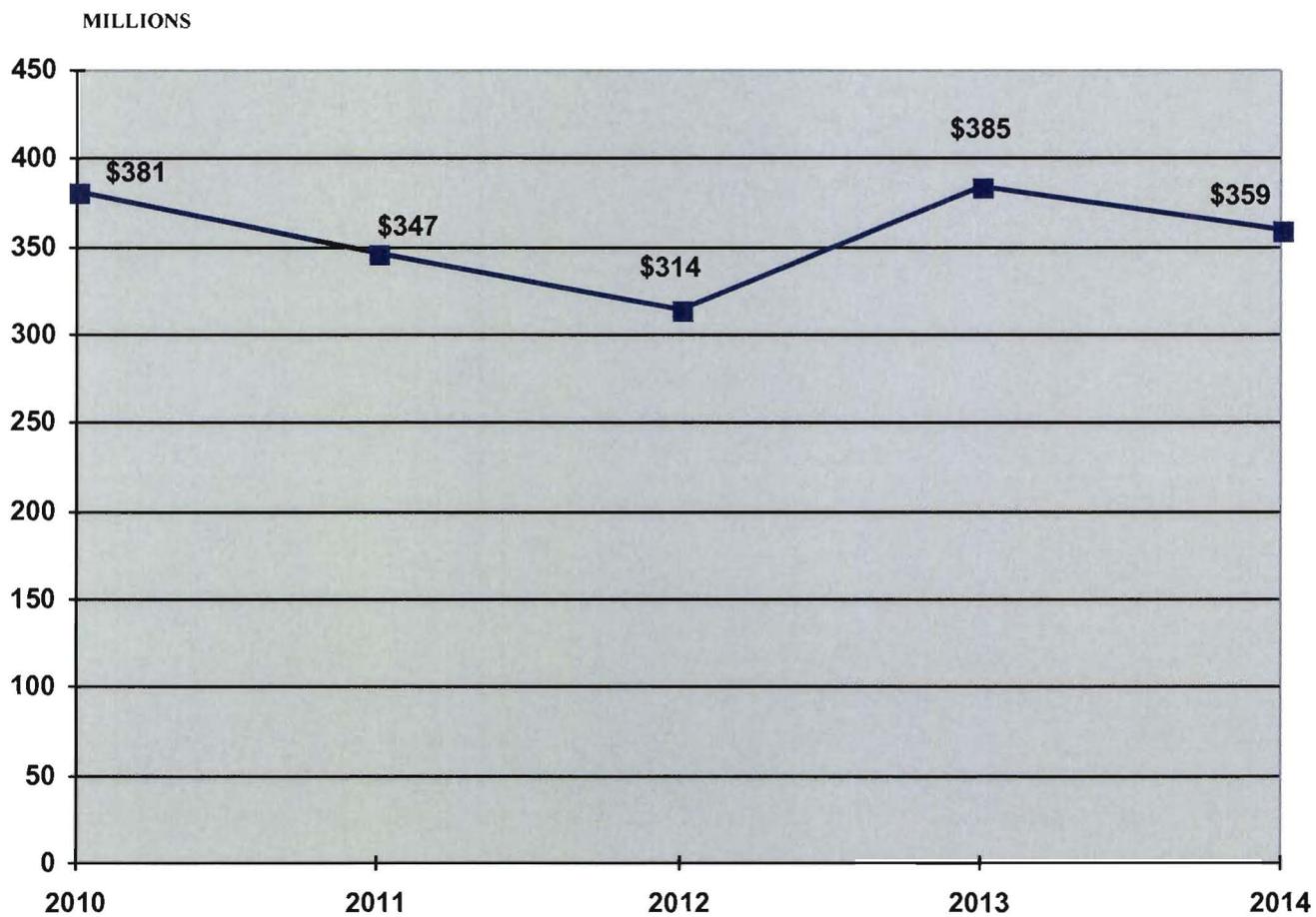
In January 2012, the City issued \$13.25 million in water and sewer revenue refunding bonds to refund the outstanding 2005A water and sewer revenue refunding bonds. The Water and Sewer Operating Fund provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2012 Series Bonds is subordinate to the Series 2005B, 2007, 2008 and 2011 water and sewer bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2014.

