2010

The City of Fort Smith ARKANSAS™

Budget

FISCAL YEAR 2010

BUDGET

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

MANAGEMENT TEAM

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

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

CITY OF FORT SMITH
Mission, Vision and Values Statements

MISSION STATEMENT

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

VISION STATEMMENT

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

--being AGILE

--being VALUES-BASED

--being CONTINUOUS LEARNERS

VALUES STATEMENT

Our shared values are…

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Fort Smith

Arkansas

For the Fiscal Year Beginning

January 1, 2009

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Fort Smith for its annual budget for the fiscal year beginning January 1, 2009. 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.

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BUDGET FORMAT

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

Preface

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

Introduction

The Introduction section begins with the City Administrator's Budget Message which outlines the City's accomplishments, goals for the current period and the budgetary plan for the current fiscal year. This section also includes an organization chart, graphic presentation of full-time personnel and a comparative list of authorized personnel. The amounts compared in the Budget Message are Adopted Budget 2009 and Adopted Budget 2010.

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 FY08 Actual, FY09 Budget, FY09 Estimated and FY10 Budget is included. A comparative summary for all funds with major revenue detail is presented for FY07 Actual, FY08 Actual, FY09 Budget, FY09 Estimated, and FY10 Budget. A combined summary of all funds for the FY10 Budget as well as individual fund statements by fund type for FY10 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 FY10 is also incorporated in this section. An early projection for FY11 is also presented for the departments. Combined summaries by division and expenditure/ expense classification are provided at the end of this section in statement and graphic form.

Division Summaries

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

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

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

Capital Improvement Program

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

Related Financial Information

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

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January 1, 2010

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

Mayor and Directors:

We're pleased to present the 2010 Budget adopted December 1, 2009. The 2010 Budget is a complete financial plan for all operating funds which includes all programs and activities of the City government.

The City was able to maintain its quality level of services during 2009 despite difficult economic conditions. The outlook for 2010 continues to reflect the uncertainty of the nation's economy. The water and sewer operating fund continues to experience challenges due to decreasing consumption and the corresponding effect on revenues.

The projected fund balance at December 31, 2010 for the General Fund is $2.9 million which represents 7.1% of the 2010 operating expenditures. The reserve is presented below the City's policy of 15% of current operating expenditures as discussed below.

Although the budgeted fund balance is 7.1%, we fully expect that 2010 will end with a higher fund balance for two reasons. First, our revenue estimates are prepared conservatively; actual revenues are typically higher than what's budgeted. Second, departments rarely spend 100% of their budget authorizations. Unspent appropriations increase the fund balance at the end of the year.

Water consumption billed in 2010 is estimated to be 4% less than in 2009. Consumption billed has been relatively flat since 2003 due to weather, rainfall, and conservation efforts. The City's rate structure is based upon volume demand factors, therefore, the revenue generated by rate increases have not met expectations. Furthermore, the level of bonded indebtedness continues to require larger annual requirements be met. The projected working capital reserve at December 31, 2010 is $1.5 million or 6.7% of 2010 operating expenses.

Effective January 1, 2010, volume rate increases approved during 2007 for water and sewer will increase approximately 3% and 5%, respectively. The water rate increases do not apply to contract water users. Additionally, the supplemental sewer rate that became effective July 1, 2009 will be in place for a full year. This increase was approximately 4.1% and will be in place until the debt for the 2009 Sales and Use Tax Bonds is redeemed with sales tax revenue.

The financial condition of both the General Fund and the Water and Sewer Operating Fund present challenges for the City. The General Fund's available revenue sources are very limited. Expenditures have been reduced as much as possible without cutting core services.

Recent and Key Challenges and Accomplishments

Although the City faces continued financial challenges in 2010, the following major achievements in 2009 will strengthen our future. Highlighted accomplishments are as follows:

- Mitsubishi Heavy Industries announced its intent to construct a 200,000 square foot manufacturing facility valued at $100 million in Fort Smith. The announcement will result in approximately 400 new jobs for the regional economy. The city supported the recruitment by agreeing to construct a roadway, extend water and sewer mains, waive permit fees, and authorize the use of industrial revenue bonds.

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

- Three new major employers have facilities under construction or soon to be under construction at Chaffee Crossing. Combined, they're expected to add 500 new jobs and invest $150 million in their new facilities. Additionally, Mars Petcare opened its $80 million pet food plant with approximately 60 employees.

- Planned and constructed infrastructure extensions to support growth and development in the Chaffee Crossing and southern areas of the city. More than 800 residential lots are under various stages of developments. The city grew by annexing 102 acres during 2009.

- Implemented a community notification system to rapidly alert the public with essential information about missing persons, hazardous incidences, and municipal service interruptions.

- Sanitary sewer rehabilitation work in the Sunnymede neighborhoods is nearing completion. Engineering work for the next phase of work in the upper Mill Creek neighborhoods is beginning. In June, voters overwhelmingly approved continuation of a one cent sales tax to continue the sanitary sewer wet weather rehabilitation work.

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

- A new downtown transfer station for Fort Smith transit passengers has been constructed. The station will provide a safe and comfortable location for transit passengers to transfer from one bus to another.

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

- Adopted the city's first ever historic preservation plan. The plan received the 2009 Achievement in Comprehensive Planning Award from the Arkansas Chapter of the American Planning Association.

- Automated refuse collection was expanded in 2009 to an additional 3,067 customers. More neighborhoods will be added in 2010. The program streamlines the collection of garbage, improves the appearance of neighborhoods, provides same-day service for all collections, and reduces the potential for litter.

- Awarded the GFOA Distinguished Budget presentation Award for 2009, which is the city's twenty-first consecutive recognition; and the GFOA Certificate of Achievement for Excellence in Financial Reporting for the 2008 CAFR, the twenty-fourth consecutive recognition.

- Fort Smith was named a 2009 *All America City* finalist by the National Civic League.

- The Fort Smith police department earned national re-accreditation from the Commission for Accreditation of Law Enforcement Agencies (CALEA).

- Fort Smith was named an Arkansas Volunteer Community of the Year for 2009. This was the eleventh time and the fifth consecutive year for Fort Smith to receive this honor.

National economic conditions have affected Fort Smith and the city government's budget. Unemployment in Fort Smith is up compared to last year. It appears that the unemployment rate has peaked, and may be declining. Inflation has been virtually non-existent in 2009, but this may change in 2010. Retail sales haven't met budget projections, which has negatively affected sales tax collections. The city's past conservative fiscal practices have prepared it to weather the national economic recession.

Major 2010 Policy Initiatives

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

The City-wide goals for 2010 are as follows:

1. Adopt a financing option for the Convention Center expenditure gap due to the loss of the state tourism turnback funds and adopt a new business model for operating the Convention Center.

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

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

4. Identify a new revenue source and/or identifying savings in the General Fund to provide funds for construction, staffing, and equipping Fire Station 11 in Chaffee Crossing; future downtown development; and parks projects.

5. Review an alternative method for water service rates to provide a more stable revenue base for the Water and Sewer Fund.

6. Approve a balanced budget that provides for reserve balances in accordance with the city's financial policies.

7. Adopt user fees that recover the full cost of service, where appropriate.

8. Review employee benefit levels for comparability with the private sector and freeze employee insurance contributions at the 2009 level.

9. Examine service levels so that resources and service priorities are strategically aligned.

The departmental goals which are presented in the Division Summaries section of this document have been developed to achieve these city-wide goals. This year's budget includes for the first time a *balanced scorecard* for the strategic goals established by the board of directors. A balanced scorecard provides a comprehensive view of performance beyond financial information. It defines and communicates strategic focus for the organization. A balanced scorecard is different from performance measures in that it sets targets for each major strategy. At the end of the budget year, actual results are compared to targets. This approach gives greater accountability for the use of resources allocated to strategic goals.

For the Future

As Chaffee Crossing continues to develop, the City must provide public safety, street maintenance and construction, utility services, planning and code enforcement for the area. The water and sewer infrastructure projects total $28.3 million and may need to be designed and constructed between 2011 and 2012. The Fire Department estimates that a station will need to be constructed ($2 million) and staffed (twelve additional positions at an annual cost of approximately $650,000) during 2011. Funding must be identified for these improvements and services.

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

The City's share of the county-wide sales tax represents 39% of total General Fund revenue. The reliance on a revenue that is impacted by external factors such as economic conditions is a concern. The City must continue to review other revenue options and continue to streamline expenditures in the General Fund to provide financial stability to continue providing the level of public services expected by the community. The loss of $1.8 million in convention center turnback funding in 2010 must also be addressed. Funds of $700,000 allocated to specific uses temporarily was ended to alleviate this revenue loss. However, a gap of $1.1 million must still be closed.

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

Future expansions of the Riverfront Park as well as continued improvements in the downtown area will need to be prioritized and funding sources identified. Private participation and grants are options to review. Ongoing operating and maintenance costs will need to be considered. The riverfront opportunity analysis currently underway will provide a blueprint for these areas.

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

Budget Summary

The 2010 Annual Budget is designed to present the City's operating programs in a comprehensive yet simple, clear and easy to read manner. The City's budget process is guided by its Fiscal Performance Policies which are presented in the Budget Highlights section of this document. The Policies were originally adopted in1987 and have been updated regularly.

The City's 2010 Annual Budget, comprised of all funds, programs and activities, totals $274.1 million or a $9.1 million bottom line increase over the 2009 Annual Budget of $264.8 million. The increase is attributable to capital project spending on multi-year projects. Operating budgets have been reduced because of recessionary economic conditions.

The City's 2010 Budget of $274.1 million includes the 2010 Operating Budget of $102.7 million as well as $114.5 million for capital improvements; $ 35.5 million for debt service; $6.3 million for pension programs; $8.8 million for self-funded workers' compensation and employee benefit programs; $2.1 million for CDBG, housing and special grants programs; and $4.2 million for the Advertising and Promotion Commission, Parking Authority, Convention Center and internal service funds. Excluding various interfund transfers of $21.7 million, the City's Annual Budget totals $252.4 million.

The table below summarizes the major areas of change between the 2009 and 2010 Annual Budgets:

Overall Budget Summary

	2009	2010	Change	%
Operating Budget	$105,126,563	$102,746,611	($2,379,952)	-2.3%
Capital Improvements	101,489,783	114,517,603	13,027,820	12.8%
Debt Service	37,653,093	35,480,075	(2,173,018)	-5.8%
Pension Programs	5,052,700	6,255,000	1,202,300	23.8%
Workers' Compensation and Insurance Programs	9,131,970	8,784,409	(347,561)	-3.8%
CDBG, Housing & Special Grants	1,398,218	2,129,491	731,273	52.3%
Special Projects	4,903,833	4,184,799	(719,034)	-14.7%
Total	264,756,160	274,097,988	9,341,828	3.5%
Less Interfund Transfers	21,391,860	21,663,230	271,370	1.3%
Total	$243,364,300	$252,434,758	$9,070,458	3.7%

The 2010 Operating Budget is summarized in greater detail elsewhere. The 2010 Capital Budget of $114.5 million includes $34.7 million in various street and drainage improvements; $75.1 million in water and sewer system improvements; $630,000 in sidewalk construction; and $4.1 for the landfill expansion and purchase of heavy equipment for Sanitation.

The decrease in debt service is due to redemption of the 1999 Water and Sewer and 2004 Water and Sewer bond issues during 2009.

The pension program for police and fire uniformed personnel is estimated to increase between years due to a 15.4% contribution rate increase for police personnel and a 7.8% contribution rate increase for fire personnel. Also, effective July 1, 2009, the employee contribution rate increased from 6% to 8% for LOPFI plan members. The City withholds the contribution and remits it along with the employer contribution.

Workers' Compensation and Insurance programs decreased between years due to the medical benefits cost reductions and wellness programs.

The increase in CDBG, housing, and special grants is because of the increased allocation of HUD monies by the federal government. An additional housing assistant position is included for 2010.

The decrease in special projects is due to the significant decrease in the cost of motor fuel in the working capital internal service fund.

2010 Operating Budget Summary

The Fiscal Performance Policies, reproduced in the Budget Highlights section of the 2010 Annual Budget, require the adoption of an annual budget in which expenditures do not exceed reasonably estimated revenues and available fund balances/working capital.

The 2010 Operating Budget of $102.7 million achieves this goal with anticipated revenues of $98.4 million and $4.3 million from prior year balances. The major revenue source of the General Fund is the City's share of the county- wide sales tax which represents 39% of total operating revenues. The county-wide sales tax is anticipated at $15.5 million for 2010. The franchise tax for 2010, estimated at $7.0 million, reflects a 2% increase over estimated 2009 revenue. Property tax is estimated at $6.2 million for FY10 which is 3% above the estimated FY09 amount.

The Street Maintenance Fund revenue remains fairly stable from 2009 to 2010. The 1% increase is due to an increase in property tax revenue.

The Water and Sewer Operating Fund revenues are expected to increase by 1% between budget years. The rate increases that become effective January 1, 2010 are not evident when comparing budget revenue as estimated FY09 revenues are less than budgeted FY09 revenue.

The Sanitation Operating Fund reflects a 10.5% decrease for FY10 as compared to the FY09 budgeted revenue. No sanitation rate increases are included in the 2010 Budget.

The figures below summarize 2009 and 2010 Budget revenues by operating fund:

Revenues By Operating Fund

	2009	2010	Change	%
General	$41,410,510	$40,066,526	($1,343,984)	-3.2%
Street Maintenance	5,560,296	5,619,796	59,500	1.0%
Water and Sewer	38,372,210	38,746,870	374,660	1.0%
Sanitation	15,641,200	14,002,200	(1,639,000)	-10.5%
Total Revenues	100,984,216	98,435,392	(2,548,824)	-2.4%
Prior Year Balance	4,142,347	4,311,219	168,872	-4.1%
Total	$105,126,563	$102,746,611	($2,379,952)	-2.3%

2010 Operating Budget-Expenditure Summary

The 2010 Operating Budget totals $102.7 million, or $2.4 million or 2.3% less than the 2009 Operating Budget of $105.1 million. A market adjustment to employees' pay is not included in the 2010 Budget. The absence of inflation makes a market adjustment unwarranted. The 2010 Budget includes one-half of one step increases for employees earning less than the midpoint of their pay grades and less than an annual salary of $40,000 at December 31, 2009. The cost of this increase among the four operating funds if $220,000. All other merit and step pay increases were frozen to achieve a fiscally responsible budget.

The 2010 General Fund expenditures are anticipated to decrease $2.3 million or 5.1% from 2009 budget expenditures. The decrease is due to the elimination of all capital requests, including a replacement fire pumper and police patrol motor pool replacements. Personnel for the General Fund increases by 8.47 FTE. One additional court clerk (1FTE) is included for District Court operations; the part-time position (0.63FTE) in the City Clerk's office was upgraded to a production assistant (1FTE) to assist with the media services; two (2FTE) school resource police officers have been added in coordination with the Fort Smith Public School System (FSPS) to serve at the two high schools; five (5FTE) 911 dispatch/communication operators were added to the Police Department; and a part-time laborer (0.60FTE) has been added to operate the Park at West End which is under lease to the city beginning in 2010. These additional positions were offset by the reduction of the seasonal laborers for the Convention Center from 1FTE to 0.50FTE.

The expenditures in the Street Maintenance Fund are expected to be 0.8% less in 2010 than budgeted for 2009. The decrease is due to lower fuel and materials costs.

Water and Sewer Operating expenses are anticipated to increase by 3.6% between years. The increase is due to increases in utility usage and materials as well as capital assets totaling $1,222,400. Due to fiscal constraints, there was virtually no capital included in prior years' budgets.

The Sanitation Operating Fund budgeted expenses for 2010 are 9% less than the 2009 budgeted expenses. The decrease is attributable to a reduction in overtime, lower fuel costs, and a reduction in the number of residential service containers to be purchased.

The figures shown below compare 2009 and 2010 Budget expenditure/expense appropriations by operating fund, category of use, and service division.

Summary by Operating Fund

	2009	2010	Change	%
General	$44,787,072	$42,515,929	($2,271,143)	-5.1%
Street Maintenance	6,998,278	6,943,850	(54,428)	-0.8%
Water and Sewer	37,504,281	38,844,833	1,340,552	3.6%
Sanitation	15,836,932	14,441,999	(1,394,933)	-9.0%
Total	$105,126,563	$102,746,611	(2,379,952)	-2.3%

Summary by Use

	2009	2010	Change	%
Personnel	$52,613,620	$52,125,527	($488,093)	-0.9%
Capital	3,984,560	2,744,000	(1,240,560)	-31.1%
Operating	27,530,359	26,902,172	(628,187)	2.3%
Debt Service	16,522,210	16,452,080	(70,130)	-0.4%
Transfers	4,475,814	4,522,832	47,018	1.1%
Total	$105,126,563	$102,746,611	($2,379,952)	-2.3%

Summary by Service Division

	2009	2010	Change	%
Policy	$3,866,760	$3,858,030	($8,730)	-0.2%
Management	6,721,300	6,748,740	27,440	0.4%
Development	3,146,000	2,977,450	(168,550)	-5.4%
Police	16,952,020	16,555,610	(396,410)	-2.3%
Fire	10,425,510	10,105,170	(320,340)	-3.1%
Operations	58,348,190	56,913,647	(1,434,543)	-2.5%
Non-Departmental	5,666,783	5,587,964	(78,819)	-1.4%
Total	$105,126,563	$102,746,611	($2,379,952)	-2.3%

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

2010 Contingencies

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

The fiscal performance policies require maintaining at least a 15% contingency based upon estimated operating expenditures/expenses for the current fiscal year. The General Fund projected ending balance is 7.1% and the Water and Sewer Operating Fund projected ending balance is 6.7%. which fall below the target of 15%. In an effort to maintain current service levels, this is as near to the policy level that may be maintained for 2010. Our beginning General Fund balance of 12.8% will help with the stagnation in 2010 revenues. The Street Maintenance Fund is just slightly below the desired level while the Sanitation Operating Fund is projected to achieve the desired level of reserve.

The figures shown below compare budgeted 2009 and 2010 contingencies based upon the current year operating expenditures/expenses.

Contingencies by Operating Fund

	2009		2010	
	Balance	% of Exp.	Balance	% of Exp.
General	$3,333,083	7.8%	$2,939,747	7.1%
Street Maintenance	1,026,250	15.3%	977,317	14.7%
Water and Sewer	1,813,472	8.4%	1,537,800	6.7%
Sanitation	1,319,495	10.2%	1,659,563	15.0%
Total	$7,492,300	8.9%	$7,114,427	8.7%

Message Summary

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

Special appreciation is expressed to Kara Bushkuhl, Ray Gosack, the Finance Department staff, and all City employees for their assistance in preparing the 2010 Budget.

Respectfully submitted,

Dennis Kelly
City Administrator

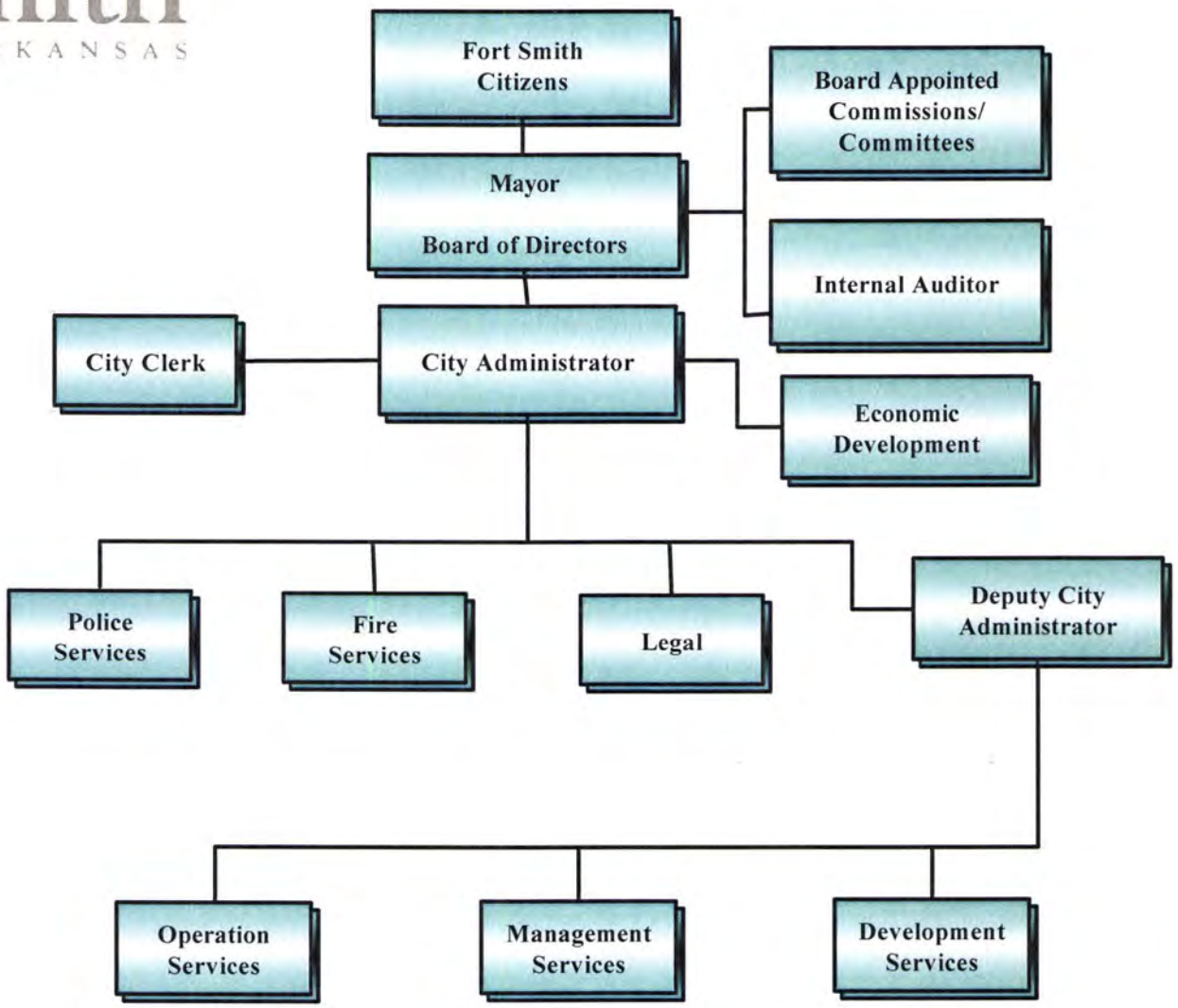
cd

2010 BALANCED SCORECARD

FOCUS	GOALS/OBJECTIVES & MEASURES	TARGET	ESTIMATED/ACTUAL
Financial	*1.1 Increase reserve balances in major operating funds*		
	General Fund reserve balance	7.5%	
	Sanitation Fund reserve balance	15.0%	
	Water/Sewer Fund reserve balance	7.5%	
	Street Maintenance Fund reserve balance	15.0%	
	1.2 Adopt user fees that recover the full cost of service, where appropriate		
	Building permit and inspection fees	100%	
	Water & sewer fees	100%	
	1.3 Adopt convention center financing plan that reduces the revenue/expenditure gap	100%	
	Percent of expenses covered by operating revenue	50%	
	1.4 Identify General Fund resources for Chaffee Crossing fire station, downtown development and parks projects		
	Funding available for desired projects	$ 750,000	
Growth	*2.1 Increase the number of higher paying jobs*		
	Number of jobs created which pay at least $20 per hour in wages and benefits	400	
	2.2 Support construction of intermodal freight facilities		
	Number of facilities planned for construction	1	
	2.3 Support construction of I-49		
	Federal funding obtained for project construction	$15,000,000	
Citizen	*3.1 Strategically align service levels and resources*		
	Savings from eliminated services	$ 250,000	
Internal	*4.1 Review employee benefit levels for comparability with the private sector*		
	Employee benefit costs as a percent of payroll costs	43%	
	Private sector comparisons		
	City of Fort Smith		
	Uniformed employees	50%	
	Non-uniformed employees	38%	
	4.2 Reduce energy costs for city operations		
	Energy cost reductions	$250,000	

The City of Fort Smith ARKANSAS

Plan of Organization



Operation Services

- Streets & Traffic Control
- Water & Wastewater
- Parks & Recreation
- Convention Center
- Sanitation
- Transit

Management Services

- Human Resources
- Finance
- Information & Technology Services

Development Services

- Engineering
- Planning & Zoning
- CDBG
- Building Safety
- Neighborhood Services

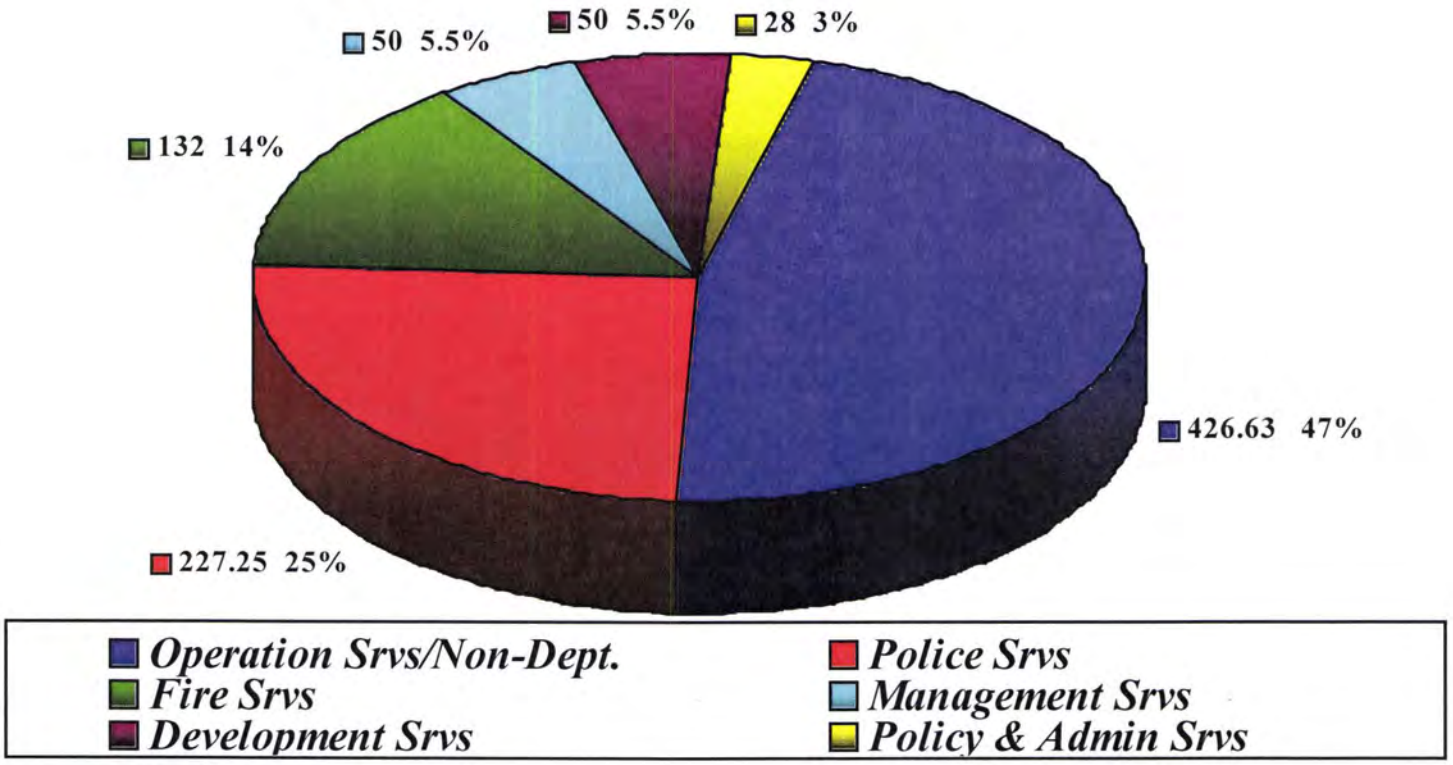
CITY OF FORT SMITH
AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL
BY EXPENDITURE CLASSIFICATION

	FY08 Actual	FY09 Estimated	FY10 Budget
Policy and Administration Services (Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	3.00	3.00	3.00
Economic Development	2.00	2.00	2.00
District Court	18.00	18.00	19.00
City Prosecutor	2.00	2.00	2.00
Internal Audit	1.00	1.00	1.00
Total	27.00	27.00	28.00
Management Services			
Human Resources	4.00	4.00	4.00
City Clerk/Citizen Action Center	2.63	2.63	3.00
Finance	33.00	33.00	34.00
Information & Technology Services	9.00	9.00	9.00
Total	48.63	48.63	50.00
Development Services			
Engineering	19.00	19.00	19.00
Planning and Zoning	7.75	7.75	7.75
Building Safety	11.00	11.00	11.00
Community Development	3.25	3.25	4.25
Neighborhood Services	8.00	8.00	8.00
Total	49.00	49.00	50.00
Police Services	214.00	220.25	227.25
Fire Services	132.00	132.00	132.00
Operation Services			
Streets and Traffic Control	64.24	64.24	64.24
Water and Sewer	191.19	191.19	191.19
Parks and Community Services	38.10	38.10	38.70
Convention Center	14.00	15.00	13.50
Sanitation	77.50	78.00	78.00
Transit	36.00	36.00	36.00
Total	421.03	422.53	421.63
Non-Departmental			
Convention & Visitors Bureau	5.00	5.00	5.00
Total Authorized Level of Full-Time Equivalent Personnel	896.66	904.41	913.88

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

Note 2: Of the 913.88FTE personnel authorized for 2010, 864 positions are full time and 49.88 positions are part-time or seasonal.

913.88 FTE PERSONNEL FOR 2010



BY EXPENDITURE/EXPENSE CLASSIFICATION

INTRODUCTION

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

BUDGET PROCESS

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

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

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

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

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

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

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

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

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

July 2, 2009	Distribution of 2010 Budget package to all departments.
July 6, 2009 through Aug. 11 or 18, 2009	Departments prepare budget worksheets/disks and summaries for 2010 requests and 2011 projections. Finance refines 2010 revenue estimates and prepares 2011 revenue projections.
July 28, 2009	Review Board of Directors input for city-wide goals for 2010 at study session.
August 12, 2009	Departments submit service objectives and outcome/performance measures for 2010 and submits a status report on 2009 service objectives and outcome/ performance measures to the Finance Department.
August 17, 2009	Board Budget Retreat.
August 19, 2009	The following departments submit completed budget packages to Finance: Administration; Economic Development; District Court; City Prosecutor; Finance; City Clerk; Human Resources; Internal Audit; Engineering; Planning, CDBG, Building Safety and Neighborhood Services; Information & Technology Services; Convention Center; Health; Street Maintenance Department;Transit and Convention and Visitors Bureau.
August 19, 2009	The following departments submit completed budget packages to Finance: Police; Fire; Parks; Water and Sewer; and Sanitation.
August 25, 2009	Board Budget Retreat.
August 13, 2009 through September 11, 2009	Finance verifies the accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 14, 2009 through September 30, 2009	City Administrator, Deputy City Administrator and Director of Finance review budget requests and meet with department directors to discuss the 2010 requests.
September 22, 2009	Proposed five year streets and drainage CIP presented at Board study session.
October 1, 2009 through October 30, 2009	Preparation of draft budget by Finance.
October 13, 2009	Review departmental service objectives for 2010 and their correlation with city-wide goals for 2010 during the Board Study Session.
November 3, 2009	Present proposed budget to Mayor and Board of Directors.
November 23 and November 24, 2009	Review proposed budget with Mayor and Board of Directors, discussion with department directors.
December 1, 2009	Conduct 2010 Budget hearing and present 2010 Budget to the Board of Directors for adoption.