The Parking Facilities Revenue Bonds, Series 1998 were issued to refund the 1991 parking bonds and provide additional parking sites in downtown Fort Smith. Revenues generated by the parking desk rental spaces and parking meters are expected to cover the required debt service for 2014.

The Sales and Use Tax Bonds, Series 2012 are collateralized by a three-quarter (3/4%) local sales tax that was approved by voters on March 13, 2012. This sales tax authorization is an extension of the one percent (1%) sales tax that supported the 2006, 2008, 2009 and 2010 sales and use tax bonds. The remaining one quarter percent (1/4%) of the tax is allocated for fire and parks operations. The purposes of the bonds include: construction of a new fire station in Chaffee Crossing, purchase of fire apparatus, repairs/improvements to existing fire stations; the construction of an aquatics park at Ben Geren Park in a shared venture with Sebastian County; wastewater improvements; water improvements; and to refund the remaining 2006, 2008 and 2009 sales and use tax bonds.

The following graph reflects the debt outstanding at December 31, 2010 through 2014.

## Debt Outstanding



**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, 2014, is:

Assessed Property Value	<u>\$ 1,353 million</u>
Debt Limit Per State Statute (25% of Assessed Property Value)	\$ 338 million
General Obligation Bonds Outstanding @ December 31, 2014	<u>0</u>
Legal Debt Margin	<u>\$ 338 million</u>

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 25) whereby annual payments should not exceed 25% of total operating revenue. In 2014, the calculation is as follows:

	Water & Sewer Revenue Bonds
2014 Debt Service Payment	\$ 13,598,714
Operating Revenue (Service Charges & Fees)	\$ 37,523,000
Debt Service as a % of Operating Revenue	36%
Policy Limit	25%

Although the policy is not expected to be met in FY14 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, 2014.

**5 Year Debt Maturity Disclosure  
For the Fiscal Year Ended 12/31/13**

Primary Government  
Water and Sewer Revenue  
Bonds

	2005B Series			2007 Series			2008 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2014	545,000	288,795	833,795	1,015,000	873,769	1,888,769	1,200,000	5,713,778	6,913,778
2015	570,000	266,723	836,723	1,055,000	833,169	1,888,169	1,265,000	5,653,779	6,918,779
2016	590,000	242,497	832,497	1,100,000	790,969	1,890,969	1,330,000	5,590,529	6,920,529
2017	615,000	218,012	833,012	1,140,000	746,969	1,886,969	1,385,000	5,537,329	6,922,329
2018	645,000	192,183	837,183	1,190,000	701,369	1,891,369	1,435,000	5,481,929	6,916,929
2019-2023	3,640,000	530,303	4,170,303	6,810,000	2,633,487	9,443,487	17,500,000	25,704,785	43,204,785
2024-2028	200,000	13,125	213,125	6,750,000	804,813	7,554,813	41,280,000	18,990,138	60,270,138
2029-2032	0	0	0	0	0	0	48,250,000	6,178,250	54,428,250
<b>Total</b>	<b>6,805,000</b>	<b>1,751,638</b>	<b>8,556,638</b>	<b>19,060,000</b>	<b>7,384,545</b>	<b>26,444,545</b>	<b>113,645,000</b>	<b>78,850,517</b>	<b>192,495,517</b>

Water and Sewer Revenue  
Bonds (Continued)

	2011 Series			2012			Total Water & Sewer Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2014	1,345,000	465,673	1,810,673	1,765,000	386,700	2,151,700	5,870,000	7,728,715	13,598,715
2015	1,380,000	425,323	1,805,323	1,815,000	333,750	2,148,750	6,085,000	7,512,744	13,597,744
2016	1,430,000	383,923	1,813,923	1,870,000	279,300	2,149,300	6,320,000	7,287,218	13,607,218
2017	1,455,000	355,323	1,810,323	1,930,000	216,350	2,146,350	6,525,000	7,073,983	13,598,983
2018	1,485,000	326,223	1,811,223	2,000,000	148,800	2,148,800	6,755,000	6,850,504	13,605,504
2019-2023	8,120,000	931,873	9,051,873	2,070,000	78,800	2,148,800	38,140,000	29,879,248	68,019,248
2024-2028	0	0	0	0	0	0	48,230,000	19,808,076	68,038,076
2029-2032	0	0	0	0	0	0	48,250,000	6,178,250	54,428,250
<b>Total</b>	<b>15,215,000</b>	<b>2,888,338</b>	<b>18,103,338</b>	<b>11,450,000</b>	<b>1,443,700</b>	<b>12,893,700</b>	<b>166,175,000</b>	<b>92,318,738</b>	<b>258,493,738</b>

**5 Year Debt Maturity Disclosure**  
**For the Fiscal Year Ended 12/31/13**

Primary Government:  
 Sales & Use Tax Bonds

	2012 Series		
	Principal	Interest	Total
2014	8,205,000	3,400,805	11,605,805
2015	5,665,000	3,233,780	8,898,780
2016	5,835,000	3,061,280	8,896,280
2017	6,010,000	2,868,580	8,878,580
2018	6,220,000	2,654,555	8,874,555
2019-2023	34,780,000	9,409,425	44,189,425
2024-2027	29,690,000	1,816,237	31,506,237
<b>Total</b>	<b>96,405,000</b>	<b>26,444,662</b>	<b>122,849,662</b>

Component Unit  
 Parking Authority

	1998 Series		
	Principal	Interest	Total
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
<b>Total</b>	<b>385,000</b>	<b>37,630</b>	<b>422,630</b>

## **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.

Assigned Fund Balance- a fund balance classification for governmental funds where the amounts are to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed fund balance. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.

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.

Citizens Academy (CA)-A forum that allows citizens to learn more about the city, its functions and priorities. The program is offered twice per year and lasts several weeks.

COLA- Cost of living adjustment.

Committed Fund Balance-a fund balance classification for governmental funds where the amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority.

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 statistical 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.

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.

Nonspendable Fund Balance-a fund balance classification for governmental funds where the amounts are not available for use, e.g. inventories.

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.

RITA-Regional intermodel transportation authority.

Restricted Fund Balance-a fund balance classification for governmental funds where amounts can be spent only for the specific purposes stipulated by constitution, external resource providers are through enabling legislation.

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.

SAFER Grant-staffing for adequate fire emergency response (SAFER), a FEMA grant that provides funding for sworn personnel in the Fire Department.

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.

Unassigned Fund Balance-a fund balance classification for governmental funds that accounts for the residual balance of a government's General Fund and includes all spendable amounts not contained in other classifications. In other governmental funds, unassigned fund balance should only be used for deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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 western 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 comprised 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 region's economy has been hurt by the Great Recession, and the unemployment rate for the Fort Smith Metropolitan area is 7.2%. The State of Arkansas unemployment is reported at 7% and the national rate is 7.3%.

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 held 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. Mars Petcare recently announced a \$50 million expansion that will add 42 new jobs. In addition, longstanding industrial businesses have made additional investments in their Fort Smith 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.