FISCAL PERFORMANCE POLICIES

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

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

REVENUE POLICIES

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

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

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

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

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

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

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

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

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

OPERATING EXPENDITURE/EXPENSE POLICIES

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

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

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

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

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

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

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

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

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

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

CAPITAL IMPROVEMENT POLICIES

1. The City will prepare annually and update a five year capital improvements program (CIP) which will provide for the orderly maintenance, replacement, and expansion of capital assets.

2. The CIP will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.

3. The CIP will reflect for each project the likely source of funding, the priority ranking of each project and attempt to quantify the project's impact to future operating expenditures/expenses.

4. The City will determine and follow the most cost-effective financing method for all capital projects. The City will pursue federal, state and other funding to assist in financing capital projects and improvements.

5. All equipment, projects and improvements with a value equal to or greater than $5,000 per unit will be capitalized for financial reporting purposes.

6. Capital projects and improvements will be constructed to:
   a. Protect or improve the City's quality of life.
   b. Protect or enhance the community's economic vitality.
   c. Support and service new development.

DEBT POLICIES

1. The City will issue debt to finance or refinance capital improvements and long-term fixed assets or other costs directly associated with financing a project which have been determined to be beneficial to a significant proportion of citizens in Fort Smith and for which repayment sources have been identified. Debt issuance shall be used only after considering alternative funding sources such as project revenues, federal and state grants and special assessments.

2. The scheduled maturity of bond issues should not exceed the expected useful life of the capital projects or improvements financed.

3. The City will consider refunding outstanding bonds if one or more of the following conditions exist:
   a. Present value savings are at least 3% with certain exceptions, of the par amount of the refunding bonds.
   b. The bonds to be refunded have restrictive or outdated covenants.
   c. Restructuring debt is deemed to be desirable.

4. The City will seek credit enhancements, such as bond insurance or letters of credit, when necessary for cost-effectiveness.

5. The City will monitor compliance with bond covenants, adhere to Federal arbitrage regulations, and abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c 2-12 concerning primary and secondary market disclosure.

6. The City will encourage and maintain communications with financial bond rating agencies and continue to strive for improvements in the City's bond rating.

7. The City will require that the total annual payments for debt service not exceed 25% of total operating revenues of the applicable fund.

8. The City will evaluate the benefits of conducting financings on a competitive or negotiated basis. Negotiated financings may be used where market volatility or the use of an unusual or complex financing or security structure is a concern with regard to marketability.

9. The City will coordinate its debt issuances with other local government agencies in an effort to review overlapping debt in the community.

RESERVE POLICIES

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

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

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

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

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

   e) maintain an adequate cash-flow.

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

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

INVESTMENT AND CASH MANAGEMENT POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL REPORTING POLICIES

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

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

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

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

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

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

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

THE FY10 BUDGET

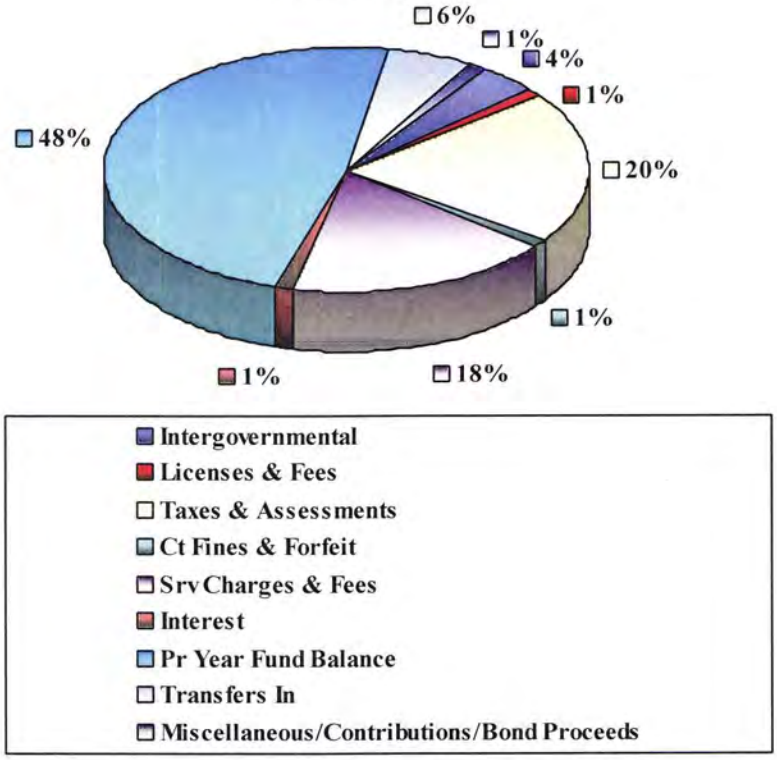
Total funding sources from all funds is estimated at $353.1 million with expenditures/expenses totaling $274.1 million for FY10. All funds for which revenues are received and expenditures/ expenses are incurred are included in the Budget Summaries - All Funds section of this document.

The major sources of funding for FY10 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 48% of total resources. This is due to the inclusion of capital project budget balances which will be expended in future years. Taxes and assessments account for 20% of total resources. The City assesses a 3% local sales tax (2.0% city-wide plus 1.0% county-wide), a 4% utility franchise tax, a 3% hotel/motel tax and imposes a millage rate of $.70 per $100 of assessed property value. Service charges and fees account for 18% 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 FY10 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 37% of total uses and are primarily for personnel, day-to-day operating expenditures/expenses and equipment purchases. Capital improvements account for 42% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 13% of total uses and is comprised of the five water and sewer revenue bond issues, the parking facilities revenue bond issue, a solid waste revenue bond issue and the three sales and use tax bond issues. More information concerning bonded indebtedness may be found at the conclusion of this section and in the Related Financial Information section of this document.

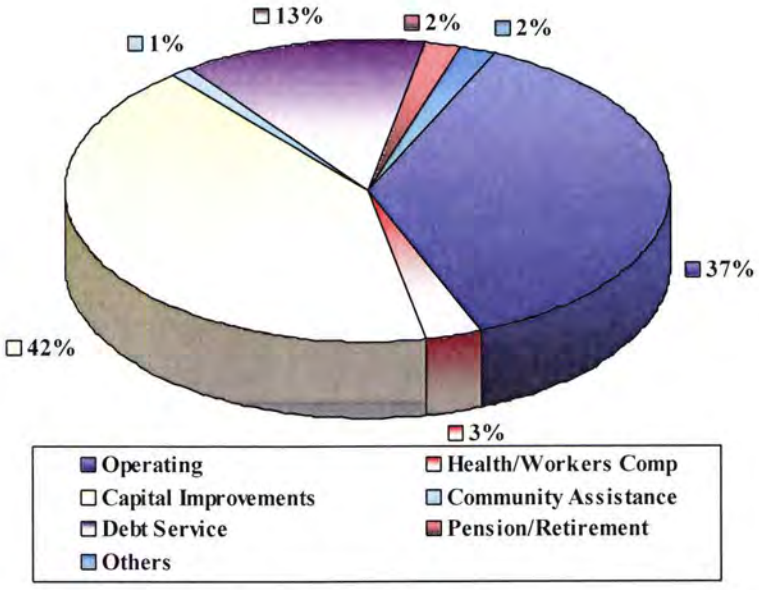
The two graphs which follow depict the allocation of total resources and total uses for 2010.

SUMMARY OF TOTAL RESOURCES
FY 2010



Total Resources $ 353,087,293

SUMMARY OF TOTAL USES
FY 2010



Total Uses $ 274,097,988

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 FY10 Operating Funds Budget totals $102.7 million in appropriations which is 2.6% less than the FY09 Operating Funds Budget. Operation services account for 55% of operating appropriations. Operation services include: streets, traffic control, water and sewer services, parks and recreation, convention center, sanitation and transit services. The police and fire services combine to account for 26% of total appropriations.

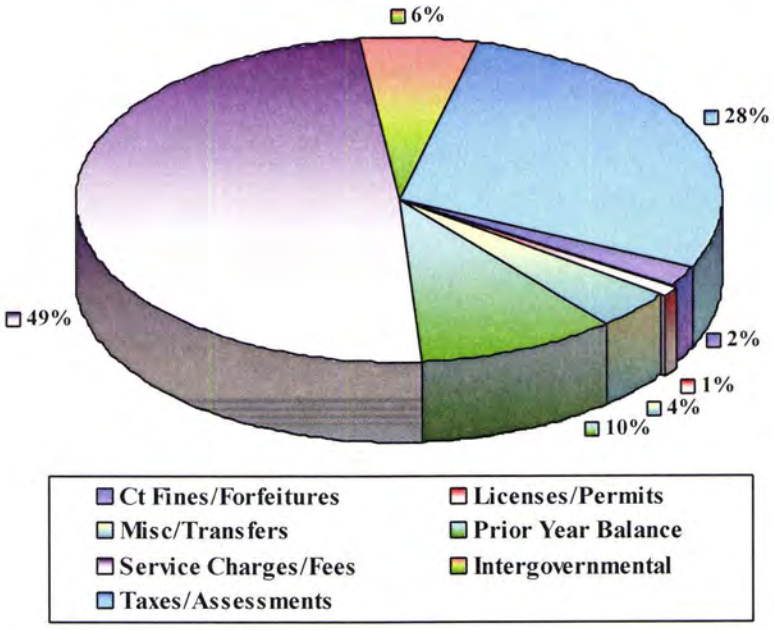
FY10 Operating Funds Sources total $109.9 million, which is a 2.5% decrease from FY09 Operating Funds Sources. Service charges and fees account for 49% of total sources. Service charges and fees include utility rate charges for water, sewer and sanitation services. Taxes and assessments comprise 28% of total sources. Taxes and assessments include utility franchise fees, the property tax and the City's share of the county-wide sales tax.

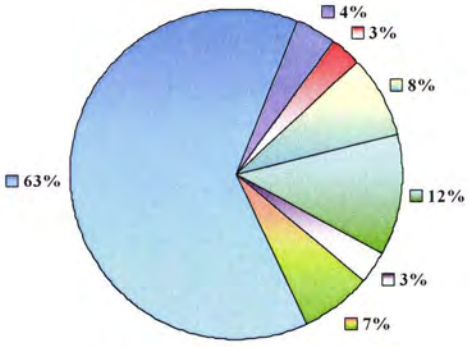
The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 15 illustrate funding sources combined and individually for the four operating funds. The graphs on page 16 illustrate appropriations in combined and individual format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

COMBINED OPERATING FUNDS

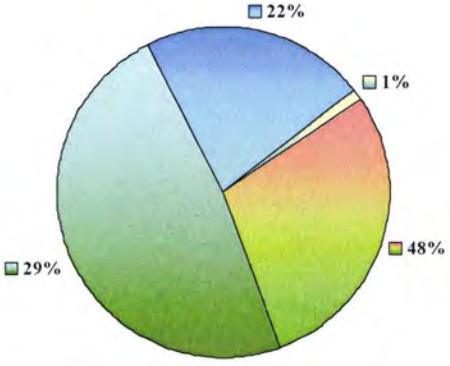
FISCAL YEAR January 1 - December 31, 2010

TOTAL FUNDING SOURCES $109,861,038

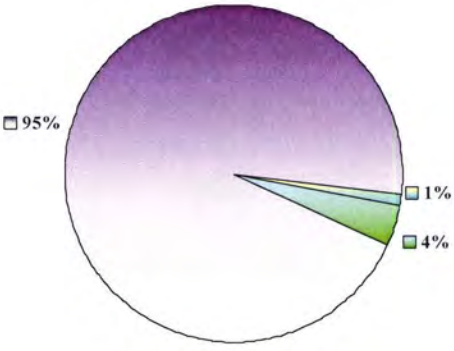




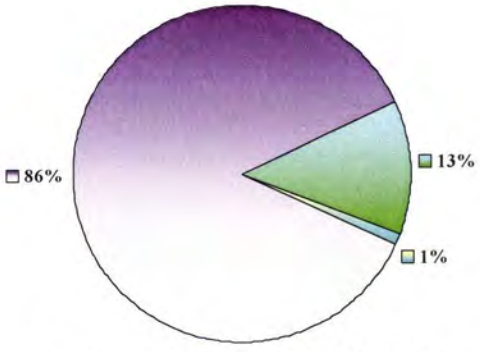
GENERAL FUND
$45,455,676



STREET MAINTENANCE FUND
$7,921,167



W/S OPERATING FUND
$40,382,633

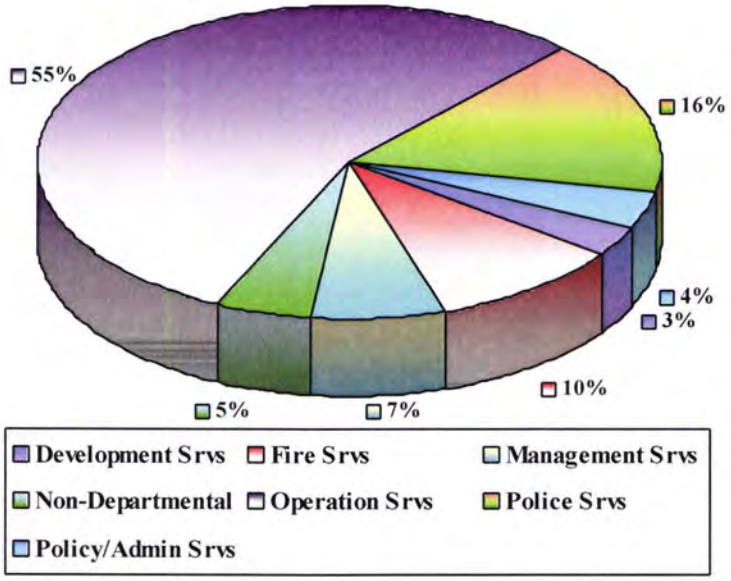


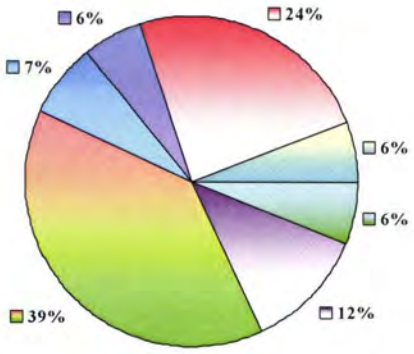
SANITATION OPERATION FUND
$16,101,562

COMBINED OPERATING FUNDS

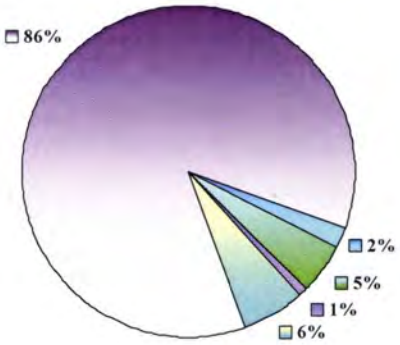
FISCAL YEAR January 1 - December 31, 2010

TOTAL APPROPRIATIONS $102,746,611

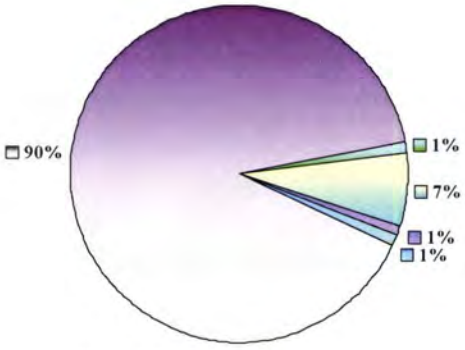




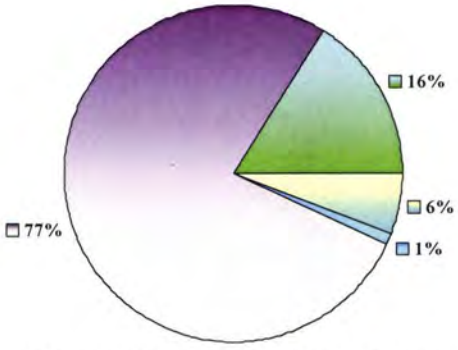
GENERAL FUND
$42,515,929



STREET MAINTENANCE FUND
$6,943,850



W/S OPERATING FUND
$38,844,833



SANITATION OPERATION FUND
$14,441,999

GENERAL FUND

Total funding sources for the General Fund in FY10 amount to $45.5 million which represents a 5.6% decrease from FY09 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 63% of total resources. Ad valorem taxes, franchise taxes and the county-wide sales tax comprise this revenue classification. The General Fund receives 5.0 mills applied to assessed property values within the City limits. Estimated revenues from ad valorem tax for FY10 total $6.2 million, which is an increase of 3% over the FY09 estimated amount of $6 million. The tax rate for FY10 and FY11 remains constant at the maximum allowed by the state. The increase is a result of increased property values. Assessed property values are established by the Sebastian County Assessor. Graphic displays of the assessed property values for the past five years and the allocation of property tax rates for FY10 are shown on page 185.

Franchise fees for FY10 are estimated at $7 million, which is a 2% increase over the FY09 estimated revenue of $6.8 million. A comparison of the franchise fee revenues between years is as follows:

	FY 09 ESTIMATED (Thousands)	FY 10 BUDGET (Thousands)
Electric	$ 3,940	$ 4,052
Gas	2,013	2,033
Cable	587	593
Telecommunications	276	274
	$ 6,816	$ 6,952

The increase between FY10 Budget and FY09 Estimated represents an increase in gas and electric consumption during FY10.

In June 1994, the citizens of Fort Smith and Sebastian County approved a one-cent county-wide sales and use tax. Collection of the tax began August 1, 1994. The City receives approximately 70% of the total tax collection as the distribution is based on population within the County. The General Fund direct share of the county sales tax is estimated at $15.5 million for FY10. This tax accounts for 39% of the General Fund revenue.

The General Fund appropriations for FY10 total $42.5 million which is $2.3 million or 5.1% less than the FY09 Budget. Although fiscal constraints caused 2010 budget requests to be reduced, there are critical positions added for the current year. The District Court includes one additional court clerk; the City Clerk office is increased by 0.37FTE for a full-time production assistant; the police department adds two police officers to serve as school resource officers (SRO) at the two local high schools and five additional 911 dispatch/communication operators; and there is 0.60FTE added to operate the newly acquired Park at the West End. These additions are offset by a 0.50FTE reduction in seasonal laborers at the Convention Center. The net increase in positions is 8.47FTE for FY10.

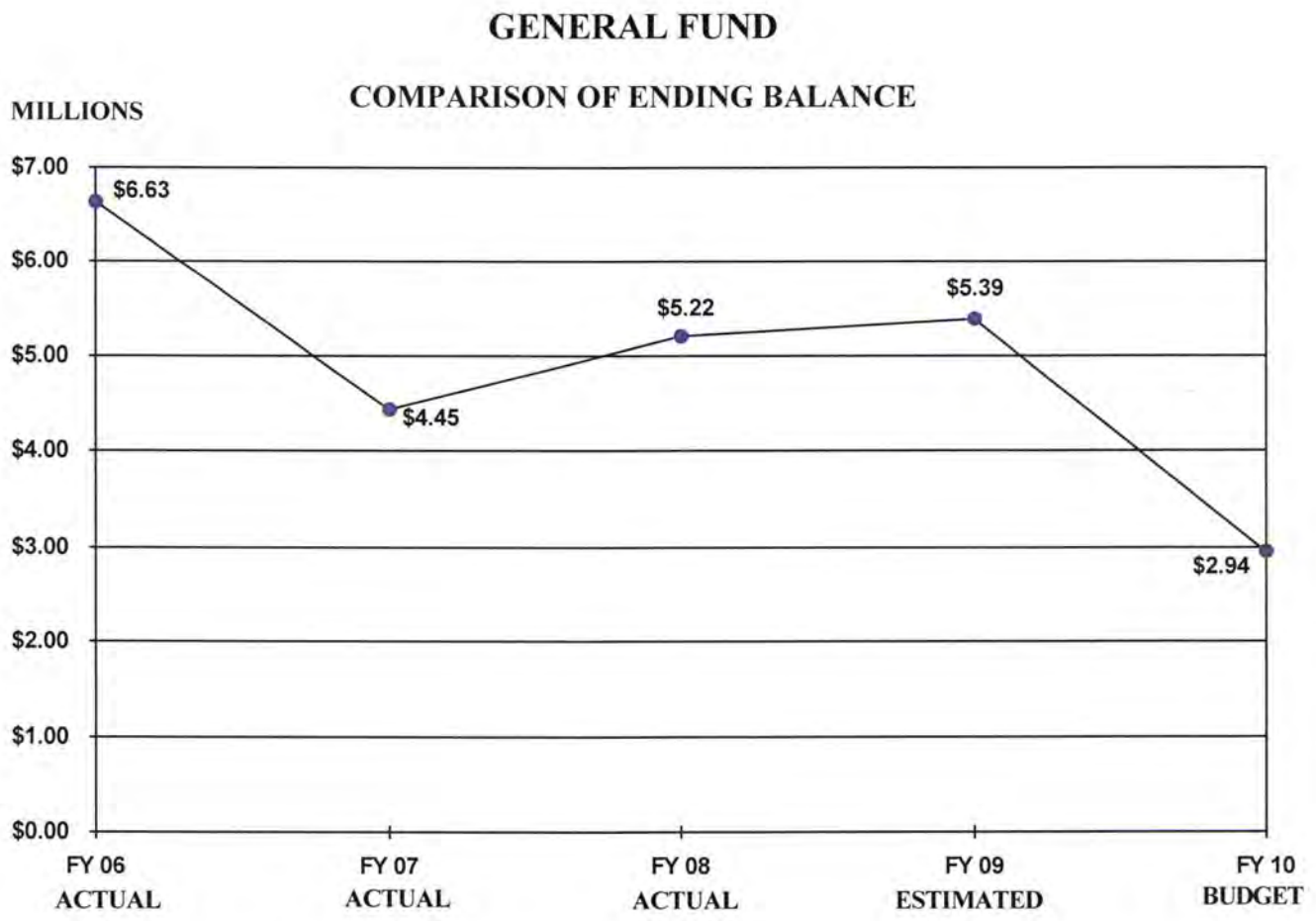
The General Fund uses for the County Sales Tax in FY10 are as follows:

Public Safety	$ 11,787,922
Public Library	930,626
Park Capital Maintenance	387,761
Senior Citizen Programs	232,656
Downtown Development & Projects	465,313
Public Transit	465,313
Privilege License Replacement	1,240,834
	$ 15,510,425

The projected fund balance of the General Fund at December 31, 2009 is $2,939,747 which represents 7.1% of operating expenditures for 2010. 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 FY09 Budget document the estimated ending balance was 8% compared to the FY09 estimated ending balance of 12.8% as indicated below. Any further reductions in appropriations would require eliminating positions which would reduce the level of services currently provided. The level of ending fund balances for the past four years, and projected for FY10 is:

FY06	13.6%
FY07	14.5%
FY08	13.6%
FY09 Estimated	12.8%
FY10 Budget	7.1%

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



STREET MAINTENANCE FUND

Total funding sources of the Street Maintenance Fund for FY10 amount to $7.9 million and is only $103,000 less than the FY09 Budget.

The major funding source for the Street Maintenance Fund is provided by State Turnback of the Gasoline Tax allocated on the basis of population. The estimate for FY10 is $47.00 which was the same for FY09.

This Fund also receives one-half of the 3.0 Road Millage levied by Sebastian County. Total estimate from this revenue for FY10 is $1.8 million which reflects a 3% increase over FY09 estimated revenue.

FY10 appropriations for the Street Maintenance Fund total $6.9 million compared to $6.7 million in FY09. Expenditures remain stable between years.

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 $977,317 which represents 14.7% of FY10 operating expenditures. This is just below the 15% reserve requirement.

WATER AND SEWER OPERATING FUND

Total funding sources for the Water and Sewer Operating Fund amount to $40.4 million for FY10. This represents a 2.7% increase over FY09 total funding sources of $39.3 million. The water sales and sewer services have been increased by 3.5% and 4.8% respectively, for the rate increases adopted during 2007 that become effective January 1, 2010. Also, the supplemental sewer rate increase of 4.1% that became effective on July 1, 2009 will be in place for a full year.

Service charges and fees provide 95% of total resources for this fund.

Total Water and Sewer Operating Fund appropriations for FY10 total $38.8 million compared to FY09 appropriations of $37.5 million. The increase is due to additional materials and utility usage as well as including $1.2 million in capital outlay for 2010. In the past 4 years, there has been minimal capital for this fund.

The projected working capital at December 31, 2010, is $1,537,800, which represents 6.7% of FY10 operating expenses. This does not meet the fiscal policy of a 15% reserve requirement. The City is currently reviewing its rate structure to determine the best method for revenue stability in this fund.

SANITATION OPERATING FUND

Total funding sources of the Sanitation Operating Fund amount to $16.1 million for FY10 and represent a 6.1% decrease from FY09 budget sources of $17.2 million. The decrease is due to the unexpected decline in landfill waste disposal and roll-off collection services during 2009.

Service charges and fees are the major funding sources for the Sanitation Operaring Fund reflecting 86% of this total.

Total appropriations for the Sanitation Operating Fund total $14.4 million. This is a 9% decrease from the total FY09 appropriations of $15.8 million. The decrease is attributable to to lower fuel costs, reduced overtime, and less funds required for future landfill expansion costs.

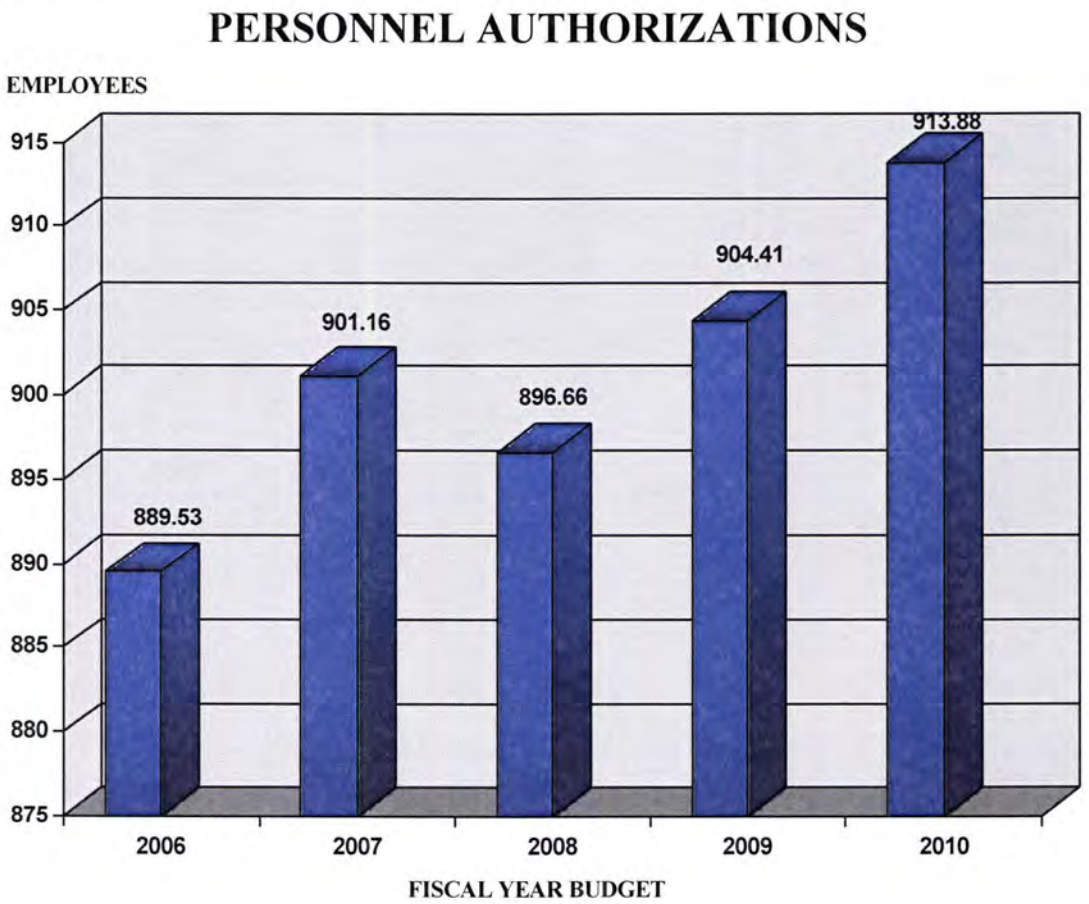
The major appropriation of the Fund is operation services which comprise 77% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is $1,659,563 and reflects 15% of FY10 operating expenses. This meets the policy level of 15%.

PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY10 represent 50.7% of total operating funds appropriations compared to 48.7% for FY09.

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



The net change in personnel between 2009 estimated and 2010 is an increase of 9.47FTE. The following chart reconciles the 2009 estimated positions to the total positions for 2010.

	Full Time	Part-Time/ Seasonal	Total FTE
2009 Estimated	854	50.41	904.41
District Court- Court Clerk	1	-	1.00
City Clerk- Production Assistant	1	(0.63)	0.37
Finance-Parking Attendant	1	-	1.00
CDBG-Housing Assistant	1	-	1.00
Police- School Resource Officers	2	-	2.00
Police- 911 Dispatch/ Communication Operatc	5	-	5.00
Parks- The Park at West E	-	0.60	0.60
Convention Center- Parking Attendant	(1)	-	(1.00)
Seasonal Laborers	-	(0.50)	(0.50)
2010 Budget	864	49.88	913.88

CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY10 total $114.5 million. Capital Improvements for the current fiscal year are provided by the five funds as indicated:

	Amount (Thousands)
Sales Tax Fund	$ 34,666
Water and Sewer Capital Improvement Projects Fund	57,954
Sales & Use Tax Bond Construction Fund	17,153
City Sidewalk Construction Fund	630
Sanitary Landfill Construction & Sinking Fund	4,114
Total	$ 114,517

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 FY10 are 27.75% and 36.97% for police and fire personnel, respectively, as compared with FY09 rates of 24.05 and 34.30% for police and fire personnel, respectively. A special revenue fund entitled Arkansas LOPFI Contribution Fund accounts for these members' participation. Currently, there are 294 active members and 251 benefit recipients.

Benefit payments and retirement contributions for LOPFI for FY10 are estimated at $6.3 million as compared to $5.1 million for FY09. The increase is attributable to the increased contribution rates that rose 15.4% and 7.8% for police and fire, respectively.

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 FY10. The current employer contribution rate for the court clerk is 12.54%. The FY10 contribution for the court clerk will be made from reserved funds remaining from the closed Municipal Judge and Court Clerk's Retirement System which was maintained as a pension trust fund in the past. There is currently one retiree receiving benefits.

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

BONDED INDEBTEDNESS

The City currently has ten bond issues outstanding in 2010. A brief explanation of how each issue relates to the budget is as follows:

1. **Water and Sewer System Revenue Bonds- Series 2002**
   These bonds are secured by the rates of the water and sewer system, which are reflected in the Water and Sewer Operating Fund. Debt service is provided by the Water and Sewer Operating Fund. These bonds were issued as parity bonds to the 1994 and 1999 water and sewer revenue bonds. The FY10 appropriation of $4,225,290 will cover the required principal and interest for the fiscal period. The bonds were issued in February 2002 and October 2002. The total original issue amount was $111.755 million. Of this amount, $94,905 million was issued to provide financing for the Lake Fort Smith water supply expansion project, $9.015 million was issued to finance other water improvements, and $7.835 million was issued to advance refund a portion of the 1994 Water and Sewer Refunding and Construction Bonds. During 2008, the 2002A series bonds were called and the debt is considered defeased. The Water and Sewer Operating Fund has sufficient operating revenue to provide for the required debt service for this series in FY10.

2. **Water and Sewer Revenue Refunding Bonds- Series 2005A-**
   These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. Debt service is provided by the Water and Sewer Operating Fund. These bonds were issued on a parity basis with the water and sewer system revenue bonds Series 1999, 2002 and 2004. The bonds were issued to advance refund $16.375 million of the Water and Sewer System Revenue Bonds, Series 1999. The original issue was $17.605 million. The FY10 appropriation of $2,151,160 will cover the required principal and interest payments due during the fiscal period. The Water and Sewer Operating Fund has sufficient operating revenues to provide for this required debt service coverage in FY10.

3. **Water and Sewer Revenue Construction Bonds- Series 2005B-**
   These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides for transfers to meet the debt service requirements of the bonds. These bonds were issued on parity with the water and sewer system revenue bonds series 1999, 2002, 2004 and 2005A. The bonds were issued to provide financing for purchase of a portion of the South Sebastian Water Users Association transmission lines and extending services to the area, construction of an elevated storage tank in the Howard Hill area, installation of a 12" water line along Highway 45 West, and repainting the Wildcat Mountain water storage tank. The original issue was $7.34 million. The FY10 appropriation of $309,795 will cover the required principal and interest payments due during the fiscal period. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service in FY10.

4. **Water and Sewer Revenue Construction Bonds- Series 2007-**
   These bonds are secured by the water and sewer operating revenues as described in the bond covenants. These revenues are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides for transfers to meet the annual debt service requirements. The 2007 bonds were issued on a parity with the water and sewer system revenue bonds, series 1999, 2002, 2004, 2005A, and 2005B. The original issue was $24.47 million. The purposes of the bonds are to fund the new sewer pump stations, sewer extensions in the southern growth area of the City, the Mountainburg water treatment plant rehabilitation and expansion, Midland Boulevard water transmission line replacement, neighborhood water line replacements, new water transmission line from Mountainburg to the City, water storage tank painting, Lee Creek water treatment plant instrumentation, and water transmission system metering. The FY10 appropriation of $1,890,105 will provide the required debt service during FY10. The Water and Sewer Operating Fund should have sufficient revenues to meet this requirement in FY10.

5. **Water and Sewer Revenue Refunding and Construction Bonds- Series 2008-**
These bonds are secured by the rates of the water and sewer system which are reflected in the Water an Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to provide financing for the advance refund of the series 2002A Bonds, for sewer extensions in the growth areas of the city, the Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacement, and the Howard Hill elevated water storage tank. The original principal issued was $117.42 million. The FY10 appropriation of $6,423,045 will cover the required debt service payments during 2010. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service for FY10.

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 FY10 debt service requirement is $137,513. Parking deck and parking meter revenues should be sufficient in FY10 to meet this required payment.

7. **Solid Waste Revenue Refunding Bonds- Series 2002**
These bonds are secured by the solid waste operations of the Sanitation Operating Fund. These bonds were issued to refund the Series 1995 Solid Waste Revenue Refunding Bonds. The 1995 Bonds, with a par amount of $9.185 million, were originally issued to refund temporary bonds issued in 1993 and to fund a portion of the construction costs for the second cell at the sanitary landfill. The 2002 Bonds were issued at an aggregate principal amount of $6,305,000. The Sanitation Operating Fund provides an appropriation totaling $1,103,220 to cover the required debt service for FY10. The Sanitation Operating Fund has sufficient revenues to meet the required debt service in FY10.

8. **Sales and Use Tax Refunding and Construction Bonds- Series 2006**
These bonds are secured by a special one percent (1%) local sales and use tax. The 2006 Bonds were issued in the amount of $84.935 million in September 2006. The bonds were issued to redeem the outstanding 2001 Sales and Use Tax Bonds, to purchase a radio communications system, and to fund wastewater wet weather improvements. Sales tax revenue for FY10 is anticipated to be $19,276,820. Adding interest earnings for the year, revenues will be sufficient to pay debt service requirements of $10,789,312 as well as call approximately $4 million in bonds during FY10.

9. **Sales and Use Tax Construction Bonds- Series 2008**
These bonds are secured by a special one percent (1%) local sales and use tax. The 2008 Bonds were issued in the amount of $15.815 million in November 2008. The bonds were issued to provide additional financing for purchase of a radio communications system and for wastewater improvements including wet weather improvements. Sales tax revenue for FY10 is estimated to be $19,276,820. The tax revenue plus interest will provide funding to pay debt service requirements of $2,945,406 as well as call approximately $.9 million in bonds during FY10.

10. **Sales and Use Tax Construction Bonds- Series 2009**
These bonds are secured by a one percent (1%) local sales and use tax but are subordinate to the 2006 and 2008 issues. The 2009 Bonds were issued in the amount of $29.15 million in September 2009. The bonds were issued to provide additional wet weather wastewater improvements. The debt service requirements for FY10 total $699,300 and will be provided by a temporary sewer rate increase that will be in place until the 2009 Bonds are redeemed. The Water and Sewer Operating Fund includes an appropriation of $350,000 to provide a portion of the interest payments for FY10.

Please refer to pages 171-176 in the Related Financial Information section of this document for more information regarding the City's debt.

City of Fort Smith
FY10
Comparative Summary - All Funds

	Actual FY08	Budget FY 09	Estimated FY 09	Budget FY 10
Revenues				
Intergovernmental	$ 12,873,957	$ 12,621,124	$ 13,891,463	$ 13,062,766
Taxes and Assessments	75,659,260	74,261,808	71,448,784	72,425,705
Licenses and Permits	1,844,407	1,389,000	1,310,737	1,378,000
Court Fines and Forfeitures	2,188,504	2,050,000	1,910,915	1,985,000
Service Charges and Fees	61,682,587	65,574,852	60,613,259	63,622,520
Interest	5,643,507	3,736,251	1,051,616	1,072,814
Contributions	3,928,504	1,077,900	1,637,069	1,304,400
Bond Proceeds (Note 3)	60,597,693	25,000,000	27,144,493	3,480,000
Miscellaneous	1,333,828	1,425,314	5,534,779	1,414,445
Transfers In	21,724,088	21,391,860	21,233,699	21,663,230
Total	$ 247,476,335	$ 208,528,109	$ 205,776,814	$ 181,408,880
Expenditures/Expenses				
Operating	$ 96,897,943	$ 105,126,563	$ 100,776,992	$ 102,746,611
Capital Improvements	62,765,389	101,489,783	76,019,106	114,517,603
Community Assistance (Note 1)	1,908,808	1,398,218	1,729,252	2,129,491
Debt Service	36,417,190	37,653,093	36,668,294	35,480,075
Pension Benefits/Retirement Contributions	4,601,114	5,052,700	5,536,662	6,255,000
Health Insurance and Workers' Compensation Claims	7,672,290	9,131,970	8,605,894	8,784,409
Other (Note 2)	4,123,983	4,903,833	4,288,392	4,184,799
Total	$ 214,386,717	$ 264,756,160	$ 233,624,592	$ 274,097,988
Excess (Deficiency) Revenues Over (Under) Expenditures/Expen	$ 33,089,618	$ (56,228,051)	$ (27,847,778)	$ (92,689,108)
Fund Balance/Working Capital Beginning of Year	166,172,259	183,811,165	199,261,877	171,414,099
Fund Balance/Working Capital End of Year	$ 199,261,877	$ 127,583,114	$ 171,414,099	$ 78,724,991

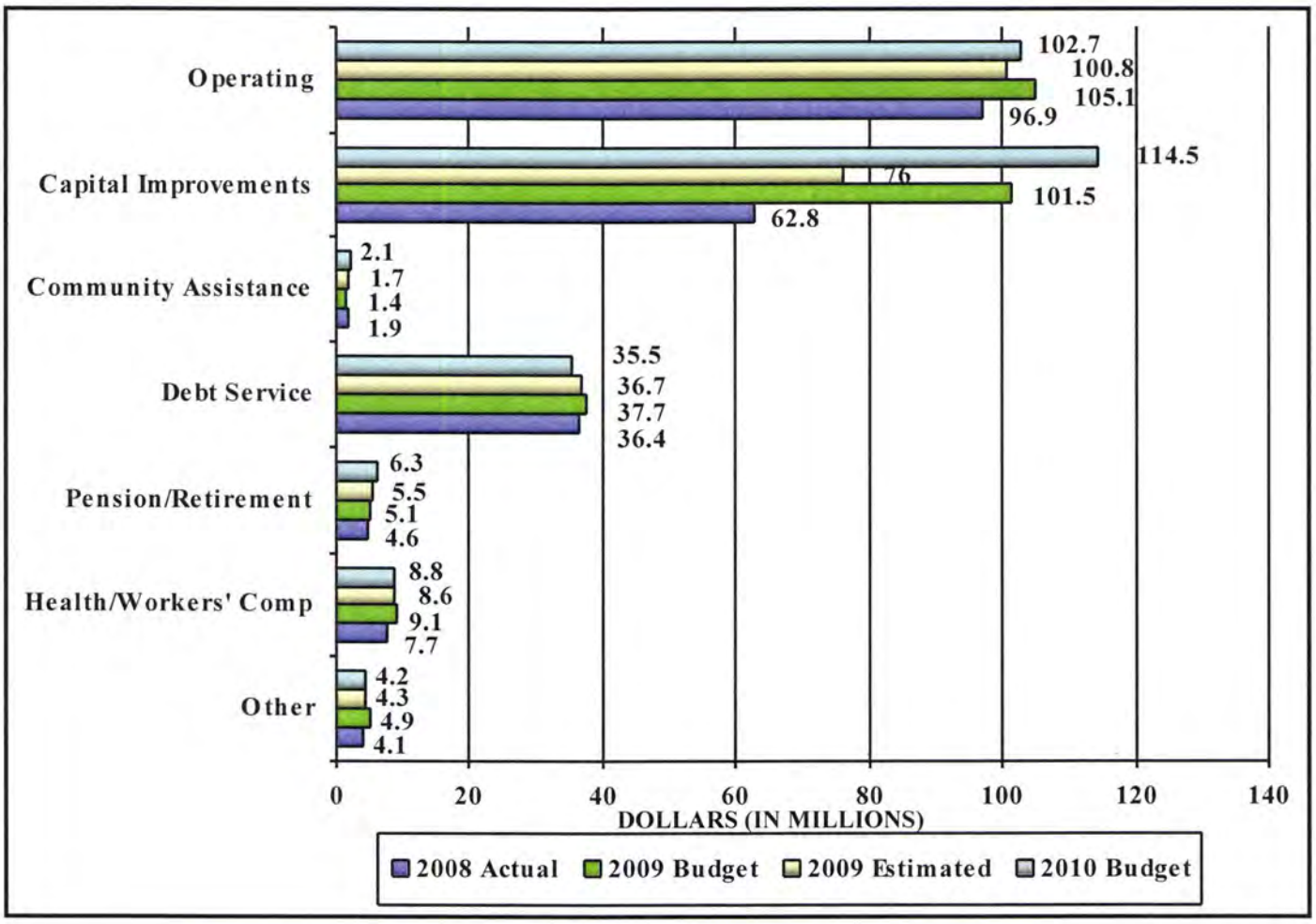
Note 1: Community Assistance includes the CDBG and HOME program as well as the historic preservation, federal transportation, and drug enforcement grant activity of the Special Grants Fund. Amounts for 2010 are: CDBG and HOME $1,985,491; Special Grants $144,000.

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

Note 3: The bond proceeds for FY08 actual were the 2008 Sales & Use Tax Construction Bonds; for FY09 Budget, the bond proceeds were estimated as 2009 Water & Sewer Revenue Bonds; for FY09 estimated, the bond proceeds are the 2009 Sales & Use Tax Bonds; and for FY10 budget, the bond proceeds are the 2010 Sales & Use Tax Bonds that are expected to be issued during the first quarter of 2010.

Comparative Summary - All Funds

Expenditure/Expense



City of Fort Smith
FY10
Fund List Summary

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
General	$ 5,389,150	$ 40,066,526	$ 42,515,929	$ 2,939,747
Special Revenue Funds:				
Street Maintenance	2,301,371	5,619,796	6,943,850	977,317
Sales Tax	18,176,913	21,905,829	34,666,293	5,416,449
Community Development Block Grant	802	1,382,420	1,382,420	802
HOME Investment Partnership Act	-	603,071	603,071	-
Special Grants	128,535	144,000	144,000	128,535
Tilles Park	8,637	505	-	9,142
Advertising and Promotion	209,678	759,100	894,759	74,019
Arkansas LOPFI Contribution	12,481,736	4,774,340	6,255,000	11,001,076
Convention Center	1,403,488	903,723	1,586,360	720,851
Sub-Total	34,711,160	36,092,784	52,475,753	18,328,191
Debt Service Fund:				
Sales & Use Tax Bonds	9,408,956	19,286,820	18,659,719	10,036,057
Capital Projects Funds:				
Sidewalk Construction	362,318	275,000	630,000	7,318
Sales & Use Tax Construction	41,487,907	3,510,000	17,153,000	27,844,907
Sub-Total	41,850,225	3,785,000	17,783,000	27,852,225
Enterprise Funds:				
Water and Sewer	66,236,179	54,165,230	112,332,766	8,068,643
Sanitation	8,897,758	17,869,920	20,406,489	6,361,189
Parking Authority	85,262	434,000	509,323	9,939
Sub-Total	75,219,199	72,469,150	133,248,578	14,439,771
Internal Service Funds:				
Working Capital	39,174	635,900	630,600	44,474
Employee Health & Wellness	4,791,779	8,644,100	8,363,409	5,072,470
Workers' Compensation	4,456	428,600	421,000	12,056
Sub-Total	4,835,409	9,708,600	9,415,009	5,129,000
Total	171,414,099	181,408,880	274,097,988	78,724,991
Interfund Transfers	-	(21,663,230)	(21,663,230)	-
Adjusted Total	$ 171,414,099	$ 159,745,650	$ 252,434,758	$ 78,724,991

City of Fort Smith
FY10
Comparative Summary with Detail Revenue Categories - All Funds

	Actual FY 07	Actual FY 08	Budget FY 09	Estimated FY 09	Budget FY 10
Revenues					
Intergovernmental					
Federal	$ 4,138,640	$ 4,900,989	$ 4,737,902	$ 6,034,614	$ 6,208,891
State	8,450,799	7,969,235	7,878,222	7,824,603	6,850,875
Local	6,126	3,733	5,000	32,246	3,000
Taxes and Assessments					
Ad Valorem	8,736,124	9,381,976	9,350,160	10,092,673	10,392,540
Franchise	6,760,463	7,366,814	7,565,900	6,815,900	6,952,200
Sales Tax - City	37,859,054	41,226,410	40,180,970	38,171,920	38,553,640
Sales Tax - County	15,155,255	16,610,714	16,076,311	15,433,259	15,510,425
Hotel/Motel Tax	705,954	791,602	818,467	716,066	751,900
Other	181,082	281,744	270,000	218,966	265,000
Licenses and Permits	1,319,940	1,844,407	1,389,000	1,310,737	1,378,000
Court Fines and Forfeitures	2,858,829	2,188,504	2,050,000	1,910,915	1,985,000
Service Charges and Fees					
Water & Sewer	33,238,901	36,391,791	38,232,210	36,964,754	38,676,870
Sanitation	12,561,103	14,095,412	15,531,200	12,921,016	13,942,200
General Fund	1,088,811	1,251,892	1,239,462	1,179,133	1,251,850
Internal Service	9,529,876	9,785,425	10,376,980	9,382,690	9,569,600
Parking Operations	174,580	158,067	195,000	165,666	182,000
Interest	8,416,340	5,643,507	3,736,251	1,051,616	1,072,814
Contributions	1,031,273	3,928,504	1,077,900	1,637,069	1,304,400
Bond Proceeds	24,522,716	60,597,693	25,000,000	27,144,493	3,480,000
Miscellaneous	3,732,241	1,333,828	1,425,314	5,534,779	1,414,445
Transfers In	27,035,178	21,724,088	21,391,860	21,233,699	21,663,230
Total	$ 207,503,285	$ 247,476,335	$ 208,528,109	$ 205,776,814	$ 181,408,880
Expenditures/Expenses					
Operating	$ 94,990,520	$ 96,897,943	$ 105,126,563	$ 100,776,992	$ 102,746,611
Capital Improvements	45,624,026	62,765,389	101,489,783	76,019,106	114,517,603
Community Assistance	2,333,697	1,908,808	1,398,218	1,729,252	2,129,491
Debt Service	32,553,526	36,417,190	37,653,093	36,668,294	35,480,075
Pension Benefits/Retirement Contributions	4,466,299	4,601,114	5,052,700	5,536,662	6,255,000
Health Insurance and Workers' Compensation Claims	7,286,108	7,672,290	9,131,970	8,605,894	8,784,409
Other	4,105,911	4,123,983	4,903,833	4,288,392	4,184,799
Total	$ 191,360,087	$ 214,386,717	$ 264,756,160	$ 233,624,592	$ 274,097,988
Excess (Deficiency) Revenues Over (Under) Expenditures/Expenses	$ 16,143,198	$ 33,089,618	$ (56,228,051)	$ (27,847,778)	$ (92,689,108)
Fund Balance/Working Capital Beginning of Year	150,029,061	166,172,259	183,782,129	199,261,877	171,414,099
Fund Balance/Working Capital End of Year	$ 166,172,259	$ 199,261,877	$ 127,554,078	$ 171,414,099	$ 78,724,991

Major Revenue Analyses-2010 Budget

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

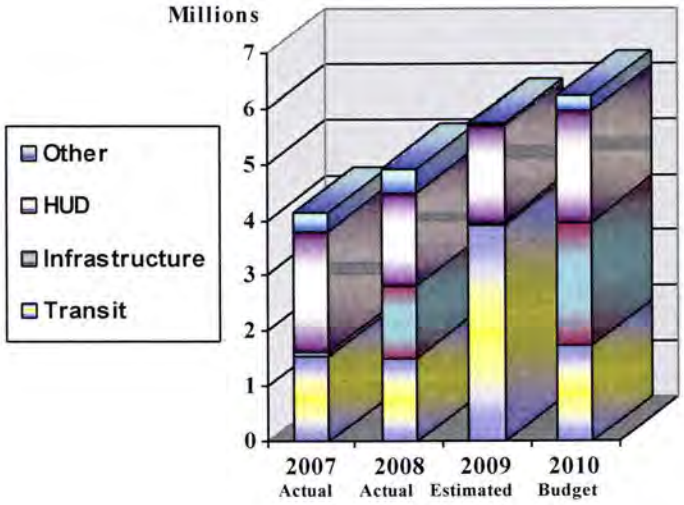
Intergovernmental

Federal-

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

Revenue History- federal funding represents an average of only 2.6% of total annual revenues. However, the transit funding is accounted for in the General Fund and represents an average of 5.8% of its annual revenues. The CDBG and HOME grants from HUD represent 100% of the applicable fund's revenue source each year.

	Transit	Infrastructure Projects	HUD	Other	Total
2007 Actual	1,533,440	94,554	2,180,928	329,718	4,138,640
2008 Actual	1,529,040	1,284,996	1,668,222	418,731	4,900,989
2009 Est.	3,918,028	48,000	1,728,493	340,093	6,034,614
2010 Budget	1,723,900	2,240,000	1,984,991	260,000	6,208,891



2010 Revenue Estimates- the increase in 2010 is due to more federal funding for street projects during 2010. This increase is offset by a decrease in the transit allocation due to $1.9 million in stimulus money being allocated during 2009.

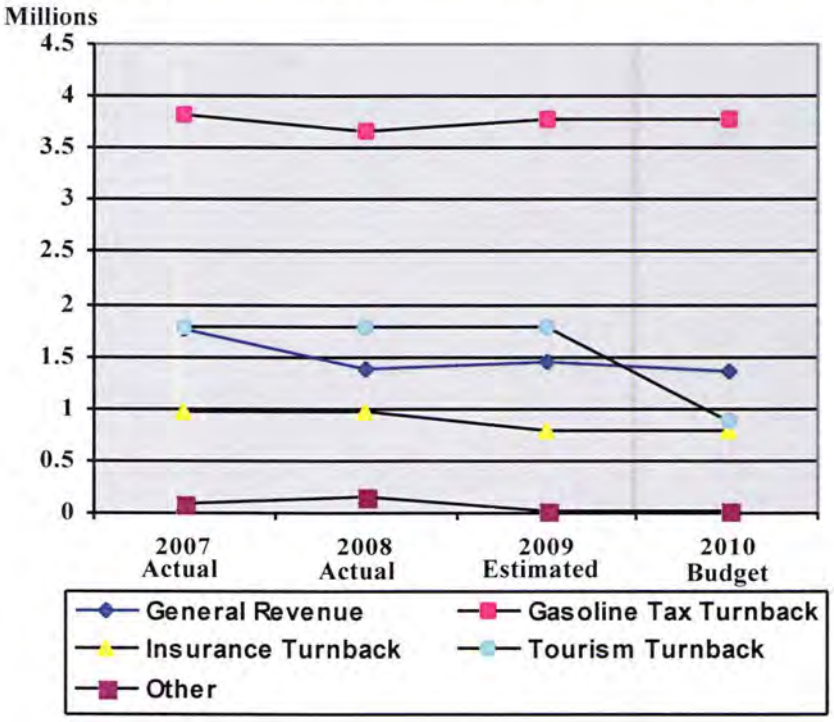
State-

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

State (continued)-

Revenue History- state funding represents an average of 3.7% of total revenues. However, the gasoline tax turnback represents an average of 67% of the Street Maintenance Fund annual revenue and the insurance turnback represents 20% of the Arkansas LOPFI Contribution Fund Revenue.

	General Revenue Turnback	Gasoline Tax Turnback	Insurance Turnback	Tourism Turnback	Other	Total
2007 Actual	1,757,224	3,823,143	977,845	1,795,984	96,603	8,450,799
2008 Actual	1,386,747	3,663,686	961,177	1,796,051	161,574	7,969,235
2009 Estimated	1,444,824	3,772,596	796,055	1,786,637	24,491	7,824,603
2010 Budget	1,364,556	3,772,596	800,000	888,723	25,000	6,850,875



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

Taxes and Assessments:

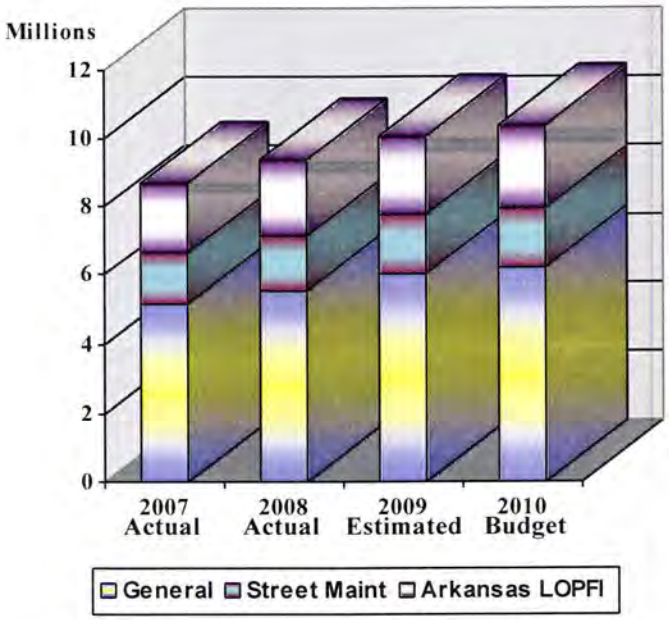
Ad Valorem-

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

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

Ad valorem taxes represent an average of 4.6% of total City revenues. The revenue for the three funds which receive property tax revenue since 2007 is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2007 Actual	5,138,690	1,541,615	2,055,819	8,736,124
2008 Actual	5,518,765	1,655,032	2,208,179	9,381,976
2009 Estimated	6,021,679	1,735,220	2,335,774	10,092,673
2010 Budget	6,199,500	1,787,200	2,405,840	10,392,540



2010 Revenue Estimate-ad valorem taxes are expected to increase by approximately $299,800 or 3% for 2010 due to an increase in the total value of property within the City limits.

Franchise Fees-

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

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

	2007 Actual	2008 Actual	2009 Estimated	2010 Budget
Electric	3,691,557	3,980,482	3,939,000	4,050,850
Gas	2,223,388	2,475,201	2,012,978	2,033,200
Cable	540,711	632,577	587,117	593,000
Telephone	295,383	268,604	266,855	265,200
Other	9,424	9,950	9,950	9,950
	6,760,463	7,366,814	6,815,900	6,952,200

2010 Revenue Estimate- franchise fees are anticipated to increase by approximately $136,000 or 2% over 2009 estimated revenue. The increase is primarily a result of anticipated higher electric and natural gas usage.

City Sales Taxes-

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

Revenue History- 1% of the City's local sales and use tax is dedicated for streets, bridges and associated drainage projects. The revenue is accounted for in the Sales Tax Fund and the tax has been in place since 1985. A 1% City sales and use tax is dedicated to the redemption of the Sales and Use Tax Bonds Series 2006 and Series 2008. The 2006 Bonds were issued in September 2006 to refund the remaining 2001 Sales and Use Tax Bonds, to provide funding for a new public safety and utility radio system, and to provide funding for wastewater projects in accordance with the EPA wet weather improvement mandates. The 2008 Bonds were issued in November 2008 to provide additional funding for the radio system project and wastewater improvements. Once the 2006 and 2008 bond issues are redeemed, the tax will be dedicated to the redemption of the Sales and Use Tax Bonds Series 2009 and 2010. A form of this tax has been in place since 1997.

	Street Sales Tax Fund	Sales & Use Tax Bond Fund	Total
2007 Actual	18,929,527	18,929,527	37,859,054
2008 Actual	20,613,205	20,613,205	41,226,410
2009 Estimated	19,085,960	19,085,960	38,171,920
2010 Budget	19,276,820	19,276,820	38,553,640

2010 Revenue Estimate- City sales and use tax revenue is projected to increase 1% between years. The decline in revenue between 2008 actual and 2009 estimated was due to the significant increase in building materials sold to make repairs from the April 2008 hail storm as well as the general downturn in the City's economy. The state, as collection agent, does not provide the City any information as to the various commodities which generate the tax, therefore, there are little forecasting techniques which would provide a trend analysis other than historical revenue.

County Sales Tax-

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

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

Actual 2007	15,155,255
Actual 2008	16,610,714
Estimated 2009	15,433,259
Budget 2010	15,510,425

2010 Estimated Revenue- the county sales tax is expected to increase 0.5% over 2009. As in the case of the City's sales tax levies, the state does not provide any trend information for this revenue source.

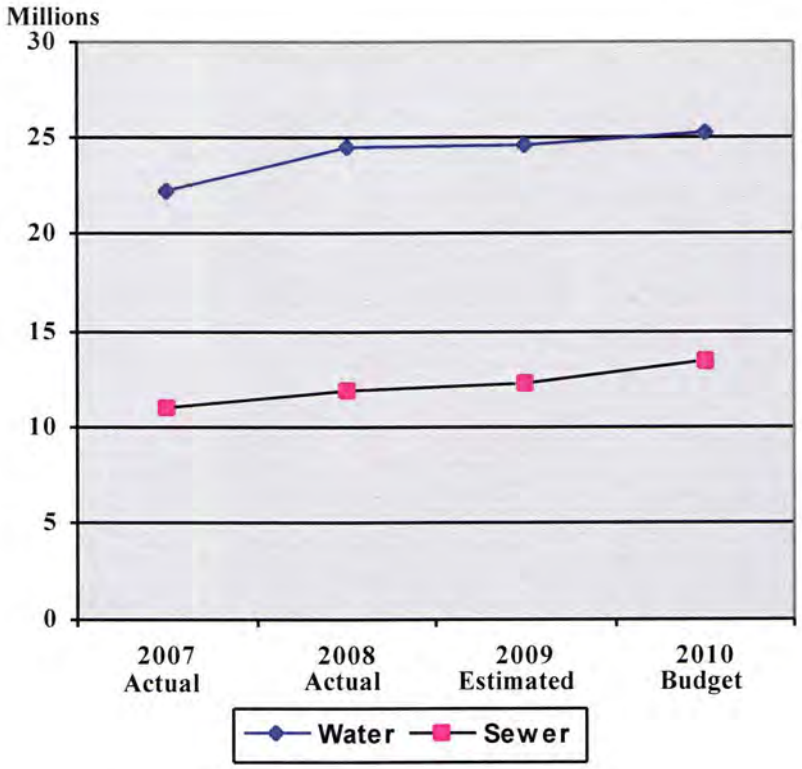
Service Charges and Fees:

Water and Sewer-

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

Revenue History- usage fluctuates due to winter and summer weather patterns. Rate increases for both water and sewer services are periodically increased by the Board. The most recent rate increases for water and sewer services became effective October 1, 2007 and January 1, 2009 to fund capital projects, meet debt service requirements, and maintain adequate debt service coverage. Additional rate increases have been approved which become effective January 1, 2010. There is also a temporary sewer rate increase that became effective July 1, 2009 to provide interim funding for the 2009 and 2010 Sales and Use Tax Bonds. Combined water and sewer service charges and fees represent an average 17.5% of total city revenue.

	Water	Sewer	Total
Actual 2007	22,209,285	11,029,616	33,238,901
Actual 2008	24,509,976	11,881,815	36,391,791
Estimated 2009	24,684,957	12,279,797	36,964,754
Budget 2010	25,298,070	13,378,800	38,676,870



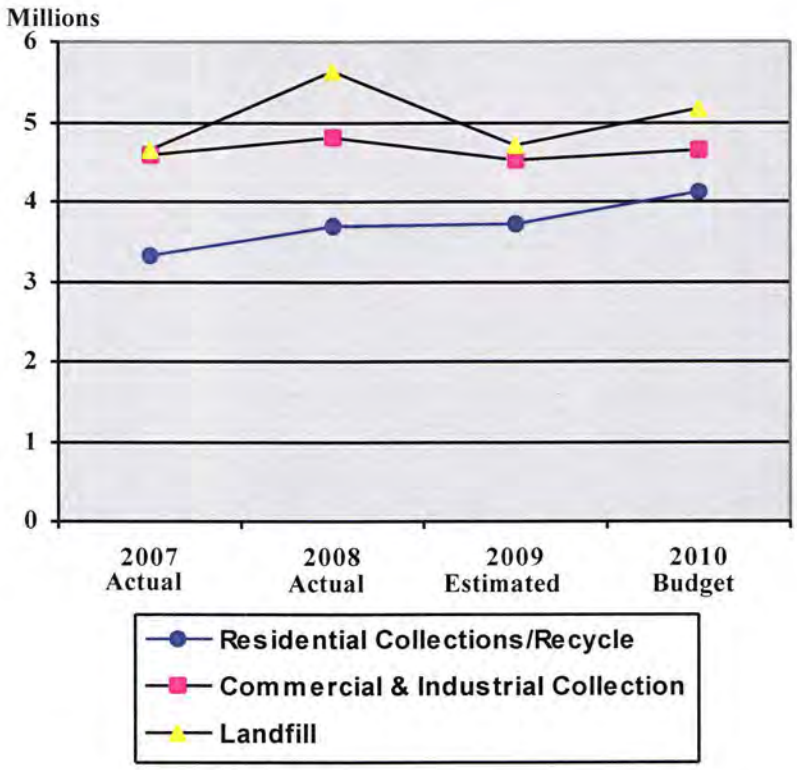
2010 Revenue Estimate- The rate increases that become effective January 1, 2010 are reflected in the 2010 revenue. Additionally, the 2010 Budget includes a full year of the sewer rate increase that became effective July 1, 2009.