# City of Fort Smith Arkansas

## Miscellaneous Statistical Data

### General Information:

Form of Government	City Administrator
Area	92.4 square miles
County	Sebastian
Time Zone	Central
Area Code	479
City Population	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	
Number of Traffic Signals	
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  
Number of Firefighters and Officers

### Police Protection:

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

### Municipal Water Department:

Number of Consumers  
Number of Contract Communities  
Production Capacity 63,400,000 gallons  
Average Daily Production 27,543,000 gallons  
Maximum Daily Consumption 38,419,000 gallons  
Miles of Water Main 691 miles

### Municipal Wastewater Department:

Number of Customers  
Number of Contract Communities 1  
Sanitary Sewers  
Average Daily Sewer Flow 15.88 MGD

### Municipal Solid Waste System:

Number of Accounts  
Average Annual Refuse Collections 100,731.4 tons  
Average Annual Refuse Disposal 242,256 cubic yards

Recreation and Culture:

Number of City Parks	
Park Acreage	
Trails and Greenways	
Miles	
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

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

**Ethnicity in 2010:**

<u>Race</u>	<u>% of Population</u>
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, 2004 through  
November 30, 2013**

Fiscal Year	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	Number of Units	Value	Number of Units	Value
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
2012	32	\$25,389,267	303	\$46,405,142
2013*	43	\$86,519,083	246	\$43,755,922

Source: City of Fort Smith Building Safety Department

\* Through November 30, 2013

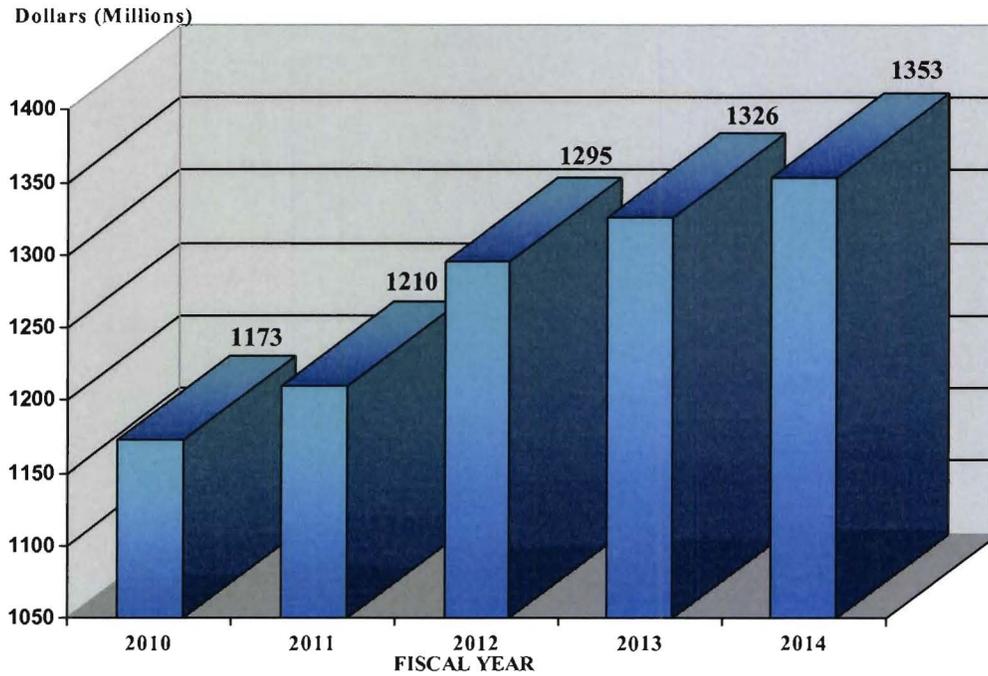
**City of Fort Smith  
Schedule of the Largest Employers By Number  
of Employees**

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
Mercy	Medical/Surgical Services	1,487
University of Arkansas at Fort Smith	Higher Education	951
City of Fort Smith	Municipality	945
Arkansas Best Corporatio	Trucking and Transportation	936
Rheem Manufacturing	Central Heating-A/C Equipment	900
Golden Living	Corporate Office	800