Sanitation-

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

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

	Residential Collection/ Recycling	Commercial/ Industrial Collection	Landfill	Total
Actual 2007	3,335,110	4,586,369	4,639,624	12,561,103
Actual 2008	3,687,663	4,792,251	5,615,498	14,095,412
Estimated 2009	3,715,092	4,508,604	4,697,320	12,921,016
Budget 2010	4,127,200	4,635,000	5,180,000	13,942,200



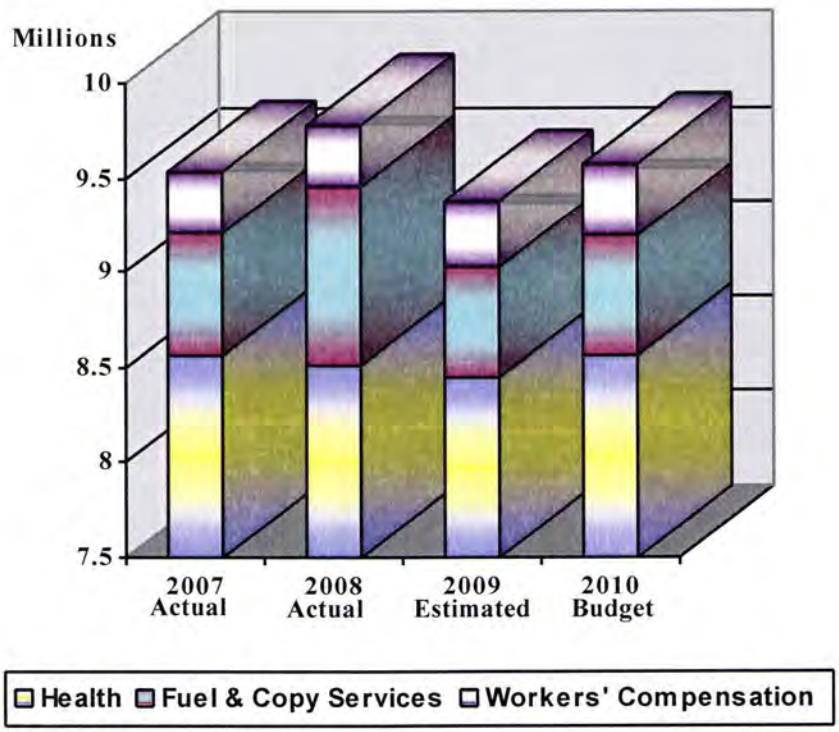
2010 Revenue Estimates- The 2010 budget does not include any rate increases. However, the residential collections revenue has been increased approximately $400,000 to account for the City's assuming services in the southern area of the city on July 11, 2010. These services were previously provided by a commercial hauler.

Internal Service Operations-

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

Revenue History- the cost to provide employee life, medical, and dental insurance has remained stable from 2007 through 2009 and is expected to remain so through 2010. Wellness programs as well as restructuring copayments and deductibles have allowed the health plan costs to remain manageable over the four years presented. Fuel and copy charges fluctuated during 2008 due to increased crude oil and subsequent gasoline price costs. The cost to provide workers' compensation claims to employees has increased by 14% between 2007 and 2010. This is due to several major accidents occurring during the past two years.

	Health & Welfare	Fuel & Copy Services	Workers' Compensation	Total
Actual 2007	8,559,125	647,991	322,760	9,529,876
Actual 2008	8,515,803	936,582	333,040	9,785,425
Estimated 2009	8,439,503	593,167	350,020	9,382,690
Budget 2010	8,566,100	635,900	367,600	9,569,600



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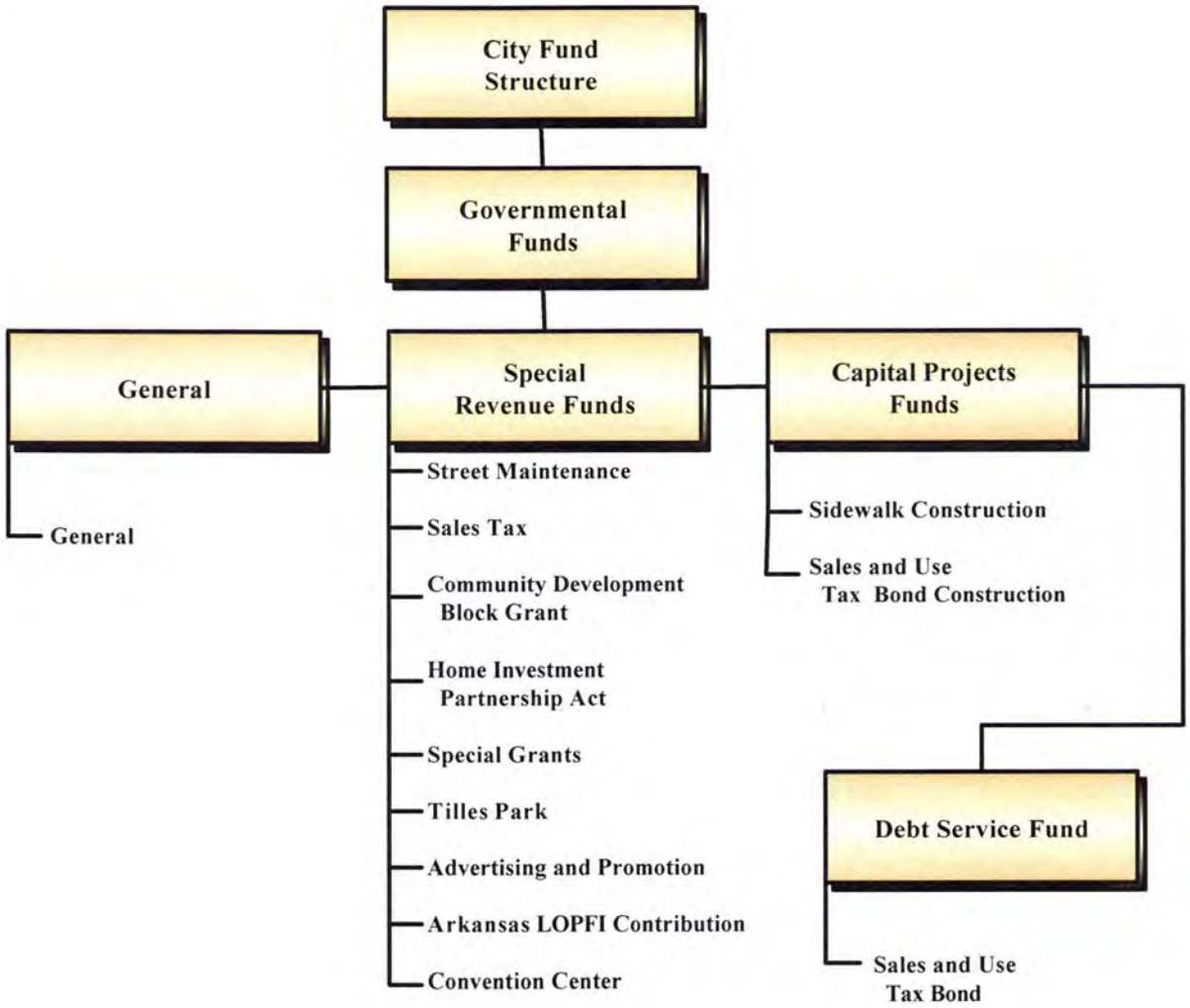
City of Fort Smith Financial Structure

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.

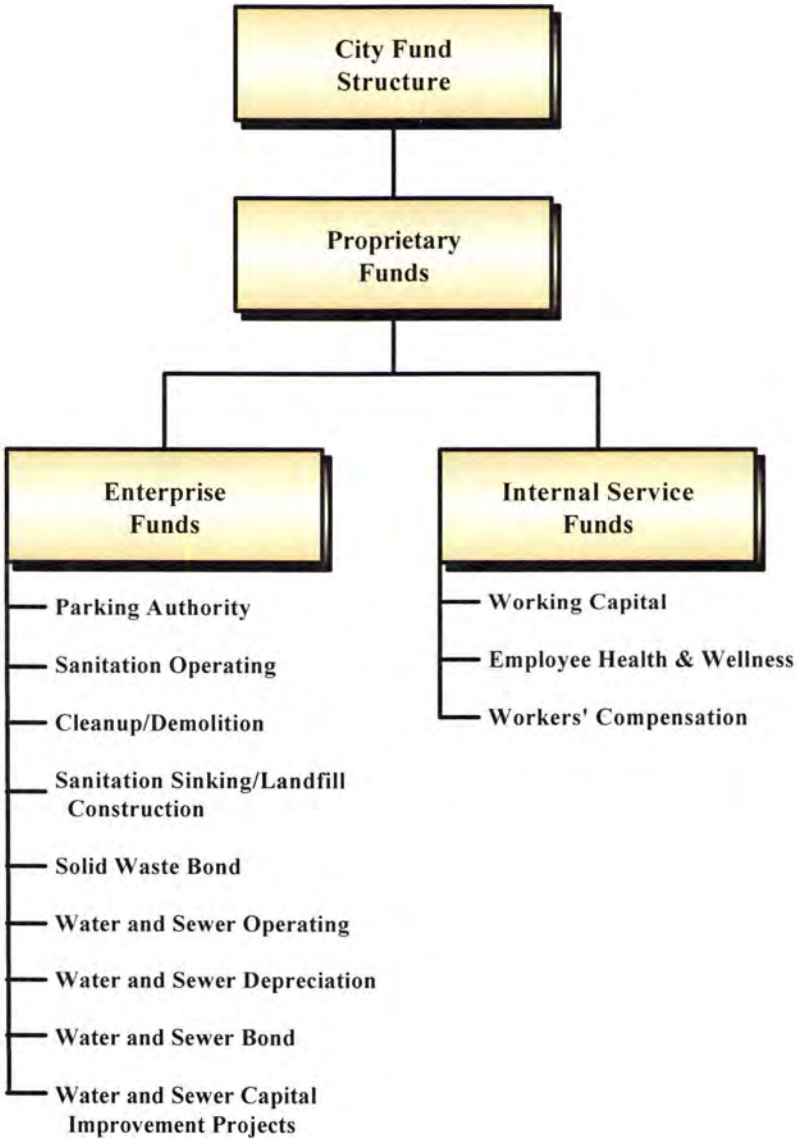
To account for these services, individual funds are maintained for various purposes. In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts established and maintained for a specific purpose or to attain a certain objective in accordance with legal and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

The charts, on pages 38 and 39, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2010 Budget for each individual fund by fund type is presented.

City of Fort Smith, Arkansas Chart of Fund Types



City of Fort Smith, Arkansas Chart of Fund Types



Definition of Fund Types and Individual Funds

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

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

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

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

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

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

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

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

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

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

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

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

Sales and Use Tax Bond Fund- A debt service fund to account for the City's special assessment of a one percent (1%) sales and use tax for the repayment of the 2006, 2008 and 2009 bonds. The 2006 bonds were issued to refund the remaining 2001 Sales and Use Tax Bonds, finance the purchase of a radio communications system, and fund wastewater improvements in response to the EPA administrative orders against the City. The 2008 Bonds were issued for additional funding of the radio system project and wastewater projects. The 2009 Bonds were issued for additional wastewater improvements. The 2010 Sales and Use Tax Bonds will be issued for more wastewater improvements.

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

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

Sales and Use Tax Bond Construction Fund- A capital projects fund to account for the 2006, 2008, 2009 and 2010 bond proceeds. Projects funded by the bonds include the replacement and upgrade for the public safety and utility radio communication system and wastewater improvements in response to the EPA administrative orders against the CIty.

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

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

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

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

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

Solid Waste Bond Fund - An enterprise fund to account for the repayment of solid waste debt. The current debt issue is the Solid Waste Revenue Bonds, Series 2002.

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

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

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

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

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

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

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

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

2010 Individual Fund Budgets-

General Fund

Revenues	
Intergovernmental	$ 3,238,456
Taxes and Assessments	28,667,125
Court Fines and Forfeitures	1,850,000
Licenses and Permits	1,378,000
Service Charges and Fees	1,251,850
Miscellaneous	90,000
Interest	1,061,945
Transfers In	2,529,150
Total	$ 40,066,526
Expenditures	
Operating:	
Policy and Administration Services	$ 3,016,627
Management Services	2,720,708
Development Services	2,653,410
Police Services	16,555,610
Fire Services	10,105,170
Operation Services	4,990,990
Non-Departmental	2,473,414
Total	$ 42,515,929
Excess (Deficiency) Revenues Over Expenditures	$ (2,449,403)
Fund Balance, Beginning of Year	5,389,150
Fund Balance, End of Year	**$ 2,939,747**

Special Revenue Fund

	Street	Sales Tax	Community Development Block Grant	Home Investment Partnership Act
Revenues				
Intergovernmental -				
State Turnback	$ 3,772,596	$ 0	$ 0	$ 0
Federal Grant	0	2,240,000	1,381,920	603,071
State Grant	0	0	0	0
Local Grant	0	0	0	0
Taxes and Assessments -				
Ad Valorem Tax	1,787,200	0	0	0
Sales Tax	0	19,276,820	0	0
Hotel/Motel Tax	0	0	0	0
Court Fines and Forfeitures	0	0	0	0
Interest	55,000	339,009	500	0
Contributions	0	50,000	0	0
Miscellaneous	5,000	0	0	0
Total	$ 5,619,796	$ 21,905,829	$ 1,382,420	$ 603,071
Expenditures				
Operating	$ 6,943,850	$ 0	$ 0	$ 0
Capital Improvements	0	34,666,293	0	0
Community Assistance -				
Development Services	0	0	355,030	0
Police Services	0	0	0	0
Public Works and Community Service Projects	0	0	527,390	0
Housing Assistance	0	0	500,000	603,071
Pension Benefits/Retirement Cont.	0	0	0	0
Other (Note 1)	0	0	0	0
Total	$ 6,943,850	$ 34,666,293	$ 1,382,420	$ 603,071
Excess (Deficiency) Revenues Over (Under) Expenditures	$ (1,324,054)	$ (12,760,464)	$ 0	$ 0
Fund Balance, Beginning of Year	2,301,371	18,176,913	802	0
Fund Balance, End of Year	$ 977,317	$ 5,416,449	$ 802	$ 0

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

Special Grants	Tilles Park	Advertising and Promotion	Arkansas LOPFI Contribution	Convention Center	Total
$ 0	$ 0	$ 0	$ 800,000	$ 888,723	$ 5,461,319
110,000	0	0	0	0	4,334,991
25,000	0	0	0	0	25,000
3,000	0	0	0	0	3,000
0	0	0	2,405,840	0	4,193,040
0	0	0	0	0	19,276,820
0	0	751,900	0	0	751,900
0	0	0	135,000	0	135,000
6,000	105	4,200	180,000	15,000	599,814
0	400	3,000	1,251,000	0	1,304,400
0	0	0	2,500	0	7,500
$ 144,000	$ 505	$ 759,100	$ 4,774,340	$ 903,723	$ 36,092,784
$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,943,850
0	0	0	0	0	34,666,293
0	0	0	0	0	355,030
70,480	0	0	0	0	70,480
73,520	0	0	0	0	600,910
0	0	0	0	0	1,103,071
0	0	0	6,255,000	0	6,255,000
0	0	894,759	0	1,586,360	2,481,119
$ 144,000	$ 0	$ 894,759	$ 6,255,000	$ 1,586,360	$ 52,475,753
$ 0	$ 505	$ (135,659)	$ (1,480,660)	$ (682,637)	$ (16,382,969)
128,535	8,637	209,678	12,481,736	1,403,488	34,711,160
$ 128,535	$ 9,142	$ 74,019	$ 11,001,076	$ 720,851	$ 18,328,191

Debt Service Fund

Sales and Use Tax Bond Fund

Revenues

Taxes and Assessments- Sales Tax	$	19,276,820
Interest		10,000
Total	$	19,286,820

Expenditures

Debt Service- Current		18,659,719
Excess Revenues Over Expenditures	$	627,101
Fund Balance, Beginning of Year		9,408,956
Fund Balance, End of Year	**$**	**10,036,057**

Capital Projects Fund

	Sidewalk Construction	Sales & Use Tax Bond Construction	Total
Revenues			
Taxes and Assessments			
Permit Assessments	$ 260,000	$ 0	$ 260,000
Bond Proceeds	0	3,480,000	3,480,000
Interest	15,000	30,000	45,000
Total	$ 275,000	$ 3,510,000	$ 3,785,000
Expenditures			
Capital Improvements	630,000	17,153,000	17,783,000
Excess (Deficiency) Revenues Over (Under) Expenditures	$ (355,000)	$ (13,643,000)	$ (13,998,000)
Fund Balance, Beginning of Year	362,318	41,487,907	41,850,225
Fund Balance, End of Year	$ 7,318	$ 27,844,907	$ 27,852,225

Enterprise Funds-
Water and Sewer Funds

	Water and Sewer Operating	Water and Sewer Depreci-ation	Water and Sewer Bond	Water and Sewer Capital Improvement Projects	Total
Revenues					
Service Charges and Fees	$ 38,676,870	$ 0	$ 0	$ 0	$ 38,676,870
Interest	15,000	0	7,500	62,000	84,500
Miscellaneous	55,000	0	0	0	55,000
Transfers In	0	0	15,348,860	0	15,348,860
Total	$ 38,746,870	$ 0	$ 15,356,360	$ 62,000	$ 54,165,230
Expenses					
Operating	$ 38,844,833	$ 0	$ 0	$ 0	$ 38,844,833
Capital Improvements	0	0	0	57,954,310	57,954,310
Debt Service:					
Current	0	0	15,533,623	0	15,533,623
Total	$ 38,844,833	$ 0	$ 15,533,623	$ 57,954,310	$ 112,332,766
Excess (Deficiency) Revenues Over (Under) Expenses	$ (97,963)	$ 0	$ (177,263)	$ (57,892,310)	$ (58,167,536)
Working Capital, Beginning of Year	1,635,763	500,000	1,483,917	62,616,499	66,236,179
Working Capital, End of Year	$ 1,537,800	$ 500,000	$ 1,306,654	$ 4,724,189	$ 8,068,643

Sanitation Funds

	Sanitation Operating	Cleanup/ Demolition	Sanitation Sinking/ Landfill Construction	Solid Waste Bond Fund	Total
Revenues					
Service Charges and Fees	$ 13,942,200	$ 0	$ 0	$ 0	$ 13,942,200
Interest	35,000	3,500	112,000	2,000	152,500
Miscellaneous	25,000	265,000	0	0	290,000
Transfers In	0	270,000	2,112,000	1,103,220	3,485,220
Total	$ 14,002,200	$ 538,500	$ 2,224,000	$ 1,105,220	$ 17,869,920
Expenses					
Operating	$ 14,441,999	$ 0	$ 0	$ 0	$ 14,441,999
Capital Improvements	0	0	4,114,000	0	4,114,000
Other	0	701,270	0	0	701,270
Debt Service	0	0	0	1,149,220	1,149,220
Total	$ 14,441,999	$ 701,270	$ 4,114,000	$ 1,149,220	$ 20,406,489
Excess (Deficiency) Revenues Over (Under) Expenses	$ (439,799)	$ (162,770)	$ (1,890,000)	$ (44,000)	$ (2,536,569)
Working Capital Beginning of Year	2,099,362	170,516	6,466,404	161,476	8,897,758
Working Capital, End of Year	$ 1,659,563	$ 7,746	$ 4,576,404	$ 117,476	$ 6,361,189

Parking Authority Fund

	Enforcement	Facilities	Total
Revenues			
Service Charges and Fees	$ 22,000	$ 160,000	$ 182,000
Interest	0	2,000	2,000
Transfers In	250,000	0	250,000
Total	$ 272,000	$ 162,000	$ 434,000
Expenses			
Other:			
Police Services	$ 226,570	$ 0	$ 226,570
Finance	39,570	105,670	145,240
Debt Service:			
Current	0	137,513	137,513
Total	$ 266,140	$ 243,183	$ 509,323
Excess (Deficiency) Revenues Over (Under) Expenses	$ 5,860	$ (81,183)	$ (75,323)
Working Capital, Beginning of Year	0	85,262	85,262
Working Capital, End of Year	$ 5,860	$ 4,079	$ 9,939

Internal Service Funds

	Working Capital	Employee Health Wellness	Workers' Compensation	Total
Revenues				
Service Charges and Fees	$ 635,900	$ 8,566,100	$ 367,600	$ 9,569,600
Transfers In	0	0	50,000	50,000
Interest	0	78,000	11,000	89,000
Total	$ 635,900	$ 8,644,100	$ 428,600	$ 9,708,600
Expenses				
Health Insurance and Workers' Compensation Claims	$ 0	$ 8,363,409	$ 421,000	$ 8,784,409
Other - Materials and Supplies	630,600	0	0	630,600
Total	$ 630,600	$ 8,363,409	$ 421,000	$ 9,415,009
Excess (Deficiency) Revenues Over (Under) Expenses	$ 5,300	$ 280,691	$ 7,600	$ 293,591
Working Capital, Beginning of Year	39,174	4,791,779	4,456	4,835,409
Working Capital, End of Year	$ 44,474	$ 5,072,470	$ 12,056	$ 5,129,000

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City of Fort Smith
FY10
Budget Comparison Summary-Operating Funds

	Estimated FY09	Budget FY10	Increase (Decrease)	Projected FY11
Revenues				
Intergovernmental	$ 9,283,448	$ 7,011,052	$ (2,272,396)	$ 7,137,152
Taxes and Assessments	30,013,171	30,454,325	441,154	31,457,870
Court Fines and Forfeitures	1,776,860	1,850,000	73,140	1,875,000
Licenses and Permits	1,310,737	1,378,000	67,263	1,383,000
Service Charges and Fees	51,064,903	53,870,920	2,806,017	55,024,200
Miscellaneous	1,192,685	1,341,945	149,260	1,452,058
Transfers	2,409,360	2,529,150	119,790	3,375,941
Total	$ 97,051,164	$ 98,435,392	$ 1,384,228	$ 101,705,221
Expenditures/Expenses				
Policy and Administration Services	$ 3,796,058	$ 3,858,030	$ 61,972	$ 4,203,230
Management Services	6,512,068	6,748,740	236,672	7,089,680
Development Services	2,865,058	2,977,450	112,392	3,257,230
Police Services	15,056,772	16,555,610	1,498,838	19,564,830
Fire Services	10,130,318	10,105,170	(25,148)	12,423,870
Operation Services	56,181,957	56,913,647	731,690	61,571,103
Non-Departmental	6,234,761	5,587,964	(646,797)	4,374,680
Total	$ 100,776,992	$ 102,746,611	$ 1,969,619	$ 112,484,623
Excess (Deficiency) Revenues Over Expenditures/Expenses	$ (3,725,828)	$ (4,311,219)	$ (585,391)	$ (10,779,402)
Fund Balance/Working Capital, Beginning of Year	15,151,474	11,425,646	(3,725,828)	7,114,427
Fund Balance/Working Capital, End of Year	$ 11,425,646	$ 7,114,427	$ (4,311,219)	$ (3,664,975)

City of Fort Smith
FY10
Budget Comparison Summary-General Fund

	Estimated FY09	Budget FY10	Increase (Decrease)	Projected FY11
Revenues				
Intergovernmental	$ 5,510,852	$ 3,238,456	$ (2,272,396)	$ 3,364,556
Taxes and Assessments	28,277,951	28,667,125	389,174	29,617,070
Court Fines and Forfeitures	1,776,860	1,850,000	73,140	1,875,000
Licenses and Permits	1,310,737	1,378,000	67,263	1,383,000
Service Charges and Fees	1,179,133	1,251,850	72,717	1,277,300
Miscellaneous	1,030,597	1,151,945	121,348	1,245,058
Transfers	2,409,360	2,529,150	119,790	3,375,941
Total	$ 41,495,490	$ 40,066,526	$ (1,428,964)	42,137,925
Expenditures				
Policy and Administration Services	$ 3,047,436	$ 3,016,627	$ (30,809)	$ 3,382,056
Management Services	2,618,785	2,720,708	101,923	2,880,259
Development Services	2,552,574	2,653,410	100,836	2,911,150
Police Services	15,056,772	16,555,610	1,498,838	19,564,830
Fire Services	10,130,318	10,105,170	(25,148)	12,423,870
Operation Services	7,450,118	4,990,990	(2,459,128)	7,913,251
Non-Departmental	2,982,559	2,473,414	(509,145)	2,500,000
Total	$ 43,838,562	$ 42,515,929	$ (1,322,633)	$ 51,575,416
Excess (Deficiency) Revenues Over Expenditures	$ (2,343,072)	$ (2,449,403)	$ (106,331)	$ (9,437,491)
Fund Balance, Beginning of Year	7,732,222	5,389,150	(2,343,072)	2,939,747
Fund Balance, End of Year	$ 5,389,150	$ 2,939,747	$ (2,449,403)	$ (6,497,744)

City of Fort Smith
FY10
Budget Comparison Summary-Street Maintenance Fund

	Estimated FY09	Budget FY10	Increase (Decrease)	Projected FY10
Revenues				
Intergovernmental	$ 3,772,596	$ 3,772,596	$ 0	$ 3,772,596
Taxes and Assessments	1,735,220	1,787,200	51,980	1,840,800
Miscellaneous	49,304	60,000	10,696	65,000
Total	$ 5,557,120	$ 5,619,796	$ 62,676	$ 5,678,396
Expenditures				
Policy and Administration Services	$ 146,259	$ 160,709	$ 14,450	$ 160,478
Management Services	408,492	423,697	15,205	443,118
Development Services	71,855	73,900	2,045	77,730
Operation Services	5,096,643	5,934,494	837,851	6,234,919
Non-Departmental	451,117	351,050	(100,067)	365,360
Total	$ 6,174,366	$ 6,943,850	$ 769,484	$ 7,281,605
Excess (Deficiency) Revenues Over Expenditures	$ (617,246)	$ (1,324,054)	$ (706,808)	$ (1,603,209)
Fund Balance, Beginning of Year	2,918,617	2,301,371	(617,246)	977,317
Fund Balance, End of Year	$ 2,301,371	$ 977,317	$ (1,324,054)	$ (625,892)

City of Fort Smith
FY10
Budget Comparison Summary-Water and Sewer Operating Fund

	Estimated FY09	Budget FY10	Increase (Decrease)	Projected FY11
Revenues				
Services Charges and Fees	$ 36,964,754	$ 38,676,870	$ 1,712,116	$ 39,372,500
Miscellaneous	65,570	70,000	4,430	75,000
Total	$ 37,030,324	$ 38,746,870	$ 1,716,546	$ 39,447,500
Expenses				
Policy and Administration Services	$ 411,604	$ 469,253	$ 57,649	$ 451,416
Management Services	2,701,021	2,792,371	91,350	2,915,238
Development Services	240,629	250,140	9,511	268,350
Operation Services	33,051,601	34,864,819	1,813,218	35,503,173
Non-Departmental	646,535	468,250	(178,285)	472,160
Total	$ 37,051,390	$ 38,844,833	$ 1,793,443	$ 39,610,337
Excess (Deficiency) Revenues Over Expenditures	$ (21,066)	$ (97,963)	$ (76,897)	$ (162,837)
Working Capital, Beginning of Year	1,656,829	1,635,763	(21,066)	1,537,800
Working Capital, End of Year	$ 1,635,763	$ 1,537,800	$ (97,963)	$ 1,374,963

City of Fort Smith
FY10
Budget Comparison Summary-Sanitation Operating Fund

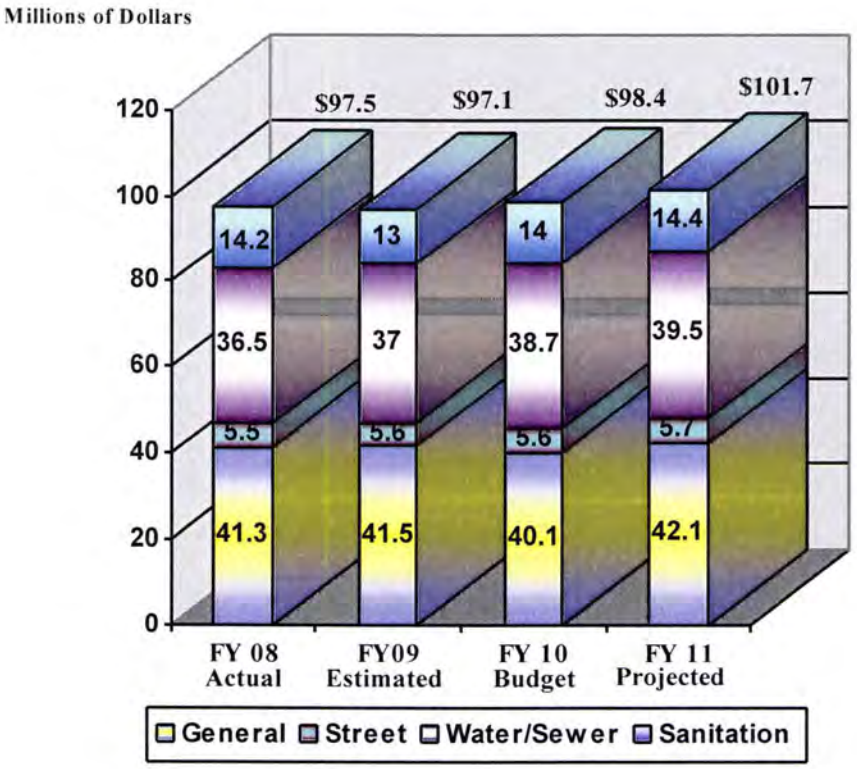
	Estimated FY09	Budget FY10	Increase (Decrease)	Projected FY11
Revenues				
Service Charges and Fees	$ 12,921,016	$ 13,942,200	$ 1,021,184	$ 14,374,400
Miscellaneous	47,214	60,000	12,786	67,000
Total	$ 12,968,230	$ 14,002,200	$ 1,033,970	$ 14,441,400
Expenses				
Policy and Administration Services	$ 190,759	$ 211,441	$ 20,682	$ 209,280
Management Services	783,770	811,964	28,194	851,065
Operation Services	10,583,595	11,123,344	539,749	11,919,760
Non-Departmental	2,154,550	2,295,250	140,700	1,037,160
Total	$ 13,712,674	$ 14,441,999	$ 729,325	$ 14,017,265
Excess (Deficiency) Revenues Over Expenditures	$ (744,444)	$ (439,799)	$ 304,645	$ 424,135
Working Capital, Beginning of Year	2,843,806	2,099,362	(744,444)	1,659,563
Working Capital, End of Year	$ 2,099,362	$ 1,659,563	$ (439,799)	$ 2,083,698

Combined Operating Funds
Statement of Revenue Comparisons

	Actual FY08	Budget FY09	Estimated FY09	Budget FY10	Projected FY11
Intergovernmental	$ 6,925,519	$ 7,741,069	$ 9,283,448	$ 7,011,052	$ 7,137,152
Taxes and Assessments	31,160,080	30,793,811	30,013,171	30,454,325	31,457,870
Court Fines and Forfeitures	2,045,824	1,900,000	1,776,860	1,850,000	1,875,000
Licenses and Permits	1,844,407	1,389,000	1,310,737	1,378,000	1,383,000
Service Charges and Fees	51,739,095	55,002,872	51,064,903	53,870,920	55,024,200
Miscellaneous	1,477,607	1,747,814	1,192,685	1,341,945	1,452,058
Transfers	2,347,998	2,409,650	2,409,360	2,529,150	3,375,941
Total	$ 97,540,530	$ 100,984,216	$ 97,051,164	$ 98,435,392	$ 101,705,221

Combined Operating Funds

Comparison of Total Revenue

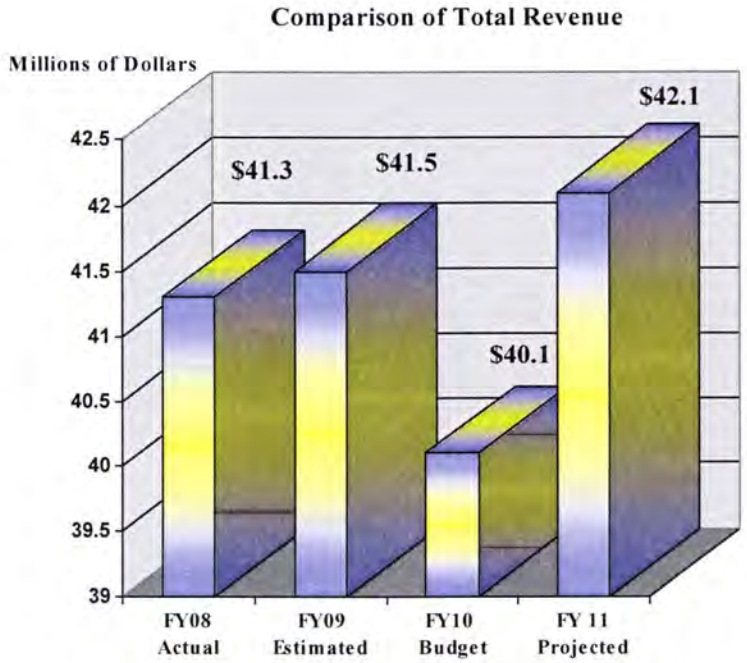


General Fund
Statement of Revenue Comparisons

	Actual FY08	Budget FY09	Estimated FY09	Budget FY10	Projected FY11
Intergovernmental					
State Turnback - General	$ 1,386,747	$ 1,344,489	$ 1,444,824	$ 1,364,556	$ 1,364,556
Transit Reimbursement	1,529,040	2,463,984	3,918,028	1,723,900	1,850,000
Airport Security Reimbursement	149,993	160,000	148,000	150,000	150,000
Federal Funded Fire Improvements	38,678	-	-	-	-
Miscellaneous Grants	157,375	-	-	-	-
Taxes and Assessments					
Franchise	7,366,814	7,565,900	6,815,900	6,952,200	7,091,200
Ad Valorem	5,518,765	5,508,900	6,021,679	6,199,500	6,385,400
County Sales Tax	16,610,714	16,076,311	15,433,259	15,510,425	16,135,470
Gasoline Tax Refund-Transit	8,755	5,000	7,113	5,000	5,000
Court Fines and Forfeitures	2,045,824	1,900,000	1,776,860	1,850,000	1,875,000
Licenses and Permits					
Privilege	23,581	20,000	33,278	28,000	28,000
Construction	1,110,187	738,000	653,936	720,000	720,000
Alcohol	553,998	506,000	546,243	550,000	550,000
Other	156,641	125,000	77,280	80,000	85,000
Service Charges and Fees					
Convention Center	676,970	720,000	677,088	700,000	710,000
Community Center	30,776	30,000	35,340	36,000	38,000
Fire Protection Contracts	70,997	72,462	71,292	71,300	71,300
Port Authority	36,876	12,000	12,000	12,000	12,000
Parks/Swim Pools	150,295	105,000	111,237	115,000	115,000
The Park at West End	-	-	-	25,550	26,000
Oak Cemetery	51,409	51,500	54,876	55,000	55,000
Animal Pound	4,052	6,000	3,432	4,000	4,000
False Alarm Fees	15,578	6,000	5,316	6,000	6,000
Mobile Data Support Fees	-	-	25,560	32,000	45,000
Transit System	214,939	236,500	182,992	195,000	195,000
Miscellaneous					
Reimbursement from Airport	3,163	3,164	3,164	3,164	3,164
Interest Earned	161,418	280,000	75,612	90,000	100,000
Sebastian County Participation	476,836	583,520	542,674	614,781	695,894
Reimbursement from Enhanced 9-1-1 Fund	257,420	250,730	250,730	255,000	255,000
Reimbursement from FSPS for SRO's	-	50,400	-	39,000	41,000
Other	146,142	180,000	158,417	150,000	150,000
Transfers					
Sales Tax Fund	2,111,250	2,164,000	2,164,000	2,272,200	2,385,810
A&P Fund	23,748	22,000	21,710	22,200	22,800
Convention Center Fund	-	-	-	-	720,851
Street Maintenance Fund	71,000	74,550	74,550	78,250	82,160
Water and Sewer Operating Fund	71,000	74,550	74,550	78,250	82,160
Sanitation Operating Fund	71,000	74,550	74,550	78,250	82,160
Total	$ 41,301,981	$ 41,410,510	$ 41,495,490	$ 40,066,526	$ 42,137,925

See pages 165-167 for an explanation of each revenue source.

General Fund



Revenue Comment

Total revenue of the General Fund FY10 Budget is estimated to decrease by approximately $1.43 million or 3.4% from FY09 Estimated.

The general turnback from the state was $17.28 per capita for FY08.
The estimate for FY09 is $18, and is anticipated to be $17.00 per capital for FY10 and FY11.

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 2% in FY10. The increase is based upon expected consumption increases for the electric and natural gas utilities during 2010.

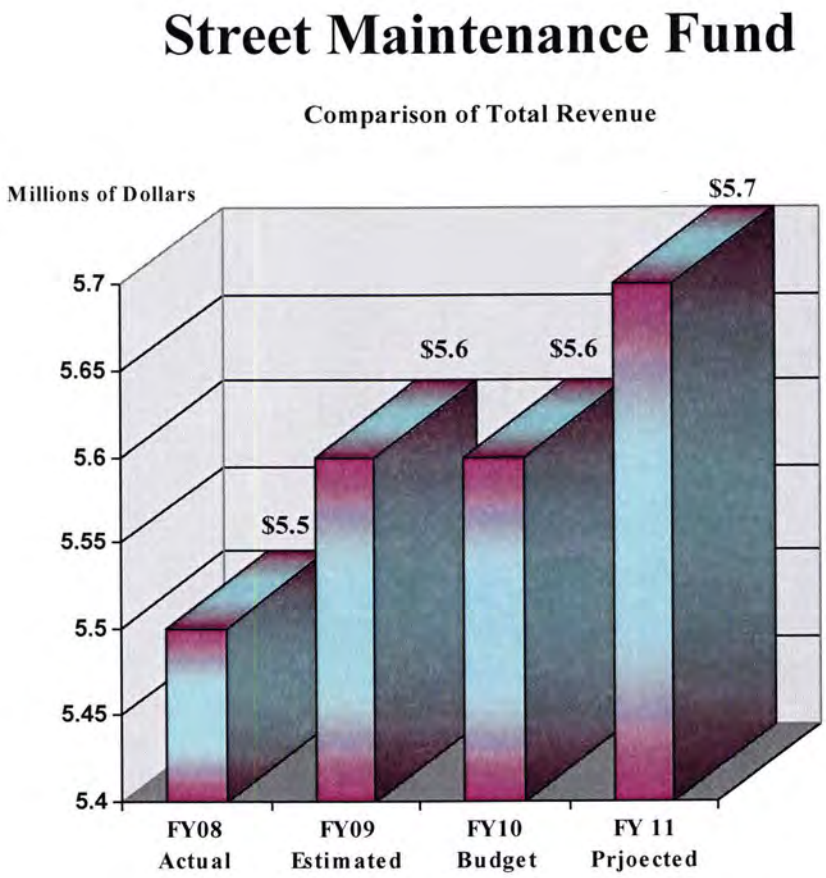
The property tax assessment for General Fund use remains at 5.0 mills for all four years presented. This is the maximum rate allowed by state statutes. The ad valorem tax revenue is a product of the millage rate assessed upon the real estate and personal property values within the city limits. Projections for FY10 reflect a 3% increase over FY09 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY10 is 1/2 of 1% above the estimated FY09 revenue. The FY11 projection reflects a 3.9% increase in sales tax revenue.

Street Maintenance Fund
Statement of Revenue Comparisons

	Actual FY08	Budget FY09	Estimated FY09	Budget FY10	Projected FY11
Intergovernmental					
State Turnback - Gasoline Tax	$ 3,663,686	$ 3,772,596	$ 3,772,596	$ 3,772,596	$ 3,772,596
Taxes and Assessments					
Ad Valorem	1,655,032	1,637,700	1,735,220	1,787,200	1,840,800
Miscellaneous					
Interest Earned	112,112	145,000	46,104	55,000	60,000
Other	19,891	5,000	3,200	5,000	5,000
Total	$ 5,450,721	$ 5,560,296	$ 5,557,120	$ 5,619,796	$ 5,678,396

See page 168 for an explanation of each revenue source.



Revenue Comment

The major revenue source of the Street Maintenance Fund is the gasoline tax turnback from the state. This accounts for an average of 68% of total revenue for the four years presented. The state returns a portion of its levy of motor vehicle fees and gasoline tax to municipalities based upon population. The Arkansas Municipal League provides annual estimates for the per capita allocation to cities. The per capita turnback for the four years presented is the graph is $45.44 for FY08, $46.79 for FY09 estimated, and $46.79 for both FY10 and FY11.

Ad valorem tax revenue for the Street Maintenance Fund is anticipated to increase approximately 3% in FY10. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes.

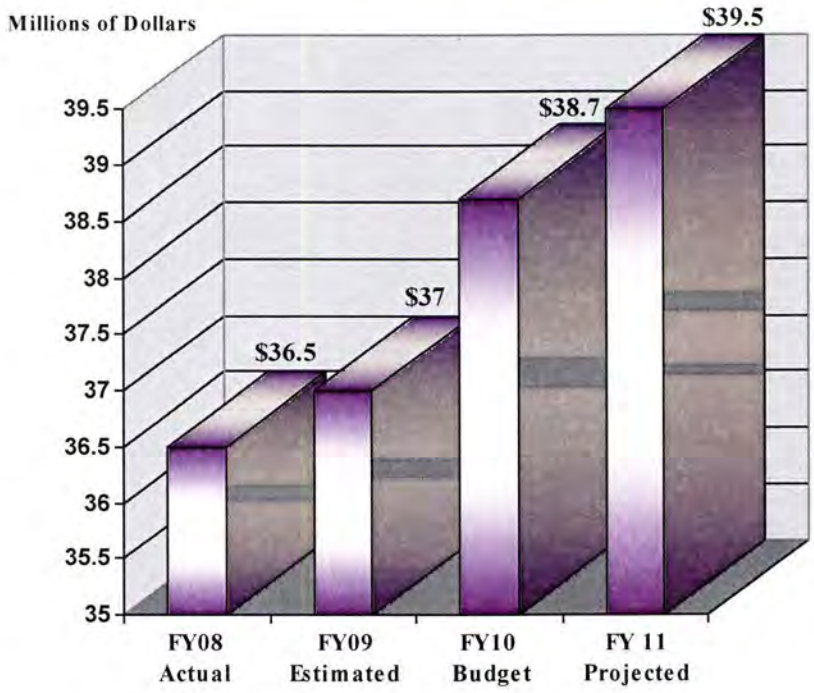
Water and Sewer Operating Fund
Statement of Revenue Comparisons

	Actual FY08	Budget FY09	Estimated FY09	Budget FY10	Projected FY11
Service Charges and Fees					
Water Sales	$ 17,521,906	$ 17,839,600	$ 17,793,461	$ 18,232,070	$ 18,560,200
Monthly Customer Charges	173,092	182,000	324,268	350,000	350,000
Contract Water Sales	6,622,483	6,676,600	6,403,860	6,531,000	6,662,000
Fire Protection	33,025	33,700	33,972	35,000	35,000
Installations - Water Service	159,470	180,000	129,396	150,000	150,000
Sewer Service Charges	11,761,110	13,191,310	12,191,523	13,268,800	13,505,300
Sewer Connection Charges	71,285	80,000	29,741	50,000	50,000
Industrial Waste Monitoring Fees	49,420	49,000	58,533	60,000	60,000
Miscellaneous					
Interest Earned	33,798	50,000	12,084	15,000	20,000
Other	111,246	90,000	53,486	55,000	55,000
Total	$ 36,536,835	$ 38,372,210	$ 37,030,324	$ 38,746,870	$ 39,447,500

See pages 169 for an explanation of each revenue source.

Water and Sewer Operating Fund

Comparison of Total Revenue



Revenue Comment

Service charges and fees account for approximately 97% of total revenue for this fund. The FY10 Budget includes the water and sewer rate increases that become effective January 1, 2010. The rates were approved during 2007. The water sales are expected to increase by approximately $439,000 over the FY09 Estimated revenue.

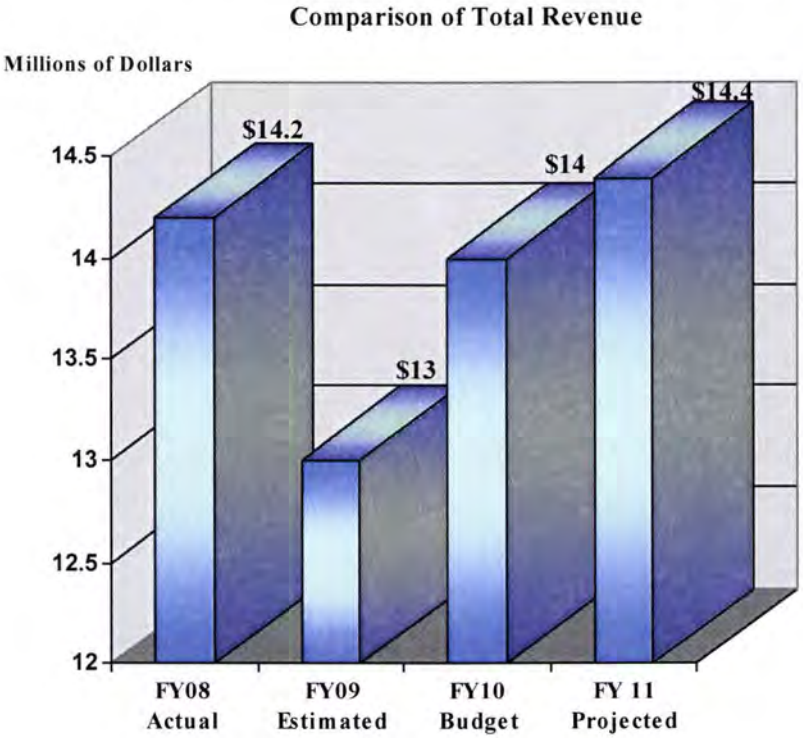
The FY10 Budget also includes rate increases for sewer charges, that includes the rates effective on Januray 1, 2010 as wellas a full year of the supplemental rate approved on July 1, 2009. The estimated revenue increase is $1.08 million for FY10 over FY09 estimated.

Sanitation Operating Fund
Statement of Revenue Comparisons

	Actual FY08	Budget FY09	Estimated FY09	Budget FY10	Projected FY11
Service Charges and Fees					
Residential Collections	$ 3,687,663	$ 3,700,000	$ 3,715,092	$ 4,127,200	$ 4,534,400
Commercial Collections	2,484,562	2,510,000	2,470,008	2,535,000	2,560,000
Sanitary Landfill Operations	5,262,471	6,311,200	4,556,232	4,950,000	4,950,000
Roll-Off Collections	2,307,689	2,600,000	2,038,596	2,100,000	2,100,000
Sale of Methane Gas	210,562	250,000	86,664	120,000	120,000
Recycling Operations	142,465	160,000	54,424	110,000	110,000
Miscellaneous					
Interest Earned	71,406	85,000	28,312	35,000	42,000
Other	84,175	25,000	18,902	25,000	25,000
Total	$ 14,250,993	$ 15,641,200	$ 12,968,230	$ 14,002,200	$ 14,441,400

See page 170 for an explanation of each revenue source.

Sanitation Operating Fund



Revenue Comment

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

The collection rates and disposal rates were amended during 2007 and remain at that level for FY10. Revenue from residential collections is expected to increase by $412,000 to account for the residential service area currently served by a private hauler. This change is refelcted as of July 1, 2010. Service charges and fees from the commercial collections and landfill operations are expected to increase by $126,000 and $394,000, respectively, in FY10 over FY09 estimated.

Distribution of Appropriations to the Operating Funds
FY10 Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 246,330	$ 105,922	$ 19,706	$ 91,142	$ 29,560
4101 Board of Directors	116,710	50,185	9,337	43,183	14,005
4102 City Administrator	789,370	339,429	63,149	292,067	94,725
4111 Economic Development	504,610	504,610	0	0	0
4201 District Court	1,530,260	1,530,260	0	0	0
4202 Prosecutor	185,100	185,100	0	0	0
4203 Public Defender	77,870	77,870	0	0	0
4204 City Attorney	237,000	118,500	59,250	0	59,250
4206 District Court-Seb. Co.	54,940	54,940	0	0	0
4405 Internal Audit	115,840	49,811	9,267	42,861	13,901
Total Policy and Administration Services Division	$ 3,858,030	$ 3,016,627	$ 160,709	$ 469,253	$ 211,441
Management Services Division					
4104 Human Resources	$ 511,190	$ 322,050	$ 35,783	$ 107,350	$ 46,007
4105 City Clerk	391,360	168,285	31,309	144,803	46,963
4301 Finance	1,173,360	504,545	93,869	434,143	140,803
4303 Collections	415,220	178,544	33,218	153,632	49,826
4304 Utility Billing/Cust Service	1,830,250	91,512	91,512	1,372,688	274,538
4306 Purchasing	554,600	238,478	44,368	205,202	66,552
4401 Info. & Tech. Services	1,872,760	1,217,294	93,638	374,553	187,275
Total Management Services Division	$ 6,748,740	$ 2,720,708	$ 423,697	$ 2,792,371	$ 811,964
Development Services Division					
4103 Engineering	$ 1,477,990	$ 1,256,291	$ 73,900	$ 147,799	$ 0
4106 Planning and Zoning	682,270	579,929	0	102,341	0
4108 Building Safety	817,190	817,190	0	0	0
Total Development Services Division	$ 2,977,450	$ 2,653,410	$ 73,900	$ 250,140	$ 0
Police Services Division					
4701 Administration	$ 1,001,050	$ 1,001,050	$ 0	$ 0	$ 0
4702 Support Services	4,662,880	4,662,880	0	0	0
4703 Criminal Investigations	2,823,660	2,823,660	0	0	0
4704 Patrol Operations	7,390,010	7,390,010	0	0	0
4705 Radio Communications	475,260	475,260	0	0	0
4706 Airport Security	202,750	202,750	0	0	0
Total Police Services Division	$ 16,555,610	$ 16,555,610	$ 0	$ 0	$ 0

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

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 959,940	$ 959,940	$ 0	$ 0	$ 0
4802 Suppression and Rescue	9,145,230	9,145,230	0	0	0
Total Fire Services Division	$ 10,105,170	$ 10,105,170	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 459,530	$ 0	$ 459,530	$ 0	$ 0
5302 Street Construction	968,720	0	968,720	0	0
5303 Street Drainage	1,076,690	0	1,076,690	0	0
5304 Street Maintenance	935,100	0	935,100	0	0
5401 Traffic Control Operations	700,644	0	700,644	0	0
5402 Signals	249,350	0	249,350	0	0
5403 Street Lighting	1,110,000	0	1,110,000	0	0
5404 Sign Shop	143,550	0	143,550	0	0
Total Streets and Traffic Control	$ 5,643,584	$ 0	$ 5,643,584	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,565,779	$ 0	$ 0	$ 1,565,779	$ 0
5601 Water and Wastewater Treatment Administration	216,020	0	0	216,020	0
5603 Sewer Treatment	3,776,800	0	0	3,776,800	0
5604 Water Treatment	3,657,440	0	0	3,657,440	0
5605 Laboratory Services	866,280	0	0	866,280	0
5606 Wastewater Equipment Maintenance	1,355,520	0	0	1,355,520	0
5609 Industrial Waste Monitoring	356,910	0	0	356,910	0
5610 Water Line Maintenance	1,990,030	0	0	1,990,030	0
5611 Sewer Line Maintenance	2,254,240	0	0	2,254,240	0
5613 Metering/Transmission Line Maintenance	1,468,810	0	0	1,468,810	0
5615 Water and Wastewater Line Maintenance Administration	869,660	0	0	869,660	0
5616 Water Stationary Equipment Maintenance	1,138,470	0	0	1,138,470	0
6700 Debt Service	15,348,860	0	0	15,348,860	0
Total Water and Sewer	$ 34,864,819	$ 0	$ 0	$ 34,864,819	$ 0

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

	TOTAL FUNDS	GENERAL FUND	STREET MAINTENANCE FUND	WATER AND SEWER OPERATING FUND	SANITATION OPERATING FUND
Operation Services Division - Parks and Community Services					
6101 Health	$ 204,850	$ 204,850	$ 0	$ 0	$ 0
6201 Parks Maintenance	1,763,090	1,472,180	290,910	0	0
6202 Oak Cemetery	181,770	181,770	0	0	0
6204 Community Centers	208,820	208,820	0	0	0
6205 Aquatics	213,940	213,940	0	0	0
6206 Riverfront	301,200	301,200	0	0	0
6207 The Park at West End	45,800	45,800	0	0	0
Total Parks and Community Services	$ 2,919,470	$ 2,628,560	$ 290,910	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 583,824	$ 0	$ 0	$ 0	$ 583,824
6302 Residential Collection	2,844,170	0	0	0	2,844,170
6303 Commercial Collection	1,230,790	0	0	0	1,230,790
6304 Fleet & Grounds Maintenance	888,340	0	0	0	888,340
6305 Sanitary Landfill	3,425,930	0	0	0	3,425,930
6306 Debt Service	1,103,220	0	0	0	1,103,220
6307 Roll-Off Collection	1,047,070	0	0	0	1,047,070
Total Sanitation	$ 11,123,344	$ 0	$ 0	$ 0	$ 11,123,344
Operation Services Division - Transit					
6550 Public Transit	$ 2,362,430	$ 2,362,430	$ 0	$ 0	$ 0
Total Operation Services Division	$ 56,913,647	$ 4,990,990	$ 5,934,494	$ 34,864,819	$ 11,123,344
Non-Departmental					
6600 Non-Departmental	$ 5,587,964	$ 2,473,414	$ 351,050	$ 468,250	$ 2,295,250
Total Appropriations	$ 102,746,611	$ 42,515,929	$ 6,943,850	$ 38,844,833	$ 14,441,999

Distribution of Appropriations to the Operating Funds
FY11 Projected Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 249,310	$ 107,203	$ 19,944	$ 92,245	$ 29,918
4101 Board of Directors	117,360	50,464	9,389	43,424	14,083
4102 City Administrator	736,000	316,480	58,880	272,320	88,320
4111 Economic Development	762,930	762,930	0	0	0
4201 District Court	1,637,180	1,637,180	0	0	0
4202 Prosecutor	194,680	194,680	0	0	0
4203 Public Defender	79,810	79,810	0	0	0
4204 City Attorney	251,500	125,750	62,875	0	62,875
4206 District Court-Seb. Co.	57,090	57,090	0	0	0
4405 Internal Audit	117,370	50,469	9,390	43,427	14,084
Total Policy and Administration Services Division	$ 4,203,230	$ 3,382,056	$ 160,478	$ 451,416	$ 209,280
Management Services Division					
4104 Human Resources	$ 534,580	$ 336,785	$ 37,421	$ 112,262	$ 48,112
4105 City Clerk	339,890	146,153	27,191	125,759	40,787
4301 Finance	1,233,520	530,414	98,682	456,402	148,022
4303 Collections	432,540	185,992	34,603	160,040	51,905
4304 Utility Billing/Cust Service	1,909,600	95,479	95,479	1,432,201	286,441
4306 Purchasing	592,140	254,620	47,371	219,092	71,057
4401 Info. & Tech. Services	2,047,410	1,330,816	102,371	409,482	204,741
Total Management Services Division	$ 7,089,680	$ 2,880,259	$ 443,118	$ 2,915,238	$ 851,065
Development Services Division					
4103 Engineering	$ 1,554,610	$ 1,321,419	$ 77,730	$ 155,461	$ 0
4106 Planning and Zoning	752,590	639,701	0	112,889	0
4108 Building Safety	950,030	950,030	0	0	0
Total Development Services Division	$ 3,257,230	$ 2,911,150	$ 77,730	$ 268,350	$ 0
Police Services Division					
4701 Administration	$ 1,000,670	$ 1,000,670	$ 0	$ 0	$ 0
4702 Support Services	5,664,670	5,664,670	0	0	0
4703 Criminal Investigations	3,332,630	3,332,630	0	0	0
4704 Patrol Operations	8,796,650	8,796,650	0	0	0
4705 Radio Communications	556,280	556,280	0	0	0
4706 Airport Security	213,930	213,930	0	0	0
Total Police Services Division	$ 19,564,830	$ 19,564,830	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY11 Projected Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 1,060,170	$ 1,060,170	$ 0	$ 0	$ 0
4802 Suppression and Rescue	11,363,700	11,363,700	0	0	0
Total Fire Services Division	$ 12,423,870	$ 12,423,870	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 478,600	$ 0	$ 478,600	$ 0	$ 0
5302 Street Construction	1,016,520	0	1,016,520	0	0
5303 Street Drainage	1,124,540	0	1,124,540	0	0
5304 Street Maintenance	976,550	0	976,550	0	0
5401 Traffic Control Operations	736,980	0	736,980	0	0
5402 Signals	261,840	0	261,840	0	0
5403 Street Lighting	1,165,500	0	1,165,500	0	0
5404 Sign Shop	150,750	0	150,750	0	0
Total Streets and Traffic Control	$ 5,911,280	$ 0	$ 5,911,280	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,616,590	$ 0	$ 0	$ 1,616,590	$ 0
5601 Water and Wastewater Treatment Administration	343,040	0	0	343,040	0
5603 Sewer Treatment	3,718,300	0	0	3,718,300	0
5604 Water Treatment	3,378,380	0	0	3,378,380	0
5605 Laboratory Services	784,360	0	0	784,360	0
5606 Wastewater Equipment Maintenance	1,311,050	0	0	1,311,050	0
5609 Industrial Waste Monitoring	372,300	0	0	372,300	0
5610 Water Line Maintenance	2,232,990	0	0	2,232,990	0
5611 Sewer Line Maintenance	2,625,200	0	0	2,625,200	0
5613 Metering/Transmission Line Maintenance	1,591,550	0	0	1,591,550	0
5615 Water and Wastewater Line Maintenance Administration	924,790	0	0	924,790	0
5616 Water Stationary Equipment Maintenance	1,256,310	0	0	1,256,310	0
6700 Debt Service	15,348,313	0	0	15,348,313	0
Total Water and Sewer	$ 35,503,173	$ 0	$ 0	$ 35,503,173	$ 0

Distribution of Appropriations to the Operating Funds
FY11 Projected Budget (Continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Operation Services Division - Parks and Community Services					
6101 Health	$ 295,300	$ 295,300	$ 0	$ 0	$ 0
6201 Parks Maintenance	2,776,450	2,452,811	323,639	0	0
6202 Oak Cemetery	256,460	256,460	0	0	0
6204 Community Centers	212,750	212,750	0	0	0
6205 Aquatics	219,160	219,160	0	0	0
6206 Riverfront	296,190	296,190			
6207 The Park at West End	48,090	48,090	0	0	0
Total Parks and Community Services	$ 4,104,400	$ 3,780,761	$ 323,639	$ 0	$ 0
Operation Services Division - 6203 Convention Center	1,664,850	1,664,850	0	0	0
Total Convention Center	1,664,850	1,664,850	0	0	0
Operation Services Division - Sanitation					
6301 Administration	$ 600,280	$ 0	$ 0	$ 0	$ 600,280
6302 Residential Collection	3,011,940	0	0	0	3,011,940
6303 Commercial Collection	1,301,790	0	0	0	1,301,790
6304 Fleet & Grounds Maintenance	941,760	0	0	0	941,760
6305 Sanitary Landfill	3,949,660	0	0	0	3,949,660
6306 Debt Service	1,102,930	0	0	0	1,102,930
6307 Roll-Off Collection	1,011,400	0	0	0	1,011,400
Total Sanitation	$ 11,919,760	$ 0	$ 0	$ 0	$ 11,919,760
Operation Services Division - Transit					
6550 Public Transit	$ 2,467,640	$ 2,467,640	$ 0	$ 0	$ 0
Total Operation Services Division	$ 61,571,103	$ 7,913,251	$ 6,234,919	$ 35,503,173	$ 11,919,760
Non-Departmental					
6600 Non-Departmental	$ 4,374,680	$ 2,500,000	$ 365,360	$ 472,160	$ 1,037,160
Total Appropriations	$ 112,484,623	$ 51,575,416	$ 7,281,605	$ 39,610,337	$ 14,017,265

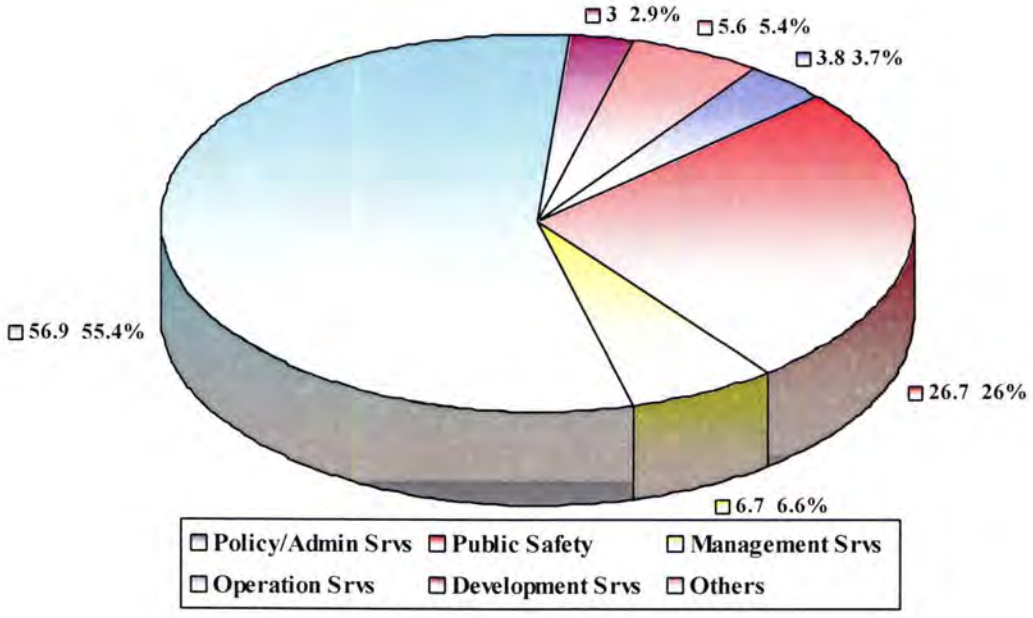
Combined Division Summary
Operating Funds

	Actual FY08	Amended Budget FY09	Estimated FY09	Budget FY10	Projected FY11
By Division Classification					
Policy and Administration Services	$ 3,307,699	$ 3,976,809	$ 3,796,058	$ 3,858,030	$ 4,203,230
Management Services	6,247,517	6,915,015	6,512,068	6,748,740	7,089,680
Development Services	2,794,118	3,169,282	2,865,058	2,977,450	3,257,230
Police Services	13,641,640	17,224,751	15,056,772	16,555,610	19,564,830
Fire Services	9,328,401	10,673,457	10,130,318	10,105,170	12,423,870
Operation Services	54,524,661	60,281,119	56,181,957	56,913,647	61,571,103
Non-Departmental	7,053,807	6,535,476	6,234,761	5,587,964	4,374,680
Budget Appropriations	**$ 96,897,843**	**$ 108,775,909**	**$ 100,776,992**	**$ 102,746,611**	**$ 112,484,623**