Source: Fort Smith Chamber of Commerce as of September 2013

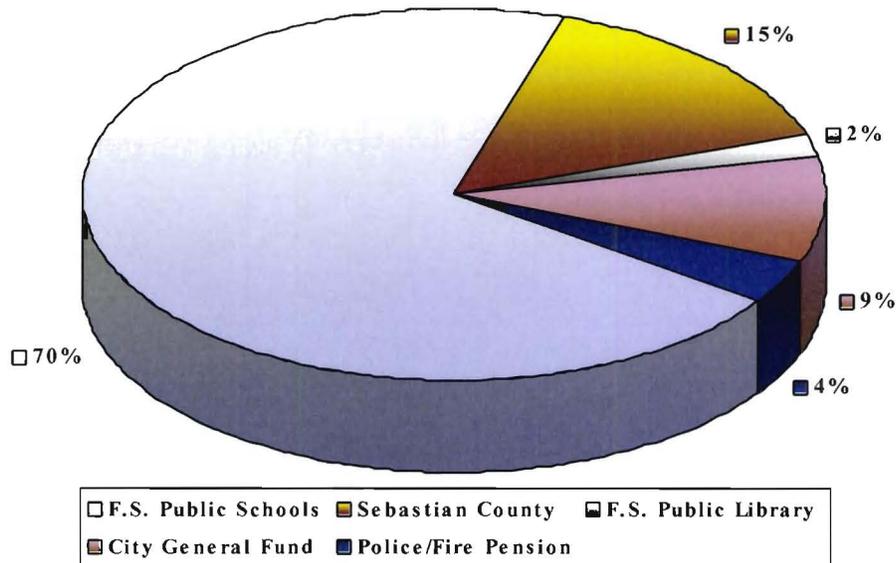
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City limits.

### Assessed Property Valuation



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

### Allocation of Real Property Tax Rates For Taxes Payable FY14 for Overlapping Governments Within The City Limits



Source: Sebastian County Clerk's Office

## Personnel Count Comparison

	2012 Actual	2013 Budget	2013 Estimated	2014 Budget
<b>Policy &amp; Administration</b>				
<b>Services Division</b>				
4100 Mayor	2.00	2.00	2.00	2.00
4101 Board of Directors	7.00	7.00	7.00	7.00
4102 City Administrator	4.00	4.00	4.00	4.00
4111 Economic Development	1.00	1.00	1.00	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
<b>Total Policy &amp; Administration</b>	<b>36.00</b>	<b>36.00</b>	<b>36.00</b>	<b>36.00</b>
<b>Services Division</b>				
<b>Management Services Division:</b>				
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	12.00
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
<b>Total Management Services</b>	<b>49.00</b>	<b>49.00</b>	<b>49.00</b>	<b>50.00</b>
<b>Division</b>				
<b>Development Services Division</b>				
4103 Engineering	19.00	19.00	19.00	18.40
4106 Planning	7.75	7.75	7.75	7.75
4107 CDBG	3.25	3.25	3.25	3.25
4108 Building Safety	11.00	11.00	11.00	11.00
6900 Neighborhood Services	8.00	8.00	8.00	9.00
<b>Total Development Services</b>	<b>49.00</b>	<b>49.00</b>	<b>49.00</b>	<b>49.40</b>
<b>Division</b>				

	2012	2013	2013	2014
	Actual	Budget	Estimated	Budget
<b>Police Services Division</b>				
4701 Administration	6.00	6.00	5.00	6.00
4702 Support Services	47.00	47.00	48.00	54.25
4703 Criminal Investigations	42.43	42.43	42.43	42.44
4704 Patrol Operations	118.00	118.00	118.00	110.75
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	0.57	0.57	0.57	0.56
6920 Public Parking/Enforcement	3.00	3.00	3.00	3.00

<b>Total Police Services Division</b>	<u>222.00</u>	<u>222.00</u>	<u>222.00</u>	<u>222.00</u>
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<b>Fire Services Division</b>				
4801 Administration	9.00	9.00	9.00	7.00
4802 Suppression & Rescue	123.00	123.00	123.00	123.00
4803 1/8% Sales Tax Operations	0.00	20.00	20.00	20.00
4804 Training	0.00	0.00	0.00	2.00