2010 Operating Budget

Appropriations by Division Classification

$102,746,611



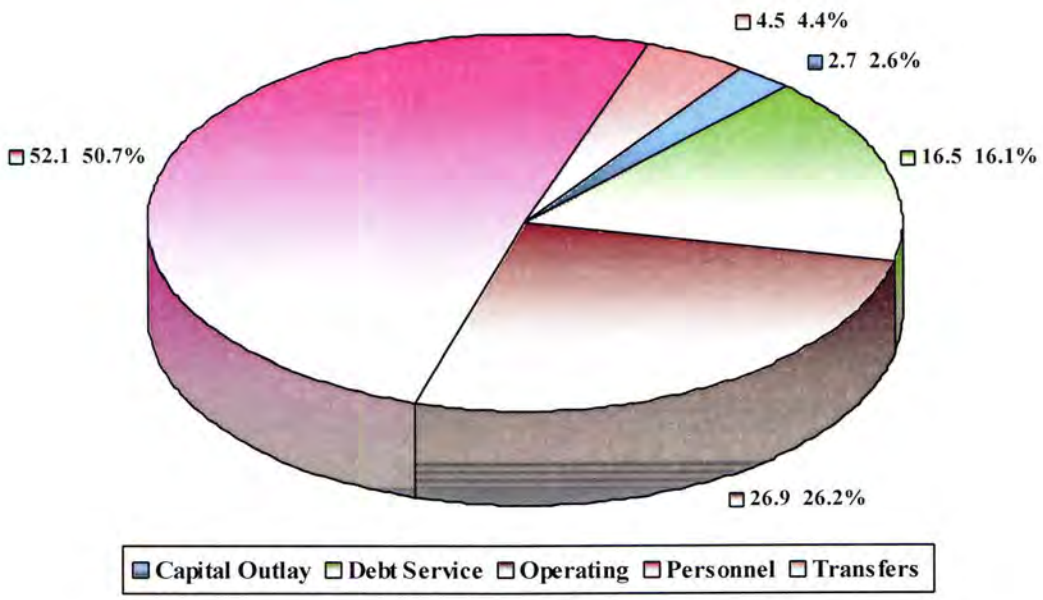
In Millions

Combined Division Summary
Operating Funds

By Expenditure/Expense Classification	Actual FY08	Amended Budget FY09	Estimated FY09	Budget FY10	Projected FY11
Personnel	$ 47,500,204	$ 52,613,620	$ 49,074,263	$ 52,125,527	$ 57,414,140
Operating	25,384,808	29,800,770	23,912,857	26,902,172	30,036,400
Operating Budget	$ 72,885,012	$ 82,414,390	$ 72,987,120	$ 79,027,699	$ 87,450,540
Capital Outlay	2,397,553	4,832,305	6,653,746	2,744,000	5,203,160
Debt Service	15,767,861	16,522,210	16,072,210	16,452,080	16,451,243
Transfers	5,847,527	5,007,004	5,063,916	4,522,832	3,379,680
Budget Appropriations	$ 96,897,953	$ 108,775,909	$ 100,776,992	$ 102,746,611	$ 112,484,623

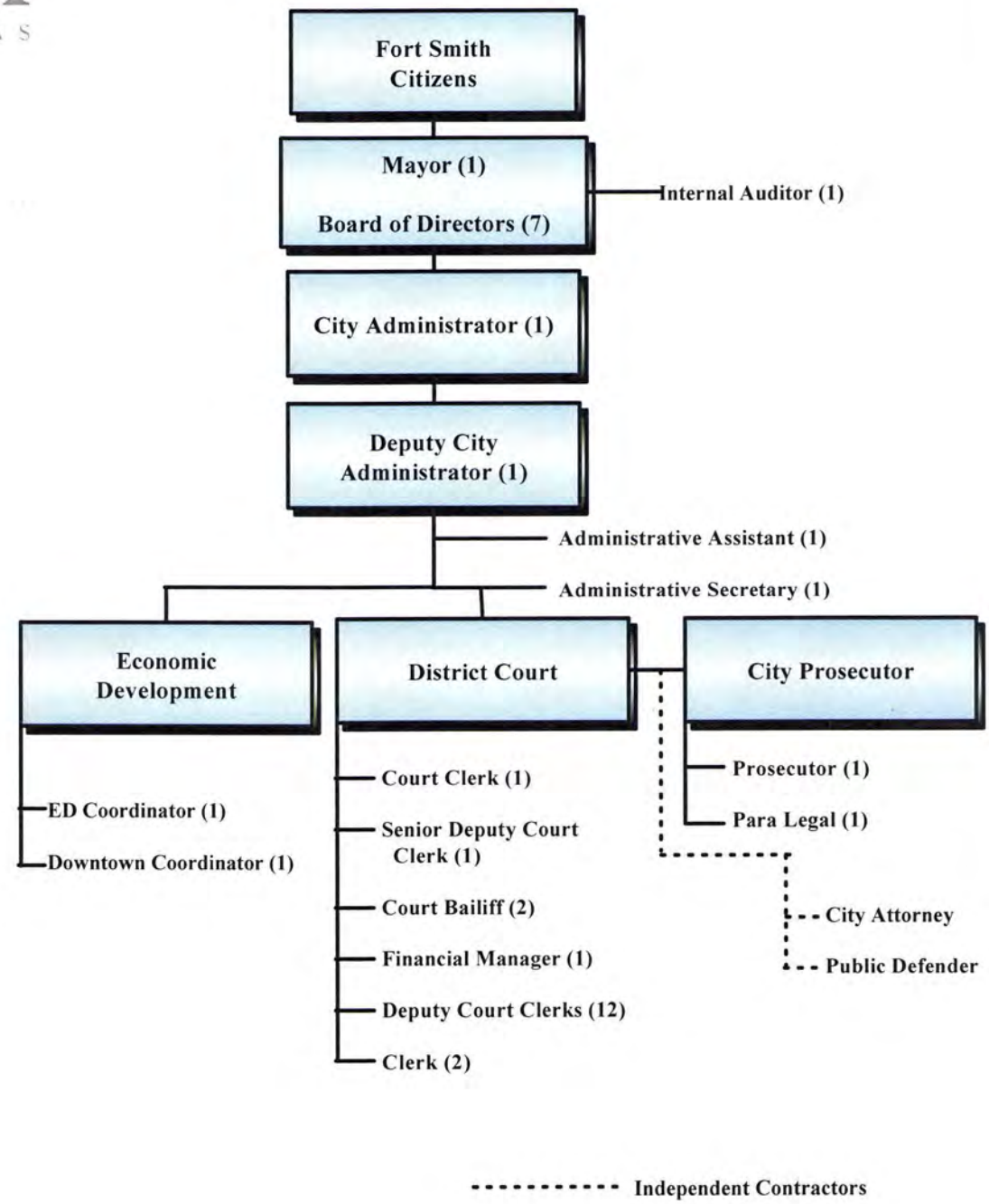
2010 Operating Budget

Appropriations by Expenditure/Expense Class
$102,746,611



In Millions

Policy and Administration Services



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

POLICY/ADMINISTRATION OVERVIEW:

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

Budget FY10 is $47,561 or 3% more than the Budget FY09. The increase is due to funds allocated for the fleet maintenance analysis.

Major priorities planned for 2010 are those outlined in the Budget Message and highlighted as: financing option for the Convention Center; economic growth strategies; develop strategies to reduce energy consumption; identify new General Fund revenue source; alternative rate model for water and sewer services; enhance reserve polices; adopt user fees to cover costs; review employee benefits; and review service levels.

Total personnel for these programs is 14FTE for FY10 which is one less position than FY09.

POLICY & ADMINISTRATION	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 701,354	$ 681,730	$ 647,533	$ 660,840	$ 688,970
Operating Expenditures	669,039	927,729	790,554	996,180	936,630
Operating Budget	$ 1,370,393	$ 1,609,459	$ 1,438,087	$ 1,657,020	$ 1,625,600
Capital Outlay	0	0	0	0	240,000
Budget Appropriation	$ 1,370,393	$ 1,609,459	$ 1,438,087	$ 1,657,020	$ 1,865,600
Authorized Positions	15.00	15.00	15.00	14.00	14.00

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

POLICY/ADMINISTRATION 2010 SERVICE OBJECTIVES

Mayor:

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

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

Board and Administration:

1. Adopt a financing option for the Convention Center expenditure gap due to the loss of state tourism turnback funds and adopt a new business model for operating the Convention Center.
2. Initiate and develop economic growth strategies to increase the job market with higher paying jobs as well as support the construction of the regional intermodel freight facilities and Interstate 49.
3. Continue the "green initiative" by developing strategies to reduce energy consumption and other costs in city facilities.
4. Identify a new revenue source and/or identify savings in the General Fund to provide funds for construction, staffing, and equipping Fire Station 11 in Chaffee Crossing; future downtown development, and parks projects.
5. Review an alternative method for water service rates to provide a more stable revenue source for the Water and Sewer Operating Fund.
6. Approve a balanced budget that provides for reserve balances in accordance with the city's financial policies.
7. Adopt user fees that recover the full cost of service, where applicable.
8. Review employee benefit levels for comparability with the private sector and freeze employee insurance contributions at the 2009 level.
9. Examine service levels so that recources and service priorities are strategically aligned.

Economic Development:

1. Develop and implement aggressive and innovative ideas for communicating with the public about economic development and quality of place related issues, in collaboration with community partners.
2. Act as a resource for other City of Fort Smith departments in proactively reaching out directly to citizens and through media outlets.
3. Direct Citizens Academy classes, scheduling, recruiting members, and communicating with alumni.
4. Tell Fort Smith's story to broader-regional and national-audiences and, when appropriate, assisting other departments and community partners in this regard.

Downtown Development:

1. To continue success with fewer empty buildings in Downtown, continue to work with Downtown property owners in the entire Central Business Improvement District to encourage the sale, lease or renovation of their properties. We will also be working with the new Downtown business owners during the permitting process and opening of their businesses in the District. This includes continuing to build our relationship and working in partnership with Cushman-Wakefield to introduce potential developers to Downtown Fort Smith
2. Create new ways to improve Downtown's walkability through beautification, additional street scape, additional trolley track, and research to costs associated with providing recorded music along the sidewalks through wireless speaker systems.
3. Continue to work on the State Tax Credit Bill for CBID's throughout Arkansas. This will continue to be a statewide effort to improve the core business districts in Arkansas.
4. Continue researching options to provide additional parking for the Downtown area.
5. Plan for the construction of shelters to improve the functionality of the municipal parking lot at 2nd and Garrison in Downtown to accommodate small events. These structures will add to the special events which are currently held on the parking lot as well as encourage additional activities.
6. To increase the business owner's revenue and aid the retention of current businesses create additional marketing tools to promote the Downtown niche with corporate, businesses, retailers, restaurant and pub owners, residential living and Downtown events to citizens on a regional level. We will work on additional print mediums as well as continue the outdoor campaigns. Strive to work the presentation circuit on a weekly schedule with the new Downtown Fort Smith promotional video.

7. Plan for additional events in the Downtown area to encourage thousands of citizens to visit the district. Remain constant with representatoin for the Riverfront Blues Fest, the Cox Community Concert, and the Mayor's 4th of July event while looking to add other activities to the mix. We plan to have two more large scale events at the Riverpark in 2010 and several small events on the municipal parking lot at 2nd and Garrison.

ECONOMIC DEVELOPMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Develop and initiate aggressive and innovative ideas for communicating with the public about economic development and quality of place related issues, in collaboration with community partners.*

   Outcome: Speaking engagements on these topics included Leadership Fort Smith Class of 2009, Fort Smith Public Schools Teachers Economic Development Workshop (summer 2009), Spring 2009 Citizens Academy, 4 to 6 civic groups, media appearances, FOCUS newsletter-riverfront opportunity analysis seeking public input.

2. ***Service Objective:*** *Act as a resource for other City of Fort Smith departments in proactively reaching out directly to citizens through media outlets.*

   Outcome: Complied a "Speakers Bureau" of Fort Smith employees who rountinely speak at civic and professional groups. This bureau is regularly updated and is posted at fortsmithar.gov. We also distribute copies whenever we speak to civic/ community groups and serve as talk radio guests.

3. ***Service Objective:*** *Direct Citizens Academy classes, scheduling, recruiting members and communicating with alumni.*

   Outcome: Spring 2009 class was our largest ever. We graduated 24, a few of whom have already launched a busness owners group that meets weekly to discuess timely issues and works closely with the Fort Smith Chamber of Commerce to bring entities together for the benefit of the larger community. We are working closely with Citizens Police Academy and Citizens Fire Academy to ensure that citizens have access to these programs.

4. ***Service Objective:*** *Directly engage groups like Young Emerging Leaders, Leadership Fort Smith, and civic groups to discuss Academies programs, communication initiatives, and economic development issues.*

   Outcome: Our experience with the National Civic League's All-America City competition gave Fort Smith the opportunity to not only tell the community's successes on a national scale, but we also brought together new constituencies within the region and created internal advocacies for successful programs

DOWNTOWN DEVELOPMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *To continue success with fewer empty buildings in Downtown, continue to work with Downtown property owners in the entire Central Business Improvement District to encourage the sale, lease or renovation of their properties. We will also be working with new Downtown business owners during the permitting process and opening of their business in the District.*

   Outcome: As of August 2009, we have had 1 of our largest properties sell, (the Otasco Building), and we are working on the sale of another property for a renovation project. We have opened 9 new businesses, we have 1 property under construction, 4 renovation projects underway and currently a parking lot project was approved which will include the demolition of a decayed building.

2. ***Service Objective:*** *Provide additional development incentives, encourage and work on the State Historic Tax Credit Bill effort for the 2009 Arkansas General Assembly. In addition adding "growth center" language to the CBID current legislation and documents in order to follow additional legislative efforts for grant funding.*

   Outcome: During the legislative year we worked with other state agencies to have the Arkansas State Historic Credit Act passed. This was successful and is now in the process of implementation. The Act can be used together with Federal Historic Tax Credit or alone depending on the use of the property. We are also going to continue to work on the CBID bill and hopefully get that passed in the near future.

3. ***Service Objective:*** *To increase business owners revenue, aid the retention of current businesses, and recruit additional business to the district; create additional marketing opportunities to promopte the Downtown niche with corporate, businesses, retailers, restaurant and pub owners, residential living and downtown events to citizens on a regional and national level. Interstate 40 billboard campaigns will be budgeted for in 2009. In addition, provide, solid, fresh information to the citizens through the downtown web and local advertising as well as support the new initiative of Fort Smith 411 site with facts on our progress over the last four years.*

   Outcome: We have currently obtained an outdoor advertising location on Interstate 540 will be starting a rotation board program with another outdoor advertising company in the coming months. We have been working on a downtown promotional video for use on the City access channel as well as Facebook, YouTube, and other avenues to attract the younger generation. The Downtown web site continues to gain momentum with over 1,000 page views per week. From a potential developer view we have picked up interest through several regional periodicals using advertising directed towards the investor.

4. ***Service Objective:*** *Support the private investors and developers and to raise the bar of appropriate renovations, revise the current design guidelines and maintenance codes for the Garrison Avenue Historic District. Additonally, create a design guideline for the expanded areas of the Central Business Improvement District in Downtown.*

   Outcome: The revision of the design guidelines is in progress. During 2009, we have improved the maintenance code to include awnings and the metal frames which are sometimes left in an unsightly manner on some of the buildings in the district. Along with neighborhood services, we are working with the property owners who may be in violation of this code, ultimately improving the overall appearance of the Downtown area.

5. ***Service Objective:*** *To encourage crowds of people to the Downtown area as an economic engine, plan for at least three large scale events in Downtown creating additional positive economic impacts on the businesses in the district. In addition, support and promote the Riverfront Bluesfest and Farmers Market which was mentioned in the TIP report, also provide quality of place for citizens of Fort Smith and the region and to retain and attract tourists and new business to the area.*

   Outcome: Through spring, we have had four larger events at Harry E. Kelly and Riverfront Park. Now we have set the goal to work toward having ten events a year in the park. The Farmers Market has had the best season ever in four years with over thirty five vendors attending on Saturdays and many selling out by 10:00 a.m. We have several new craft vendors and excellent growers, bakers, landscape items, and some fresh frozen poultry and fish products.

6. ***Service Objective:*** Provide a more citizen and tourist friendly environment in Downtown; *work in partnership with the Parking Authority, City of Fort Smith, and the CBID to develop a plan to improve the parking, public transit, public art work; and work to seek funding for additional street scape along Garrison, including Towson, and the north/south side streets in the district.*

   Outcome: Currently we are working on a parking lot project at 2nd and B Street. The project will include acceptance of two donated properties and also a purchased section of land from the Union Pacific Railroad. We are also working with the University of Arkansas at Fort Smith to do a project for the painting of the fire hydrants for a public art aspect. The CBID is also working on a renovation project that may include public art on a section of a building. We recently were awarded almost $1 million to complete the street scene project to 13th street on both sides of Garrison. Once this section is completed, the entire avenue will have received new streetscape. We have also received almost $250,000 in funding to extend the electric trolley system north of 7th street, east on Rogers, and possible north towards Garrison just east of the Town Club. All improvements assist in traffic and pedestrian movement.

LEGAL DEPARTMENT OVERVIEW:

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

City Attorney services are provided by a local firm selected through the professional services review. The Public Defender is accounted for by Sebastian County and the funding provided in the 2010 Budget represents the City's share of costs for the year.

The 2010 Budget is $84,540 or 3.9% less than the 2009 Budget. The decrease is due to less pay periods in FY10 and decreases in operating expenditures. This is offset by the addition of one Deputy Court Clerk.

Total Legal Department personnel is 21FTE which reflects the addition of one additional Deputy Court Clerk to serve the third judge.

LEGAL DEPARTMENT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 1,549,118	$ 1,758,210	$ 1,611,542	$ 1,744,470	$ 1,853,160
Operating Expenditures	367,975	411,500	338,436	340,700	367,100
Operating Budget	$ 1,917,093	$ 2,169,710	$ 1,949,978	$ 2,085,170	$ 2,220,260
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 1,917,093	$ 2,169,710	$ 1,949,978	$ 2,085,170	$ 2,220,260
Authorized Positions	20.00	20.00	20.00	21.00	21.00

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

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

City Prosecutor:

1. To introduce and establish a pre-trial appearance date for defendants and defense attorneys.
2. Computerize the tracking system for all appeals and the court dispositions.
3. Streamline process for prosecuting cases for Neighborhood Services and other City offices.
4. Expand teaching and assist law enforcement.

DISTRICT COURT
2009 SERVICE OBJECTIVE AND OUTCOMES

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

   Outcome: Three of the deputy clerk I's have been cross trained in all four of the Deputy 1 positions. Five Deputy Clerk II's have been trained in four of the Court's core positions. Two clerks have been trained in all thirteen of the court's deputy clerk positions. Two clerks earned their certificate of education through the Arkansas District and City Court Clerks Association.

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

   Outcome: Through November, $107,325 has been collected through the use of a collection agency, with $16,870 in commissions paid to the agency, program has generated $890,735 since 2003. A total of 7,271 warrants were issued with 5,445 being servied by law enforcement or satisfied by payment through District Court. $19,500 has been collected through the tax intercept program, with a total of $69,791 being collected since 2004. During 2009, $6,984 has been withheld from prisoner commissary accounts, and a total of $69,791 has been collected since 2005.

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

   Outcome: Completed procedures: Landlord Tenant Evictions- rewritten to include legislative amendments, document imaging system training on use of equipment, redaction requirements- policy to protect confidential information from court documents and FOI requirements.

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

   Outcome: Implementation of the following has been accomplished: automation of reinstatement notices (February), implementation of legislative amendments (July), review of computer generated reports to ensure accuracy is an on-going goal. A check writing program was completed in January. Legislation was passed to allow courts to pass transaction fees to the defendant, a search for a service provider to directly apply the funds to the defendants' account continues. The project will be revisited in 2010 in efforts to find a service provider that can accommodate the court's needs. A video messaging system in the business office lobby was completed in 2009, allowing the public access to important court related notices. ITS is currently working to implement a smart board during open court sessions and for training.

5. ***Service Objective:*** Improve court services.

   Outcome: During 2009, job duties were reorganized to help with staffing shortages, a daily session of video prisoner arraingements was added to the court schedule to expedite the release of prisoners; the court schedule was adjusted to accommodate the addition of a third judge, and to implement an "Environmental Court"; written procedure for use of the document imaging system was completed; and began promoting the use of credit cards for payments to expedite our collection process.

CITY PROSECUTOR
2009 SERVICE OBJECTIVE AND OUTCOMES

1. ***Service Objective:*** *Introduce and establish a pre-trial date for defendants and* defense attorneys.

   Outcome: On-going

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

   Outcome: There is a tracking system for appeals and court depositions, but a more efficient system is needed.

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

   Outcome: On-going

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

   Outcome: Goal is on-going and being met.

DISTRICT COURT
SERVICE MEASURES/PERFORMANCE INDICATORS
FOR 2010

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Criminal Cases Filed	15,381	16,500	14,300	14,900
Traffic Cases Filed	25,740	26,500	22,200	24,000
Civil Cases Filed	1,924	1,900	1,700	1,800
Small Claims Cases Filed	397	400	400	400
Warrants Issued	8,442	9,000	8,000	8,600
Fine/Costs/Fees Assessed **	$ 5,708,990	$ 5,309,300	$ 5,362,000	$ 5,536,000
Community Service Participants	1,292	1,600	1,625	1,550

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

WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Criminal Cases Disposed	12,053	14,000	11,350	13,000
Traffic Cases Disposed	21,163	22,500	19,200	20,500
Civil Judgments Issued	1,511	1,400	1,810	2,200
Small Claims Judgments Issued	266	270	280	270
Warrants Disposed	6,258	5,900	5,950	6,000
Fine/Costs/Fees Collected	$ 4,509,436	$ 4,266,870	$ 4,171,000	$ 4,290,000
City's General Fund Share of Collections	$ 2,045,824	$ 1,900,000	$ 1,776,860	$ 1,950,000
8 Hr. Days- Community Svc.Labor	10,574	11,800	14,000	13,500
Labor Equivalent to FTE's.	41	45	53	51
Monetary Equivalent of Labor	$ 686,873	$ 770,000	$ 910,000	$ 877,500

REVENUE TO CITY AFTER EXPENSES

	ACTUAL FY06	ACTUAL FY07	ACTUAL FY08
City's Share of Revenue	$ 2,005,735	$ 1,998,448	$ 2,191,245
City's Share of Court's Expenses	$ 894,504	$ 1,068,244	$ 905,986
City's Actual Revenue	$ 1,111,231	$ 930,204	$ 1,285,259
Revenue Combined with Labor from the Community Service Program	$ 2,082,772	$ 1,694,993	$ 1,827,347

INTERNAL AUDIT OVERVIEW:

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

The FY10 Budget is $2,200 or 1.9% more than the FY09 Budget. The increase is related to provision of a car allowance.

INTERNAL AUDIT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 90,344	$ 94,870	$ 92,780	$ 100,860	$ 99,240
Operating Expenditures	9,316	18,770	3,213	14,980	18,130
Operating Budget	$ 99,660	$ 113,640	$ 95,993	$ 115,840	$ 117,370
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 99,660	$ 113,640	$ 95,993	$ 115,840	$ 117,370
Authorized Positions	1.00	1.00	1.00	1.00	1.00

INTERNAL AUDIT 2010 SERVICE OBJECTIVES

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

INTERNAL AUDIT 2009 SERVICE OBJECTIVES AND OUTCOMES

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

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

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

   Outcome: Goal achieved, special projects are requiring a large part of the internal audit staff's time.

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

   Outcome: Goal achieved- this is on-going.

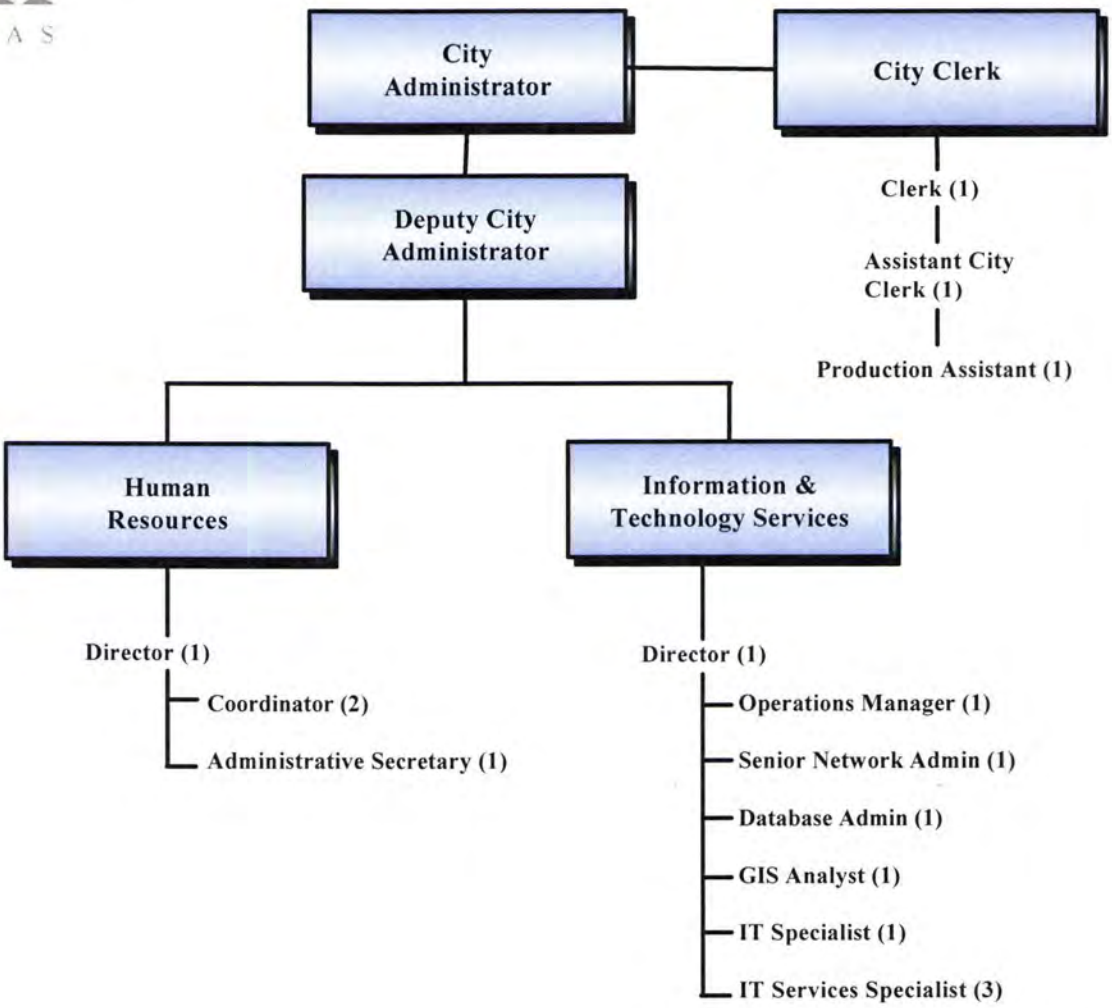
4. ***Service Objective:*** Continue to provide independent perspective, objective assurance and available consulting activity designed to add value and improve the City's operations.

   Outcome: Goal achieved, this is on-going. During the current year, many controls were put into place with Data-Tronics the City's financial systems provider. These controls provided better segregation of duties in Finance.

5. ***Service Objective:*** Aid the City to accomplish its objectives by bringing a systematic *disciplined approach to evaluate and improve the effectiveness of risk* management, control and governance processes.

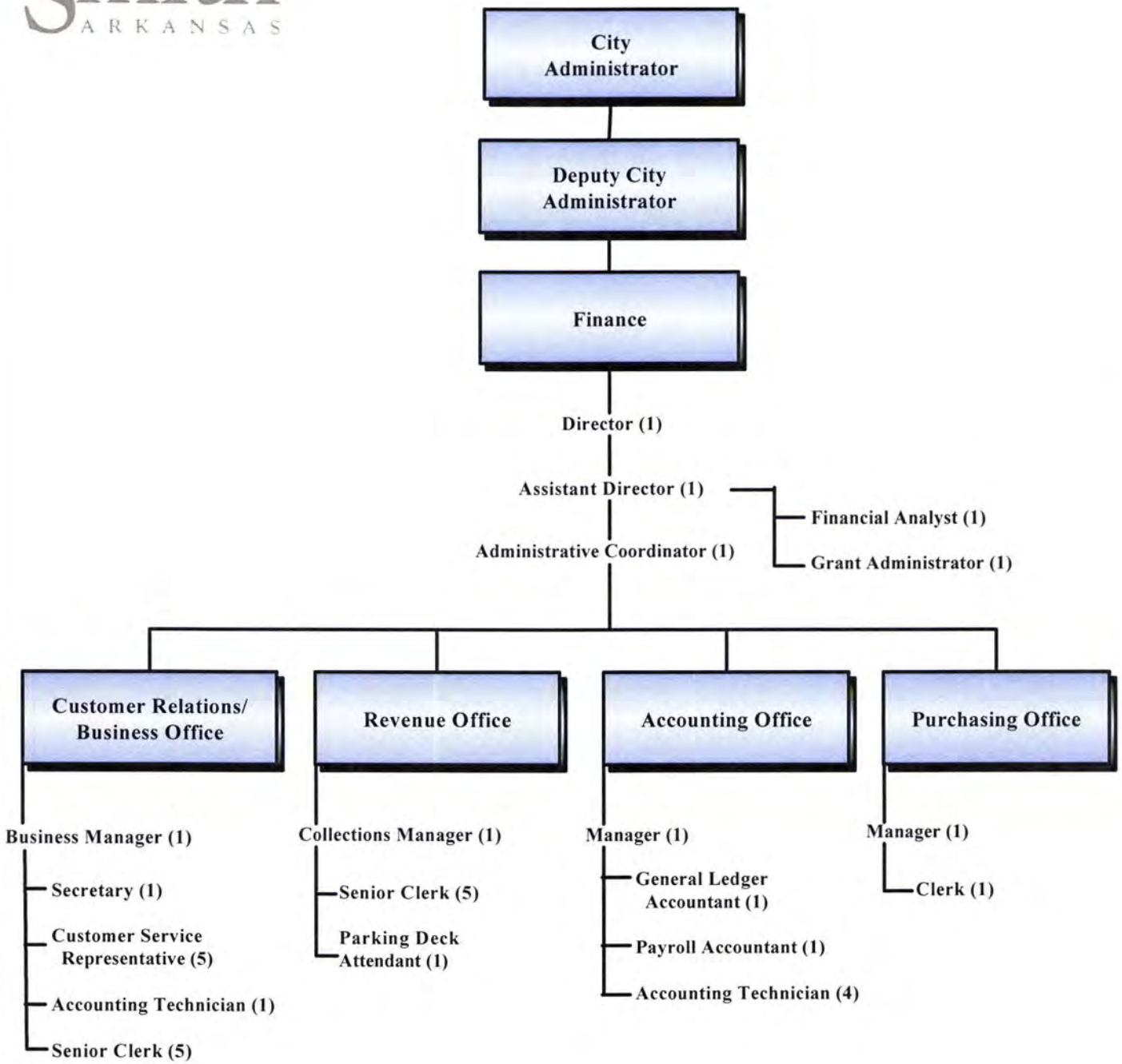
   Outcome: Along with the Finance Department and outside consultant, we continue to develop the COSO framework which is dedicated toward the establishment of more effective, efficient, and ethical business operations of the City.

Management Services



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

Management Services



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

HUMAN RESOURCES OVERVIEW:

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

The FY10 Budget is comparable to the FY09 Budget.

Total Human Resource Department personnel is 4.0FTE. There is no change in the level of positions for 2010.

HUMAN RESOURCES	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 379,081	$ 400,110	$ 412,112	$ 403,290	$ 419,630
Operating Expenditures	151,835	110,750	100,143	107,900	114,950
Operating Budget	$ 530,916	$ 510,860	$ 512,255	$ 511,190	$ 534,580
Capital Outlay	0	0	30,000	0	0
Budget Appropriation	$ 530,916	$ 510,860	$ 542,255	$ 511,190	$ 534,580
Authorized Positions	4.00	4.00	4.00	4.00	4.00

HUMAN RESOURCES DEPARTMENT 2010 SERVICE OBJECTIVES

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

HUMAN RESOURCES 2009 SERVICE OBJECTIVES AND OUTCOMES

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

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

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

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

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

   Outcome: This is an on-going process. Based on our 2009 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 2009 projection for cost, we are on budget.

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

   Outcome: The review process is in the beginning stages.

HUMAN RESOURCES
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Employees governed by personnel policies and procedures	896.66	898.16	904.41	913.88
Civil Service Commission Meetings	6	6	8	6
Civil Service applicant tests administered	6	6	9	6
Employment Applications Received	2,000	2,000	2,500	2,000

CITY CLERK DEPARTMENT OVERVIEW:

The City Clerk office maintains all official records of the city; responds to citizen requests; receives candidate and initiative petitions and coordinates city elections; coordinates the agenda process for the Board of Directors 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; performs other duties/responsibilities as directed by the City Administrator, Mayor and Board of Directors. The primary purpose of this department is to 1) deliver quality essential services in a cost effective, timely manner and 2) help make City government more accessible by keeping citizens better informed of the effectivness of City services.

The FY10 Budget is $39,060 or 11.1% more than FY09 Budget. The increase is attributable to the increase of the part-time position at .63FTE to 1FTE and the anticipated election costs in FY10.

The department has 3FTE which reflects the change of the part-time position to a full-time position.

CITY CLERK	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 187,474	$ 236,450	$ 192,289	$ 219,010	$ 229,960
Operating Expenditures	119,504	115,850	132,886	172,350	109,930
Operating Budget	$ 306,978	$ 352,300	$ 325,175	$ 391,360	$ 339,890
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 306,978	$ 352,300	$ 325,175	$ 391,360	$ 339,890
Authorized Positions	2.63	2.63	2.63	3.00	3.00

CITY CLERK 2010 SERVICE OBJECTIVES

1. Provide diverse administrative services to support the public, Mayor, Board of Directors, Administration, and staff.
2. Provide prompt processing of official documents, legal publications, and codification of ordinances.
3. Provide up to date information on department's web page.
4. Provide training opportunities to staff to continually increase knowledge and skill for benefit of staff and citizen customers.
5. Provide quality programming on Government Access Channel 5, including televised regular meetings of the Board of Directors.
6. Conduct city primary and general elections for the position of mayor and three directors-at-large.

CITY CLERK
2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: Staff is accessible at all times.

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

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

CITY CLERK
2009 SERVICE OBJECTIVES AND OUTCOMES (continued)

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

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

4. ***Service Objective:*** *"Green Initiative"*

   Outcome: The number of manual packets for Board of Directors meetings was reduced from 50 to 25. Department Directors and other members of City staff access this information on-line. A variety of other information is provided electronically, rather than manual.

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

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

6. ***Service Objective:*** *Provide quality programming on Government Access Channel 5.*

   Outcome: An average of 100 announcements air conitnually providing information on city services and events, and promoting activities of community organizations. Two videos have also aired during the year: "The Greater Fort Smith Region", and "Parking Ordinances-What You Can and Cannot Do". The regular meetings of the Board of Directors are now televised live on the access channel and rebroadcast at scheduled hours of the day over a 4 day period following the meeting.

CITY CLERK
2009 PERFORMANCE MEASURE STATISTICS

Ordinances published within two weeks of adoption by the Board of Directors.	100%
Draft minutes of Board of Directors meetings prepared within four (4) days.	100%
Meeting Agenda packets available to City officials within 4 days of meeting	100%
Meeting agenda packets and audio recordings posted on website	100%
Response to FOIA requests within 3 days	100%
Response to citizen requests within 3 days	100%
Government Access Channel 5 announcements received/airing	100%
Municipal Code of Ordinances semiannual updates	50%
Documet imaging of records (a daily process)	100%
Updated 12 minute video entitled, "Fort Smith's Administrative & Legislative Process"	100%
Issuance of Oak Cemetery Deeds (40 at 12/31/09)	100%

CITY CLERK
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY08	BUDGET FY09	Estimated FY09	BUDGET FY10
Sets of Board Minutes approved as written	38	32	32	32
Code of Ordinances Updates	2	2	2	2
Government Channel Announcements (average per week)	100	100	100	100
Document Imaging (average documents per week)	600	700	800	900

CITY CLERK
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Board Meetings attended (voting sessions)	30	35	35	35
Agendas prepared	46	50	50	50
Ordinances and Resolutions Adopted	314	375	375	375
Minutes Prepared	30	35	35	35
Action Center Contacts	1,700	1,800	1,800	1,800
Coordinate Elections	2	1	3	1
Permanent Records Retention	29,000	34,000	35,000	36,000
Government Channel Announcements	200	300	300	300
Staff Hours for Government Channel Productions	1,044	1,044	1,044	1,044
* Government Channel Total Cablecast Hours	8,760	8,760	8,760	8,760

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

FINANCE DEPARTMENT OVERVIEW:

The Finance Department contains 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; 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 FY10 Budget is $110,720 or 2.5% less than FY09 Budget. The decrease is due to less capital in FY10 as there were major repairs made to the parking deck in FY09. Also, operating expenditures were reduced where possible.

Total FY10 Finance Department personnel is 34FTE which includes the transfer of the parking deck attendant position from the Convention Center program.

FINANCE	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 2,049,239	$ 2,202,610	$ 2,094,805	$ 2,174,500	$ 2,286,090
Operating Expenditures	1,678,519	2,050,985	1,915,341	2,062,683	2,137,723
Operating Budget	$ 3,727,758	$ 4,253,595	$ 4,010,146	$ 4,237,183	$ 4,423,813
Capital Outlay	200,542	113,308	215,918	19,000	19,000
Budget Appropriation	$ 3,928,300	$ 4,366,903	$ 4,226,064	$ 4,256,183	$ 4,442,813
Authorized Positions	33.00	33.00	33.00	34.00	34.00

FINANCE DEPARTMENT 2010 SERVICE OBJECTIVES

1. Assist the purchasing function as it relates to the current code of ordinances and functionality of the department as it relates to the city as a whole.
2. Develop budget analyses to provide citywide as well as departmental data by assigning budget duties to more of the current Finance staff.
3. Enhance the internal control system by continuing to document financial processes in accordance with the COSO model adapted for the city. Require department directors to participate and validate representation made to the external auditors annually.
4. Implement an annual confirmation of the code of business conduct by all city representatives.
5. Address and clear all segregation of duties comments included in the audit communication report dated June 2009.
6. Enhance the customers' experience with the online bill pay system by continually updating it as well as integrating other payment options to the system.

FINANCE DEPARTMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Review all financial systems for needed enhancements and integrate more automated processing for departmental financial interaction.*

   Outcome: The new web based accounts receivable program was implemented earlier this year. The process to integrate the purchasing system into the general ledger system and automate purchasing documents has begun and should be completed during 2010.

2. ***Service Objective:*** *Coordinate and assess plans implemented to address the City's major risks as identified during the August 2007 risk assessment program.The fifth through eighth risks will be reviewed and plans for implementation will be made during 2009.*

   Outcome: This objective has been placed on hold indefinitely until the City Administrator has time to review the process.

3. ***Service Objective:*** *Continue training the management team about fiduciary responsibilities and their role in internal controls. Extend the training to all personnel and coordinate with Human Resources a method to introduce the code of business conduct policy and fraud policy to all employees.*

   Outcome: Updates regarding internal controls and the departmental responsibilities have been provided during department director staff meetings. A code of conduct flier was distributed to all city representatives, including employees. The flier is to be a reminder about the required adherence to the Code for all elected, appointed, and confirmed representatives, volunteers and employees. Beginning January 1, 2010, an annual confirmation of the Code will be requried by all city representatives.

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

   Outcome: The City adopted an integrity theft protection program (ITPP) in August 2009 in accordance with federal law. Training for all personnel that deal with customer accounts is being reviewed for dissemination to applicable personnel. Enhancements to the security for accepting card payments are currently being implemented. Additionally, the online bill pay system was updated to enhance the level of security for users of the system.

5. ***Service Objective:*** *Implement an electronic format for the 2010 budget process including departmental worksheets.*

   Outcome: Electronic formats for the 2010 budget process were available to all departments including the summary, detail worksheets, account schedules, budget preparation memorandum, and account codes.

6. ***Service Objective:*** *Update all financial processes and internal controls in accordance with the planned COSO model adapted for the city.*

   Outcome: The accounts receivable, utility billing, and capital asset processes are currently being documentated and will be completed by the first quarter of 2010.

FINANCE DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
CAFR Prepared	1	1	1	1
Budgets Prepared	1	1	1	1
City's Bond Rating-				
Revenue	A-	A	A	A
Sales Tax	AA-	AA	AA	AA
Bond Issues	8	12	10	11
Debt Management	$417M	$375M	$387M	$381M
Interim Reports	148	160	160	160
Investments Managed	$177M	$195M	$182M	$170M
Funds Maintained	35	34	34	34
Bank Accounts Managed	10	10	11	11
Revenue/Exp Accounts	4,757	5,670	4,886	5,899
A/P Checks Issued	13,235	14,000	13,152	13,000
1099 Forms Issued	247	220	260	280
Purchase Orders	1,922	2,088	1,719	1,900
Formal Bids Awarded	39	52	50	45
Payroll Checks Issued	5,510	1,000	1,289	1,301
Payroll Direct Deposits	17,944	22,671	22,528	22,753
W-2 Forms Issued	1,002	1,060	1,020	1,030
401(a) Loans Processed	123	170	177	190
Utility Accounts Billed/Month	31,555	32,590	32,590	33,000
Utility Deposits	4,500	4,800	4,800	4,900
Utility Payments	362,500	362,500	362,500	362,800
License Registration	5,581	5,620	5,286	5,815
Alcohol Licenses	231	249	231	255
Value of Fixed Assets	$486M	$500M	$510M	$580M

INFORMATION AND TECHNOLOGY SERVICES (ITS) DEPARTMENT OVERVIEW:

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

The FY10 Budget is $68,460 or 3.5% less than FY09 Budget. The decrease is due to reducing equipment as well as reducing other operating accounts in an effort to be fiscally responsible.

The ITS Department continues with 9.0FTE.

INFORMATION & TECHNOLOGY/GIS	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 670,866	$ 715,790	$ 683,893	$ 707,810	$ 752,460
Operating Expenditures	1,152,502	1,225,430	1,109,355	1,164,950	1,294,950
Operating Budget	$ 1,823,368	$ 1,941,220	$ 1,793,248	$ 1,872,760	$ 2,047,410
Capital Outlay	12,750	0	0	0	0
Budget Appropriation	$ 1,836,118	$ 1,941,220	$ 1,793,248	$ 1,872,760	$ 2,047,410
Authorized Positions	9	9	9	9	9

INFORMATION & TECHNOLOGY DEPARTMENT 2010 SERVICE OBJECTIVES

1. Provide timely and effective support of personal computers, related peripherals and communication technology to Administration, and staff of the City.
2. Provide technical assistance, leadership and project management services to departments as needed.
3. Continue to evaluate communications protocol and solutions with a specific focus toward fax machines and fax delivery of faxes to a users email box instead of traditional paper or analog media. This solution will be used for sending of faxes as well. This will help reduce the use of paper and disposal across various City offices.
4. Evaluate the process for integration of Microsoft Office Communicator with the CISCO IP Telephony system. This integration will enable more effective communication between users and departments by centralizing technologies such as video, voice and remote voice. Users will have the ability to access all available communication technologies from one application.
5. Continue to promote the Request Partner web portal in an effort to advance technology based interaction between citizens and City of Fort Smith offices.
6. Continue to provide GIS support to the Fort Smith Regional Chamber of Commerce. This support will enhance the Chamber's economic goals using GIS and mapping technology. This goal includes the continued maintenance and suport of the online Economic Development properties GIS. Implement methods to enhance inter-departmental communications using remote voice and video equipment. This will also help reduce travel related costs such as fuel and travel time.
7. Publish and maintain a series of Map Services to the Internet. These Map Services can be consumed by other City departments and outside organizations wishing to use Fort Smith GIS data. This will enable those participating departments and agencies to always have the most up to date GIS datasets available from the City and help eliminate duplication of effort with regards to data maintenance.
8. Re-design the client/user facing portion of the City website (www.fortsmithar.gov) to provide a richer user experience. It will be vital to maintain the existing content management functionality at the department level. This ensures a more efficient flow of information and ensures an expected level of "currentness" to that information.
9. Re-publish all Fort Smith GIS web services leveraging Rich Internet Application (RIA) technologies. This will provide to the users a more familiar, desktop look and feel. This interface enhancement will encourage a greater user audience.

10. Increase the wireless coverage of city buildings, including both public and private offerings. This will allow internal users to avoid having to transfer files using standard physical connections. This will allow time savings for users that work in the field and have to dock each day to transfer their work to city servers. This project will also continue to add wireless backhaul connections saving fiber/copper installations with no monthly cost to 3rd party providers. In additoin to adding coverage, this project will also include bringing the current public and private wireless deployments under one easier to manage system.
11. Continue with desktop lifecycle management program. The existing lifecycle management program has allowed IT to manage aging desktops in the city which are the greatest cause of support issues and user downtime. By continuing to remove dated desktops from city departments which haven't been managed in the past, we are able to give end users stability and uptime while also being able to quickly replace faulty systems due to standardizations. By the end of 2010, all desktop systems will be on this lifecycle management program, inventoried and tracked by the IT department. Systems will be replaced proactively based on their support requirements.

INFORMATION & TECHNOLOGY DEPARTMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: As in 2008, the backlog of support requests/trouble tickets has consistently been held to less than 10 at any given time. Customer satisfaction is maintaining communication with City staff to ensure needs/requests for service are being met in a timely manner.

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

   Outcome:
   ITS staff played a key role in assisting Planning with implementation of mobile laptops in Code Enforcement vehicles, and assisted Sanitation with the development of an application to facilitate the tracking of Dial-A-Truck, Trouble Shooter, and Residential Call-In programs; redeveloped the Central Business Improvement District's website; and developed an online Asset Inventory Management system to track the deployment of technology related equipment througout the City.

3. ***Service Objective:*** *Review existing telephony infrastructure and develop a plan to reduce costs through a review of billing and line types and converting from analog to digital. During the review of billing and line types and converting from plain old telephone service (POTS) to Plexar and discontinuing lines or equipment no longer in use. Update IP telephony server software to maintain support and a high degree of uptime for critical voice services.*

   Outcome: In early 2009, a review of communications expenses throughout the City was initiated, primarily dealing with dedicated phone lines assigned to the departments. During this on-going review, we are identifying lines and their respective departments which are no longer in use. The lines range in cost from around $9 to $42 per line which may result in significant savings on a monthly basis. The total savings will be determined by the actual number of lines suspended. This process will be completed by the middle of the fourth quarter in 2009.

4. ***Service Objective:*** *Promote Request Partner webportal to promote technology based interaction between citizens and the City.*

   Outcome: In-progress. The ITS Director appears regularly on KWHN morning show to promote the use of the Request Partner application and articles have been written for various publications which call attention to the Request Partner system.

5. ***Service Objective:*** *Continue to provide GIS support to the FS Regional Chamber of Commerce. This support enhances the Chamber's ability to pursue their economic goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Economic Development properties GIS.*

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

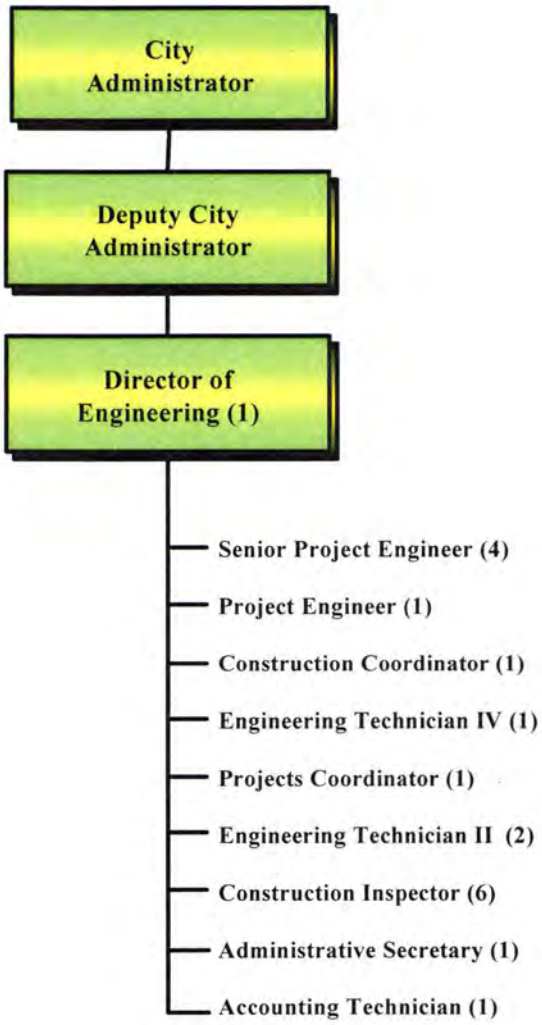
6. ***Service Objective:*** *Implement methods to enhance inter-departmental communications using remote voice and video equipment. This will also help reduce travel related costs such as fuel and travel time.*

   Outcome: In 2009, ITS continued to deploy software and hardware in order to increase interdepartmental communications using both voice and video equipment. We have deployed a city-wide interoffice communications program which gives City workers presence that is visable to anyone with the software. It allows users to see who is at their deks and if they are available to others. It also allows groups to meet for virtual training which can be pushed out to various outlying facilities saving in transportation costs and also allowing for later viewing which frees up more of the course leaders time. Participants can view the instructor, view white boards, listen and respond to questions. This has increased the ability for users within the City to offer distance learning to employees at other facilities without incurring the cost of travel.

7. ***Service Objective:*** *Continue consolidating hardware and virtualizing servers to decrease ITS power requirements and support costs.*

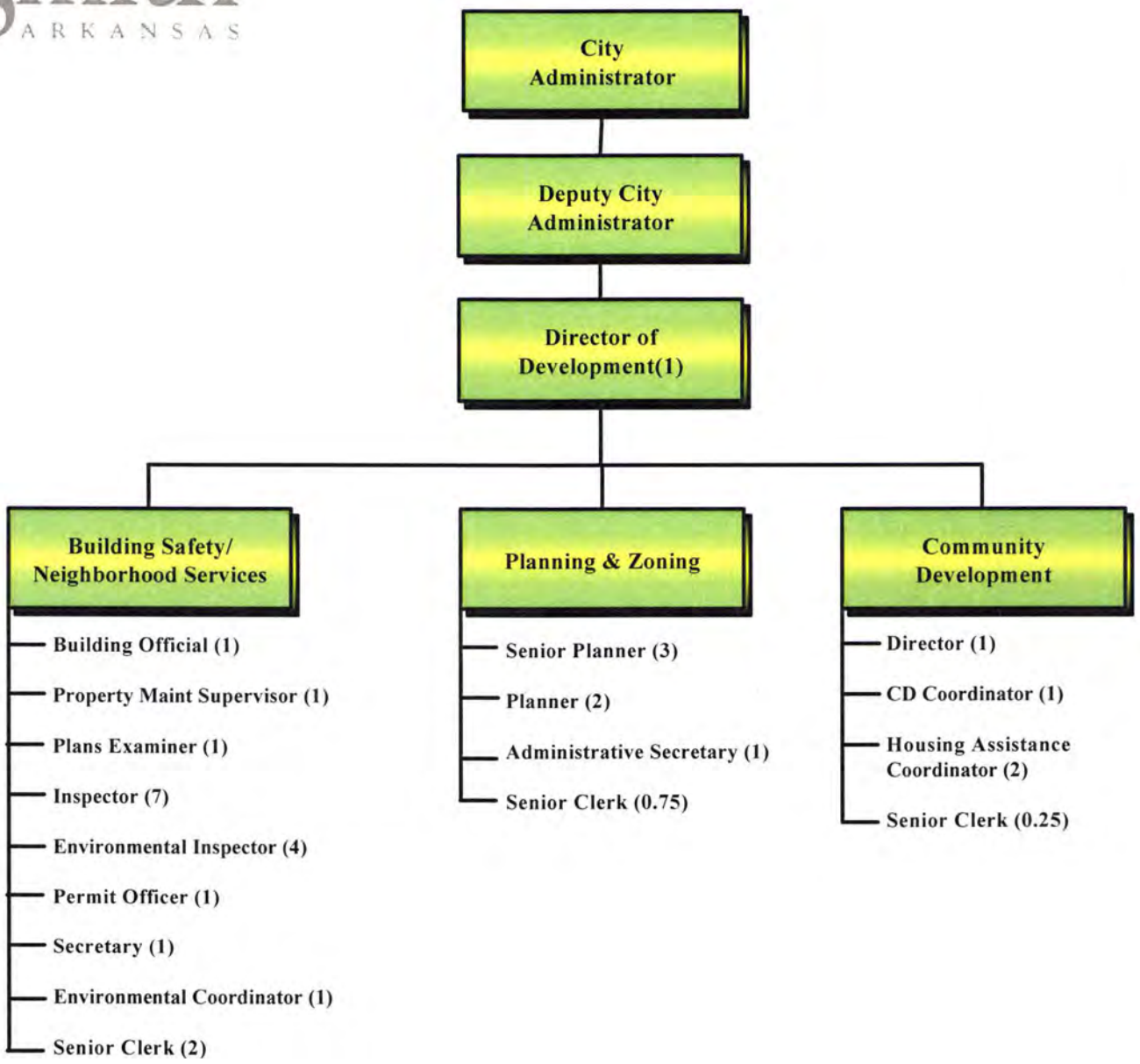
   Outcome: During 2009, ITS deployed a virtualization system in an effort to reduce energy consumption, reduce physical hardware purchases and assist in administrative chores. This deployment was completed mid March. Since that time, ITS has deployed 18 servers to the virtual platform, saving $100,000 in server hardware purchases with the platform easily supporting another ten virtual servers with a total hardware savings nearing $250,000. Due to a greater number of servers being able to be deployed on this platform cost savings could be greater than originally planned. Most servers and desktops in use in City offices are being used 5-15% of the time they are powered on, yet most PC desktop hardware consumes 60-90% of the normal workload power even when idle. The virtualization strategy deployed by ITS has advanced the management of resource and memory features. This in turn has enabled consolidation ratios of 15:1 or more which increases hardware utilization to as much as 85%. This equals greatly reduced energy consumption and in turn reduced electric bills.

Development Services



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

Development Services



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

ENGINEERING DEPARTMENT OVERVIEW:

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

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

The FY10 Budget is $55,370 or 3.6% less than the FY09 Budget authorization. The decrease is a result of reducing operating costs.

The Engineering Department has 19.0FTE positions for FY10 which is the same level as FY09.

ENGINEERING	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 1,332,420	$ 1,413,360	$ 1,364,851	$ 1,394,990	$ 1,463,610
Operating Expenditures	57,369	120,000	65,614	83,000	91,000
Operating Budget	$ 1,389,789	$ 1,533,360	$ 1,430,465	$ 1,477,990	$ 1,554,610
Capital Outlay	0	0	6,611	0	0
Budget Appropriation	$ 1,389,789	$ 1,533,360	$ 1,437,076	$ 1,477,990	$ 1,554,610
Authorized Positions	19.00	19.00	19.00	19.00	19.00

ENGINEERING DEPARTMENT 2010 SERVICE OBJECTIVES

1. Improve citizen service by increasing public information meetings for major projects during the design stage of the project.
2. Encourage economic development and enhance traffic flow by contracting and completing thoroughfare projects as follows:
   - Texas Road widening (South of Cavanaugh) in 2009-2010.
   - Jenny Lind Road (Zero to Cavanaugh) in 2010-2011.
   - South 28th Street/Mill Creek Realignment in 2009-2010.
3. Implement special projects which evolve during the year.

ENGINEERING DEPARTMENT 2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: A public information meeting for the Jenny Lind project (Cavanaugh Road to Zero Street) was held in March 2009. A public meeting to gather citizen input on the 5 year CIP work plan was held in September 2009. For the recently completed Kinkead Avenue project between Albert Pike and Waldron Road, a citizen survery was completed in March 2009 by the UALR Institute for Economic Development. The survey found that the majority of the residents were very pleased with the project.

2. ***Service Objective:*** *Encourage economic development and enhance traffic flow by contracting and completing throroughfare projects for; the Chad Colley extension from Roberts Blvd. south 2,000 feet in 2009; Massard Road Extension from Chad Colley Blvd. east 800 feet in 2009; Jenny Lind (Dallas to Dodson),in 2008-2009; Texas Road widening (South of Cavanaugh) in 2009; Jenny Lind Road (Zero to Cavanaugh) in 2008-2010.*

   Outcome: The construction contract is ongoing with a scheduled completion date of December 2009; the construction contract is ongoing with an estimated completion of September 2009; The construction contract is ongoing with a completion date of March 2010; Conceptual plans for this section have been submitted, and anticipated start of construction for this section is winter 2010.

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

   Outcome: Several projects have been added which include: sidewalk repair project to utilize CDBG-R funding; Garrison Avenue Streetscape-9th to 13th Street; and, Levee Certification.

2009 PERFORMANCE MEASURES

Building Permit Site Plan Reviews	117
Subdivision Plat Reviews	112
Construction Plan Reviews	63
Miscellaneous Reviews (Rezoning, conditional use, street/alley closures)	115
Floodplain Development Permits Issued	2
Grading Permits	5
Lane Miles of Street Resurfaced	62.8
Miles of Sidewalk Built/Reconstructed	0.6

2009 OUTCOME MEASURES

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

DEVELOPMENT DEPARTMENT OVERVIEW:

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

4106-

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

4107-

This program is responsible for administering the costs and charges related to the planning and implementation of community development projects funded in whole or in part by the Community Development Block Grant (CDBG) and HOME Grant Programs. Administration activities include providing general project management, annual planning ensuring compliance with Fair Housing Standards and Environmental Review as well as other statutory requirements. Program activities include responsibility for the rehabilitation of privately owned residential properties for low and moderate 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 FY10 that includes the addition of a Housing Assistance Coordinator for CDBG because of additional projects along with an increase in federal funding.

The FY10 Budget is $94,882 or 3.9% more than the FY09 Budget. The increase is attributable to the additional position.

DEVELOPMENT DEPARTMENT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 1,838,154	$ 1,899,176	$ 1,899,176	$ 2,028,630	$ 2,126,100
Operating Expenditures	435,427	541,702	472,214	527,130	561,220
Operating Budget	$ 2,273,581	$ 2,440,878	$ 2,371,390	$ 2,555,760	$ 2,687,320
Capital Outlay	0	20,000	12,408	0	67,100
Budget Appropriation	$ 2,273,581	$ 2,460,878	$ 2,383,798	$ 2,555,760	$ 2,754,420
Authorized Positions	30.00	30.00	30.00	31.00	31.00

DEVELOPMENT DEPARTMENT 2010 SERVICE OBJECTIVES

1. Improve the quality of life and place by developing neighborhood friendly programs and ordinances. Staff will initiate corrective rezonings to protect existing neighborhood associations and the Fort Smith Neighborhood Coalition. Continue to expand the Good Neighbors Program by soliciting partnerships with neighborhood associations, churches, civic groups, and local businesses. We will also continue implementation and citizen awareness of the neighbornood related codes and ordinances.
2. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME and other housing programs. Due to changes in the Consolidated Planning Process, the Little Rock Field Office has advised all entitlement communities to extend the current plan by one additional year so that changes can be made and implemented. At the end of 2010, the staff efforts will focus on the development of new objectives of the Five Year Consolidated Plan which guides the community development expenditures for 2011-2016 and have an updated Analysis of Fair Housing Impediments prepared.
3. Strengthen communication and customer service with citizens by collaborating with neighborhoods and stakeholders on development and neighborhood issues. Continue the outreach and implementation of newly adopted programs such as the Unified Development Ordinance.
4. Incorporate and implement as many improvements in technoloy within all divisions. Develop better ways to serve citizens through the internet to make the development services division more accessible.
5. Continue to research green building and development ordinances and begin discussions with the development and construction community about possible implementation of green codes and standards.
6. Continue to review, edit, and revise portions of the development codes and maps such as the zoning map, ETJ zoning code to be consistent with the new Unified Development Ordinance, coordinate planning area, ETJ and other development maps and complete a review of the sign ordinance.

DEVELOPMENT DEPARTMENT 2009 SERVICE OBJECTIVES AND OUTCOMES

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

Outcome: Continued implementation of the ordinances concerning vehicle parking in residential neighborhoods, and the Property Maintenance Code. Presented information to the Citizens Academy, Board of Realtors, and civic groups to inform citizens in addition to articles in the FOCUS and the Times Record, and participation in several radio talk shows and television news stories. Attended several neighborhood problem solving meetings to assess how to better serve the citizens. One outcome was the collaboration of the planning, neighborhood services, and police departments in the development of a standard operating procedure for graffiti. The SOP has enhanced efficiency and provided for better accountability. Organized and coordinated the annual Good Neighbors Day assisting seven property owners with a variety of home improvement projects, including, painting, yard cleanup, fence construction, and graffiti removal. Approximately 40 volunteers participated in the event. This was a collaborative effort with many local businesses such as Wal-Mart. Due to the collaboration with Wal-Mart, they not only donated volunteer time but also donated funding to support some of the projects. Additionally, they donated $1,000 to the Parks Department through their volunteerism program because of their employees' participation in the Good Neighbor Program.

2. ***Service Objective:*** *Preserve and revitalize existing neighborhoods by continuing the implementation of the CDBG, HOME and other housing programs. Staff efforts will focus on the objectives of the Five Year Consolidated Plan, which guides the community development expenditures for fiscal years 2005-2009. Hearings for updating the plan will begin in 2009.*

   Outcome: The Community Development division continued to follow the goals and objectives established in the 5 year Consolidated Plan. The City of Fort Smith was awarded $832,420 in CDBG and $472,797 in HOME Investment Partnership Act funds. The application process was completed and the Annual Action plan was submitted to HUD. These funds are being used to fully rehabilitate and/or perform emergency repairs to single family homes. The Bost, Inc. South 74th Street facility will have new floor coverings installed in the entry way, the testing and service coordination spaces. Howard Elementary School has been programmed with funds to purchase concrete and materials for the school property. The acquisition of permanent supportive housing for the Next Step Dayroom Ministries, funding for the Fort Smith Housing Authority to purchase lots and construct new affordable single family homes, Lend-A-Hand was funded for the extension of a wastewater line to complete the construction of four homes on land previously purchased with the homes being sold to qualified households and the continuation of the single family downpayment assistance program for purchase by qualified beneficiaries. The funds will provide for credit repair to eventually purchase a home and foreclosure counseling to assist with keeping families/individuals in their homes by Crawford Sebastian Community Development Council (CSCDC). Also, money is programmed to assist with public infrastructure for Pahse II of Clayton Park and for planning/design of a subdivision at Fort Chaffeee by CSCDC and Lend-A-Hand respectively. Additionally, other nonprofit agencies are being funded in the public service category to assist with medical, dental, food, prescriptions, educational materials, case management for the homeless and provide respite care vouchers.

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

   Outcome: The Planning Commission and Board of Directors adopted the Unified Development Ordinance which went into effect August 12th, 2009. We worked diligently to inform citizens of the transition. Four public meetings, one in each ward, were held to discuss the zoning map transitions with citizens. In additiona to the ward meetings, the message was delivered through the Fort Smith civic club presentations, Focus articles, radio station spots, and numerous articles in the Times Record. We initiated the discussion between developers, Ivy Owen, Executive Director of the FCRA, and city staff to author a corridor plan for Massard Road and Zero Street. After meetings with the property owners in the area, the plan was adopted by the Planning Commission and the Board of Directors. We have given some preliminary review of the Kelley Highway corridor for future consideration.

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

   Outcome: We have attended seven neighborhood meetings this year to help answer any questions and discuss concerns citizens may have with neighborhood and development issues. We have approximately 10 presentations about the programs that have been implemented. These presentations include the Property Maintenance Code, parking ordinances, and the Unified Development Ordinance. We are listed on the speakers bureau and we also try to solicit presentations to better inform citizens.