<b>Total Fire Services Division</b>	<u>132.00</u>	<u>152.00</u>	<u>152.00</u>	<u>152.00</u>
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<b>Operation Services Division-</b>				
<b>Streets &amp; Traffic Control</b>				
5101 Administration	5.00	5.00	5.00	5.00
5302 Street Construction	11.44	9.44	9.44	8.72
5303 Street Drainage	19.04	19.04	19.04	16.88
5304 Street Maintenance	15.60	15.60	15.60	15.60
5305 Sidewalk Construction	0.00	10.00	10.00	12.00
5401 Traffic Control Operations	13.16	13.44	13.44	13.44
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

<b>Total Streets &amp; Traffic Control</b>	<u>64.24</u>	<u>72.52</u>	<u>72.52</u>	<u>71.64</u>
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	2012 Actual	2013 Budget	2013 Estimated	2014 Budget
<b>Water &amp; Sewer</b>				
5501 Utilities Administration	15.00	15.00	15.00	16.00
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	22.00	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	5.69	5.69	5.69
5610 Water Line Maintenance	22.00	23.00	26.00	26.00
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	18.50	19.50
5615 Water & Wastewater Line				
Maintenance Administration	13.00	13.00	13.00	14.00
5616 Water Stationary				
Equipment Maintenance	9.00	9.00	9.00	10.00
6700 Debt Service	0.00	0.00	0.00	0.00
<b>Total Water &amp; Sewer</b>	<b>191.19</b>	<b>192.19</b>	<b>192.19</b>	<b>196.19</b>
<b>Parks &amp; Community Services</b>				
6101 Health	0.00	0.00	0.00	0.00
6201 Parks Maintenance	20.50	21.00	21.00	21.00
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/Downton	5.00	5.00	5.00	5.00
6207 The Park at West End	1.00	1.00	1.00	1.00
6208 1/8% Sales Tax Operations	0.00	5.50	5.50	5.50
<b>Total Parks &amp; Community Services</b>	<b>39.10</b>	<b>45.10</b>	<b>45.10</b>	<b>45.10</b>
<b>Convention Center</b>				
6203 Convention Center	13.50	13.50	13.50	13.50

	2012 Actual	2013 Budget	2013 Estimated	2014 Budget
<b>Sanitation</b>				
6301 Administration	6.00	6.00	6.00	6.50
6302 Residential Collections	25.00	25.00	25.00	25.00
6303 Commercial Collections	10.00	10.00	10.00	10.00
6304 Fleet & Grounds Maintenance	10.00	10.00	10.00	10.00
6305 Sanitary Landfill	17.00	18.00	18.00	18.00
6307 Roll-Off Collection	10.00	9.00	9.00	9.00
<b>Total Sanitation</b>	<u>78.00</u>	<u>78.00</u>	<u>78.00</u>	<u>78.50</u>
<b>Transit</b>				
6550 Public Transit	36.00	36.00	35.00	34.00
<b>Total Operation Services</b>				
<b>Division</b>	<u>422.03</u>	<u>437.31</u>	<u>436.31</u>	<u>438.93</u>
<b>Non-Departmental</b>				
6870 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
<b>Total FTE Personnel</b>	<u>915.03</u>	<u>950.31</u>	<u>949.31</u>	<u>953.33</u>

Please note: This schedule includes position of Mayor and the seven Director positions. The reconciliation to the schedule on page 18 is as follows:

	2012 Actual	2013 Estimated	2014 Budget
Total FTE Personnel, this schedule	915.03	949.31	953.33
Program 4100 Mayor & 4101 Board of Directors	<u>(8.00)</u>	<u>(8.00)</u>	<u>(8.00)</u>
Total FTE Personnel, Schedule on page 18	<u>907.03</u>	<u>941.31</u>	<u>945.33</u>

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