5. ***Service Objective:*** *Examine and implement as many technological improvements as possible in the inspections and permitting divisons. This will include an analysis of wireless internet in all vehicles, on-line permitting for simple permits, and scanning historical data.*

   Outcome: We have equipped all of the neighborhood services and building inspectors vehicles with laptops and wireless internet cards. This allows the inspectors the ability to report on and handle issues in real time. Further, the implementation of online permitting is complete. This will allow contractors and citizens the ability to obtain building permits without coming to city hall. We have started scanning all of the historical data associated with planning and zoning cases as well as building plans.

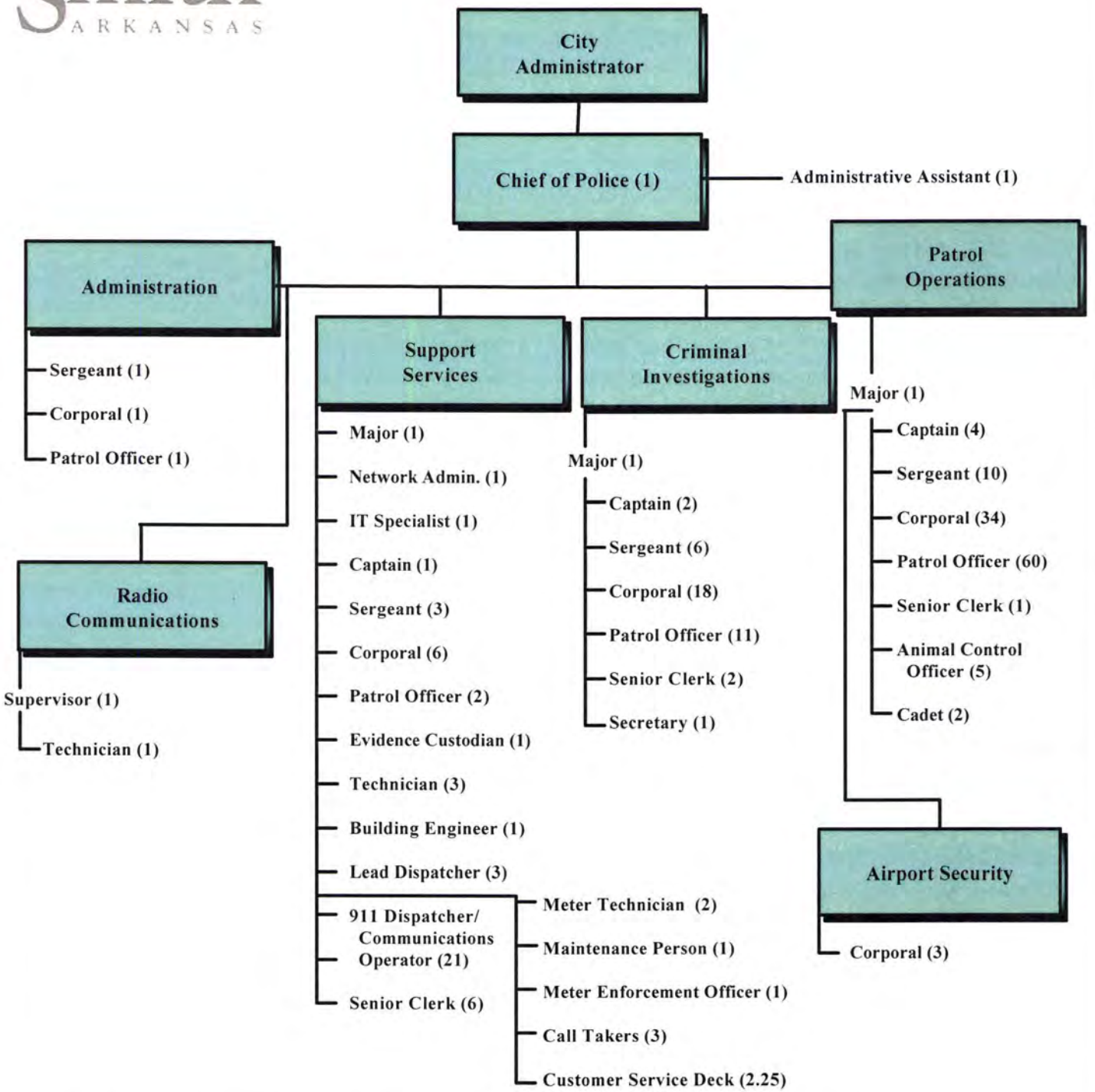
6. ***Service Objective:*** *Research green building and development ordinances and begin discussions with the development and construction community about possible implementation of green codes and standards.*

   Outcome: We have started this process by researching methods other cities are using. This will be a continued goal into the future.

DEVELOPMENT DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Master Land Use Plan Amendments	12	15	15	15
Rezoning Cases	24	35	35	35
Home Occupation Applications	37	45	45	45
Conditional Use Applications	36	45	45	45
Zoning Ordinance Variances	45	50	52	55
Subdivision Variances	3	4	4	4
Administrative Plats	47	65	50	50
Subdivisions	17	20	10	10
Administrative/Subdivision Plats Reviewed	74	120	70	70
Street/Alley/Easement Closings	11	11	11	11
Business Registration Applications	893	750	1,000	1,000
Residential Accessory Use Applications	150	120	140	140
Sign Permits Reviewed	194	280	290	290
Zoning/Subdivision Ordinance Amendments	3	8	8	10
Planning Commission, Board of Director, and Special Meetings	76	80	76	80
Planning Commission Agendas Prepared	12	12	12	12
Public Hearings/Meetings	14	15	15	15
CDBG & HOME Applications	23	20	20	25
Fair Housing Activities	1	1	1	2
Sub-Recipient Monitoring	12	12	12	12
Contract Administration	70	65	65	65
Housing Rehab Projects	19	15	15	15
Rehab Full/Emergency Apps	75	85	85	80
Emergency Housing Rehab	50	55	55	60
Home Projects	34	10	10	10
Agency Rehab Projects	2	1	1	2
Public Service Projects	10	9	9	10
Homeless Projects	2	1	1	2
Neighborhood Development Projects	3	4	4	4
Good Neighbors Day Projects	7	10	10	15
Historic District Meetings	22	24	24	24
Certificates of Appropriateness	61	25	30	30
Substandard Building Complaints Worked	45	55	55	55
Substandard Buildings Demolished by City	4	20	20	20
Substandard Buildings Demolished or Repaired by Property Owners	11	25	25	25
Environmental Complaints Received	7,481	8,500	8,500	8,500
Warnings Issued	6,417	7,500	7,500	7,500
Properties Cleared by Contractor	883	650	650	650
Commercial, Industrial, Multifamily Plans Submitted and Reviewed for Permits	358	450	450	450
Residential Plans Submitted and Reviewed for Permits	468	450	450	450
Inspections Requested and Conducted	12,971	14,500	14,500	14,500
Total Building Permits	9,616	2,700	2,700	2,700
Significant Permit Categories				
New Single Family	202	220	220	220
New Multifamily	25	30	30	30
New Commercial & Industrial	46	55	55	55
Residential Additions/Alterations	7,701	1,400	4,900	1,400
Commercial/Industrial Additions & Alterations	762	360	360	360
Properties Cleared by Property Owner	5,534	6,000	6,000	6,000

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 FY10 Budget is $636,431 or 3.6% less than the FY09 Budget. The decrease is due to the elimination of all capital requests as well as the impact of less pay periods in FY10 compared to FY09. The decrease is offset by the addition of seven new positions for FY10.

The Police Department has 227.25FTE positions for FY10 which reflects the additoin of two patrol officers as school resource officers at the two high schools in coordination with the Fort Smith Public School System (FSPS) and five additional dispatch positions.

POLICE DEPARTMENT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 11,063,822	$ 13,102,980	$ 12,036,393	$ 12,922,670	$ 14,238,720
Operating Expenditures	2,495,611	4,053,111	2,911,927	3,917,990	5,148,920
Operating Budget	$ 13,559,433	$ 17,156,091	$ 14,948,320	$ 16,840,660	$ 19,387,640
Capital Outlay	244,951	316,855	0	0	493,180
Budget Appropriation	$ 13,804,384	$ 17,472,946	$ 14,948,320	$ 16,840,660	$ 19,880,820
Authorized Positions	214.00	214.00	220.25	227.25	247.25

POLICE DEPARTMENT 2010 SERVICE OBJECTIVES

ADMINISTRATION DIVISION

The Department will continue to pursue implementation of technology solutions that will facilitate delivery of services to citizens through greater efficiency, communication, and better access to information. The Department will contribute to the City's "Go Green" program to assist in achieving cost and energy savings for department facilities. The Department will endeavor to maintain full staffing levels to assist in optimum delivery of services. The Department will undertake a department wide program to insure that resources are being utilized in the most appropriate manner.

SUPPORT SERVICES

The Service Division will begin building a virtualization environment to consolidate the public safety IT server infrastructure and data storage requirements. Using virtualization technology will help the department to reduce our energy requirements by reducing the amount of power needed to run the multitude of servers currently in use, as well as reducing future support costs. At the same time, this solution will improve the efficiency, flexibility, and manageability of the public safety network.

CRIMINAL INVESTIGATIONS

Members of the Computer Forensics Unit will provide updated Cybercrime/Security information to the public through the partnership with the Fort Smith Public Library. Meetings will be conducted in each of the city's four wards.

PATROL DIVISION

The Patrol Division will continue involvement in neighborhood meetings and community involvement along with crime mapping and analysis for the purpose of continued refinement of the Directed Patrol Program. The progress of this goal will be measured through analysis of crime trends and feedback derived from citizens during the continued neighborhood meetings. The department will seek out training programs geared toward officer safety, awareness, and tactics for patrol officers.

POLICE DEPARTMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

Administration Division

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

Outcome: The department has maintained full sworn staffing levels through the diligent efforts of recruiting officers and support staff throughout the year, partly based upon expanded recruiting efforts. Facility maintenance staff have worked with City Administration as part of a grant to reduce energy consumption through the development and planning of the installation of electrical devices that reduce the need for electricity for motors used in the police facility. While not yet implemented, significant reductions in energy are anticipated. The department has enhanced communication with the public through the active use of the Connect CTY application, enhancements on the Department's web site, and community presentations throughout the community.

Support Services

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

Outcome: Due to budget constraints, as well as delays in the radio project, the implementation of Automatic Vehicle Locator (AVL) technology has been delayed. Expected funding in the way of grants or other sources were not realized. However, we are currently pursuing other options and expect to have this projected completed in the first quarter of 2010.

Criminal Investigations Division

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

Outcome: Narcotics supervisors are working with Clear Communications to create an appropriate billboard that can be moved throughout the city. Completion is expected in the third quarter. A link has been added to the Department's web site for citizens to do online reporting.

Patrol Division

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

Outcome: The Patrol Division goal for 2009 was the full transition from Random Patrol to Directed Patrol among all four patrol troops. As we reflected in the first quarter report, the program got off to a rocky start, with a number of misunderstandings as to specific procedural points. A committee was created to resolve these various issues. Two additional call types have been created to aid in tracking data and to reduce unnecessary paperwork. One call type is specific to traffic related directed patrols, which will be documented with an incident report. This will allow more accurate tracking of traffic data, which will be a great help to the Traffic Unit, as well as providing the ability to readily provide data with which to respond to complaints about traffic issues in specific areas. The second call type is specific to checking the security of structures such as with extra patrols or house closings. In this instance, if the structure was found to be secure, the officer would have a number issued with a clearance code to indicate a security check. No further documentation would be required. The patrol officers seem to have become more comfortable with the process, and the supervisors seem to have become more adept at identifying the problem areas and areas in which there is a need for directed patrols. A recent check of the Command Central site indicates there is a trend of reduced criminal activity in various areas of the city. These indicated areas seem to coincide with areas we have devoted heavy activity to directed patrol activities. Initial indications would tend to point toward a success of directed patrol. However, more data will be necessary to see if this trend continues and to verify correlation of reduced incidents to directed patrol assignments.

SERVICE MEASURES/PERFORMANCE INDICATORS

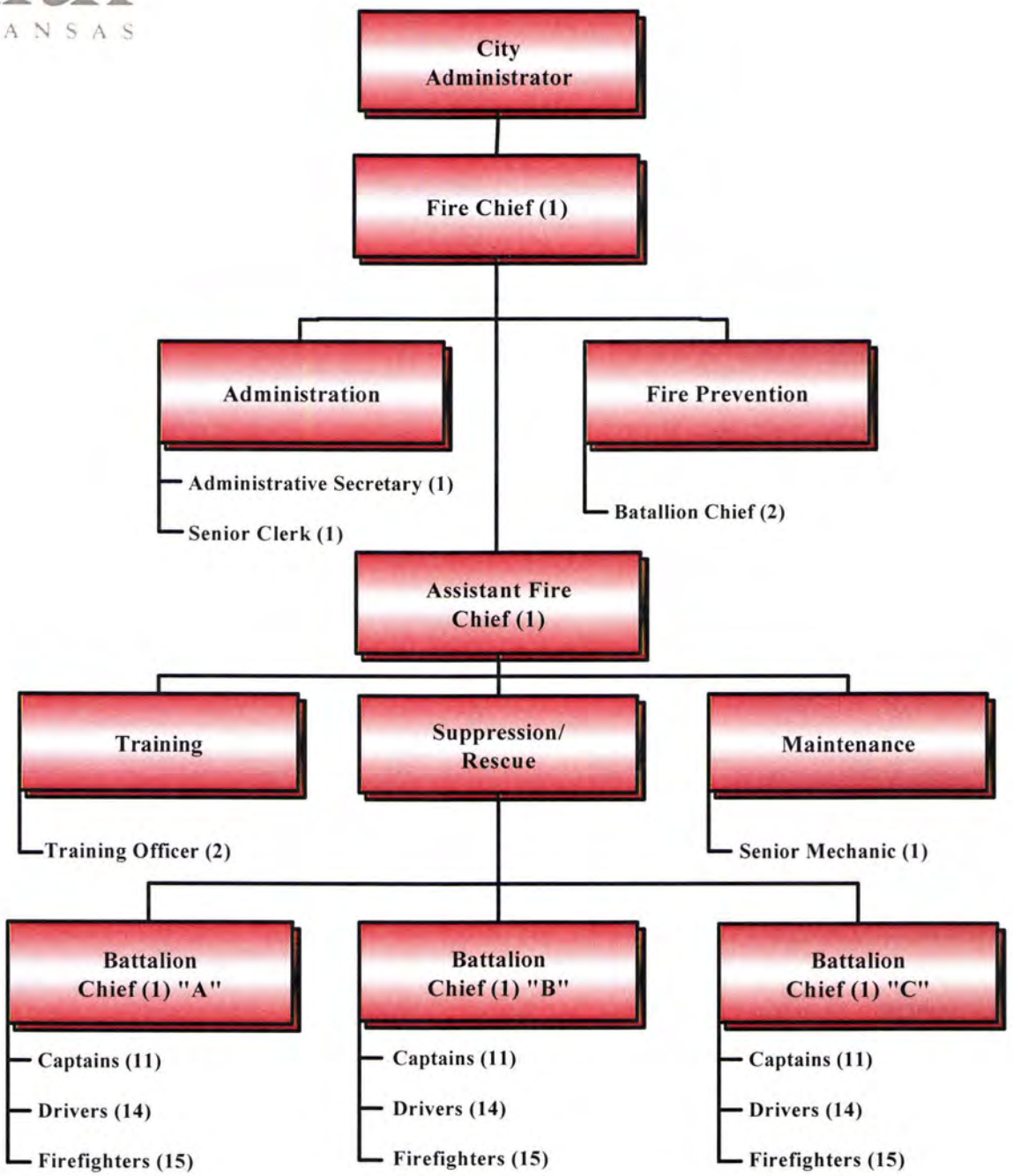
	ACTUAL FY07	ACTUAL FY08	ESTIMATED FY09	ACTUAL FY09 THRU 11/30/2009
Community Relations-				
PCR Programs Performed	342	296	175	173
PCR Program Attendance	13,464	18,443	7,600	11,621
Crime Stopper Calls	237	326	270	272
Training-				
In Service/Officers	2,749	1,244	1,395	1,201
In Service/Hours	18,117	8,435	1,585	14,465
Schools and Seminars/Officers	125	167	274	113
Schools and Seminars/Hours	4,520	6,222	4,120	4,828

WORKLOAD/DEMAND STATISTICS

	ACTUAL FY07	ACTUAL FY08	ESTIMATED FY09	ACTUAL FY09 THRU 11/30/2009
Murder-Manslaughter-				201
Reported	10	5	0	3
Cleared	9	5	0	3
Rape-				
Reported	81	76	84	63
Cleared	70	67	72	50
Robbery-				
Reported	128	142	108	129
Cleared	93	141	96	102
Battery-				
Reported	2,779	2,776	2,268	2,452
Cleared	1,945	2,122	1,644	1,791
Burglary-				
Reported	1,110	1,051	888	1,047
Cleared	434	329	336	208
Larceny-				
Reported	4,174	4,219	3,180	3,693
Cleared	1,083	1,298	1,080	1,052
Vehicle Theft-				
Reported	343	331	216	194
Cleared	323	317	192	166
Arrests-				
Adults	8,258	9,713	10,212	8,012
Juvenile	811	1,121	1,356	875
Calls for Assistance-				
Total Calls	78,343	78,034	74,832	85,002
Burglar Alarms	5,535	5,244	6,612	5,587
Actual Alarm Responses	4,299	3,734	4,356	3,579
Animal Control-				
Complaints Received	9,816	9,308	9,700	6,931
Animals Captured	3,269	3,301	3,365	2,397
Animal Bites Investigated	112	74	65	69
Parking Meter Collections	$ 73,196	$ 78,813	$ 61,030	$ 63,568
Overtime Parking Tickets Issued	1,732	3,887	1,800	3,675
Overtime Ticket Collections	$ 8,938	$ 20,035	$ 9,238	$ 18,644

N/A- Not Available

Fire Services



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

FIRE DEPARTMENT OVERVIEW:

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

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

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

The FY10 Budget is $538,287 or 5.1% less than FY09 Budget. The decrease is attributable to the elimination of all capital requests for FY10.

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 remains at 132FTE for FY10 of which 129FTE are uniformed personnel.

FIRE DEPARTMENT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 8,522,446	$ 9,130,800	$ 8,837,264	$ 9,155,560	$ 10,689,020
Operating Expenditures	791,877	1,011,057	793,409	949,610	1,206,140
Operating Budget	$ 9,314,323	$ 10,141,857	$ 9,630,673	$ 10,105,170	$ 11,895,160
Capital Outlay	7,078	501,600	499,645	0	528,710
Budget Appropriation	$ 9,321,401	$ 10,643,457	$ 10,130,318	$ 10,105,170	$ 12,423,870
Authorized Positions	132.00	132.00	132.00	132.00	144.00

FIRE DEPARTMENT 2010 SERVICE OBJECTIVES

Administration

1. Improve public safety by reducing response times in the Chaffee Crossing/Riley Farm area with the construction of a new fire station at Chaffee Crossing.
2. Assess and realign fire department response districts to improve efficiency, response times, and better overall Computer Aided Dispatch (CAD) management.
3. Train all firefighteres to National Fire Protection (NFPA) 1001-Standard for Fire Fighter Professional Qualifications-levels.
4. Continue to maintain ISO Class II fire protection rating.

Suppression and Rescue

1. Implement Mobile Data Terminals (MDTs) in all fire apparatus including the use of Automatic Vehicle Locator (AVL) and mapping. The use of AVL will allow the fire department to provide an increase to our service levels and decrease response times by automatically populating 911 calls and dispatch the closest unit.

2. Continue to develop and improve on an "all hazards" approach to fire department emergency response. This would include, but not be limited to, fire, technical rescue (extraction, high angle, rough terrain, building collapse, trench, etc.), swift water and flooding rescue, river rescue, hazmat, bomb squad, etc.

FIRE DEPARTMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: Received $268,682 for a bomb response vehicle from the Department of Homeland Security through the state of Arkansas and Sebastian County.

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

   Outcome: The transfer of the property is complete.

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

   Outcome: Literature for 10,180, 1,377 station tours, 2,523 fire safety house, for a total of 14,080 citizen contacts. To date there has been 1 civilian fire death and no civilian injuries due to fires.

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

   Outcome: To date, we have responded to 17 bomb or explosive material calls, 67 hazardous material calls and 4 mutual aid requests.

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

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

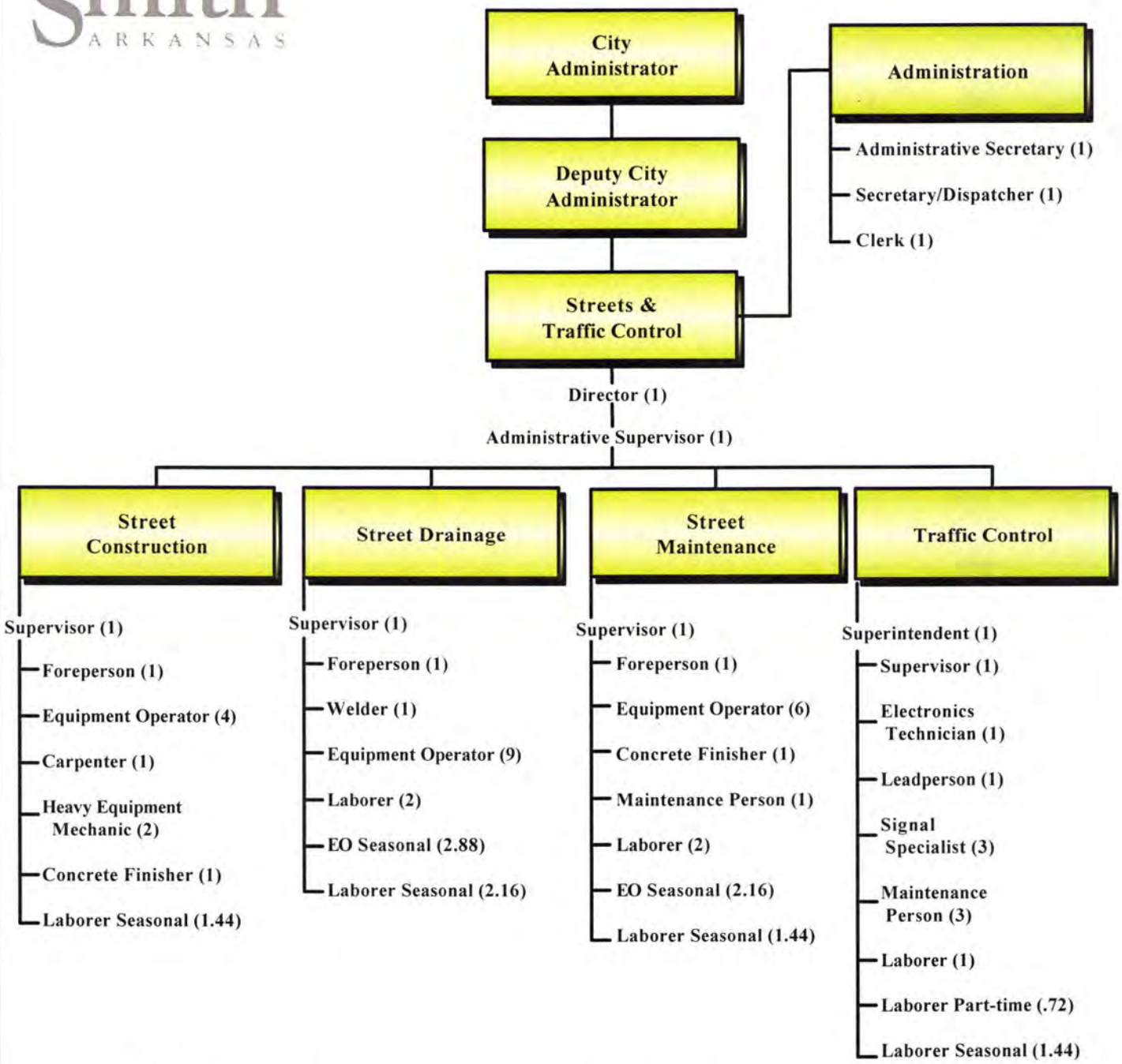
FIRE DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY08	BUDGET FY09	ACTUAL THRU 11/30/2009	BUDGET FY10
Alarm Responses	7,619	7,200	7,147	7,800
Number of Fires or incidents involving property loss	262	300	147	300
Value of Property Responded To	$ 60,235,300	$ 100,000,000	$ 99,928,270	$ 100,000,000
Total Property Loss	$ 3,167,815	$ 3,500,000	$ 5,682,926	$ 10,000,000
Total Property Saved	$ 57,067,485	$ 96,500,000	$ 94,245,344	$ 90,000,000
Total Percent Lost	5.26%	3.5%	5.69%	10%
Total Percent Saved	94.78%	96.5%	94.31%	90%

FIRE DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY06	ACTUAL FY07	ACTUAL FY08	ACTUAL FY09 thru 11/30/2009
Alarm Statistics:				
Fire-				
Structure	200	198	206	147
Vehicle Fires	87	99	89	64
Brush, Grass, Leaves	138	94	128	69
Trash, Rubbish	68	64	60	68
Explosions, No After Fire	0	0	1	0
Outside Spill with Fire	2	0	0	0
Other Fires	12	11	22	6
Rescue and Emergency-				
Overpressure Rupture	8	11	7	2
Emergency Medical Call	4,973	5,209	5,518	5,012
Locked In, Trapped	0	1	2	0
Search	1	1	4	1
Extrication	5	7	13	20
Rescue, Not Classified	8	14	48	39
Spill, Leak- No Fire	99	97	91	86
Electrical/Hazardous Response-				
Power Line Down	69	46	166	94
Arching Electric Equipment	84	66	122	108
Chemical Spill	2	2	1	2
Hazardous Condition	17	12	14	13
Smoke Removal	23	15	17	13
Other Responses:				
Animal/Rescue	5	1	8	3
Assist Police	14	14	24	25
Unauthorized Burning	184	109	138	166
Other Service Calls	295	394	207	142
Smoke Scare	198	129	129	119
Steam, Gas Mistaken for Smoke	29	24	31	33
Malicious False Alarm	1	1	8	10
Bomb Scare	4	5	15	6
Alarm Malfunction	300	361	327	300
Unintentional False	274	334	342	277
Other	180	247	244	282
Controlled Burn	9	6	6	7
Bomb Removal	7	11	21	20
Haz-Mat Investigation	10	3	5	17
Water Rescue	5	5	12	7
Construction Plan Reviews	186	170	356	151
Citizens Reached in Education Programs	15,604	17,577	6,791	19,405
New Business Occupation Fire and Life Safety Inspections	681	580	714	543
Fire Safety Surveys Performed	4,811	4,800	4,800	4,376
Fire Hydrants Maintained	6,950	6,950	6,950	6,950

Operation Services Streets and Traffic Control



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

STREETS AND TRAFFIC CONTROL DEPARTMENT OVERVIEW:

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

The Department's major priority for 2010 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 FY10 is 64.24FTE which is consistent with FY09.

The FY10 Budget is $42,762 or 0.7% less than the FY09 Budget. The decrease is attributable to less pay periods in FY10 compared to FY09.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 2,591,910	$ 3,039,060	$ 2,660,251	$ 3,019,404	$ 3,148,440
Operating Expenditures	2,069,100	2,592,286	2,081,993	2,624,180	2,762,840
Operating Budget	$ 4,661,010	$ 5,631,346	$ 4,742,244	$ 5,643,584	$ 5,911,280
Capital Outlay	28,745	55,000	55,000	0	0
Budget Appropriation	$ 4,689,755	$ 5,686,346	$ 4,797,244	$ 5,643,584	$ 5,911,280
Authorized Positions	64.24	64.24	64.24	64.24	64.24

STREETS AND TRAFFIC CONTROL DEPARTMENT 2010 SERVICE OBJECTIVES

1. Maintain the current skilled level of operations; provide excellent customer service to the citizens of Fort Smith by answering all calls and requests within 24 hours, keeping the citizens of Fort Smith informed and maintaining a good relationship with citizens.
2. Continue to enhance the safety of the traveling public by repairing traffic signal lights, performing preventive maintenance on all signal lights, replaing light bulbs with more dependable and longer lasting LED traffic signal lamps, cut limbs or shrubs which block traffic signs or views of oncoming traffic at intersections and study the history or traffic accidents in the city.
3. Continue improving and maintaining the City's infrastructure by keeping drainage free of debris and vegetation, repairing potholes and by crack sealing streets after overlay or reconstruction.
4. Insure safety of neighborhoods and streets by repairing existing street lights and installing new street lights as needed.

STREETS AND TRAFFIC CONTROL DEPARTMENT 2009 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Reduce potential for property damaged from flooding by regularly clearing debris from ditches and channels.*

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

2. ***Service Objective:*** *Insure the safety of the traveling public by repairing and/or replacing traffic signs and signals in a timely manner. Also, perform preventive maintenance on all signal lights by replacing as technology advances.*

   Outcome: Make frequent inspections and maintenance on traffic signals and paint/stripe paving as needed. Work continues on replacement of traffic signs as they reach the end of their usefulness.

3. ***Service Objective:*** *Maintain the appearance of public property by mowing detention ponds, levees and City owned property.*

   Outcome: Continue mowing, trimming and/or cutting brush from City street rights-of-way, drainage easements, city lots and detention ponds with six (6) tractors and (1) one track-hoe.

4. ***Service Objective:*** *Continue to respond to citizens' request for service in a timely, effective and efficient manner.*

   Outcome: Quick response time remains a top priority. Response time for 99% of calls concerning potholes in the street was one (1) day and 1% was two (2) days or less. Traffic signal problems were repaired within 2 hours.

Input Measures:

Number of Traffic Signals	146
Miles of city streets	505
Miles of major storm water channel	47
Square mileage within Fort Smith	72

Output Measures:

Traffic Studies Completed	285
Blocks of Street Overlaid	18
Curb Miles of Streets Swept	6,393
Tons of Asphalt Used for Potholes and Utility Cuts	540
Miles of Street Cracks Sealed	4
Linear Feet of Storm Water Channel Re-Graded	14,850
Number of 33 Gallon Trash Bags of Litter Removed from City Rights-of-Way	1,600
Number of Days Cleaning Up After City Events at River Park	12
Gallons of Insecticide Sprayed	1,600
Locations Treated with Larvicide	24
Street Lights Now in Rights-of-Way	6,029
Number of Traffic Signal Maintenance	146
Number of School Flasher Maintenance	55
Number Responded to Traffic Signal Trouble	1,232
Number Responded to Street Sign Problems	2,017
Linear Feet of Sludge Removal in Concrete Drainage Ditches	9,575
Linear Feet of Cleaning and Grading Roadside Ditches	15,545
Linear Feet of Cleaning Debris from Creek Beds	9,400
Linear Feet of Gabion Retaining Walls (Constructing and Installing)	945
Number of Days Clearing Drainage Easements and Concrete Swales	161
Number of Constructed Drainage Inlets	13
Linear Feet of Curb and Gutter Replacement	549
Tons of Asphalt Grindings Placed in Alleys	2,300
Tons of SB2 Placed in Alleys	2,200
Linear Feet of Sidewalks Constructed	125
Linear Feet of Ditch Paving	2,046
Square Feet of Concrete Slab Replaced	11,746
Cubic Yards of Concrete for Utility Street Cuts, Driveway Crossings and Sidewalk Repairs	1,275
Number of Utility Cut Repairs (one 2 person crew)	198
Number of Driveway Repairs (one 2 person crew)	88
Linear Feet of Sidewalk Repair (one 2 person crew)	895
Linear Feet of Broken Curb and Gutter Repair (one 2 person crew)	305
Number of Concrete Street and Apron Repairs (one 2 person crew)	22
Tons of Sand for Ice Control	2,391

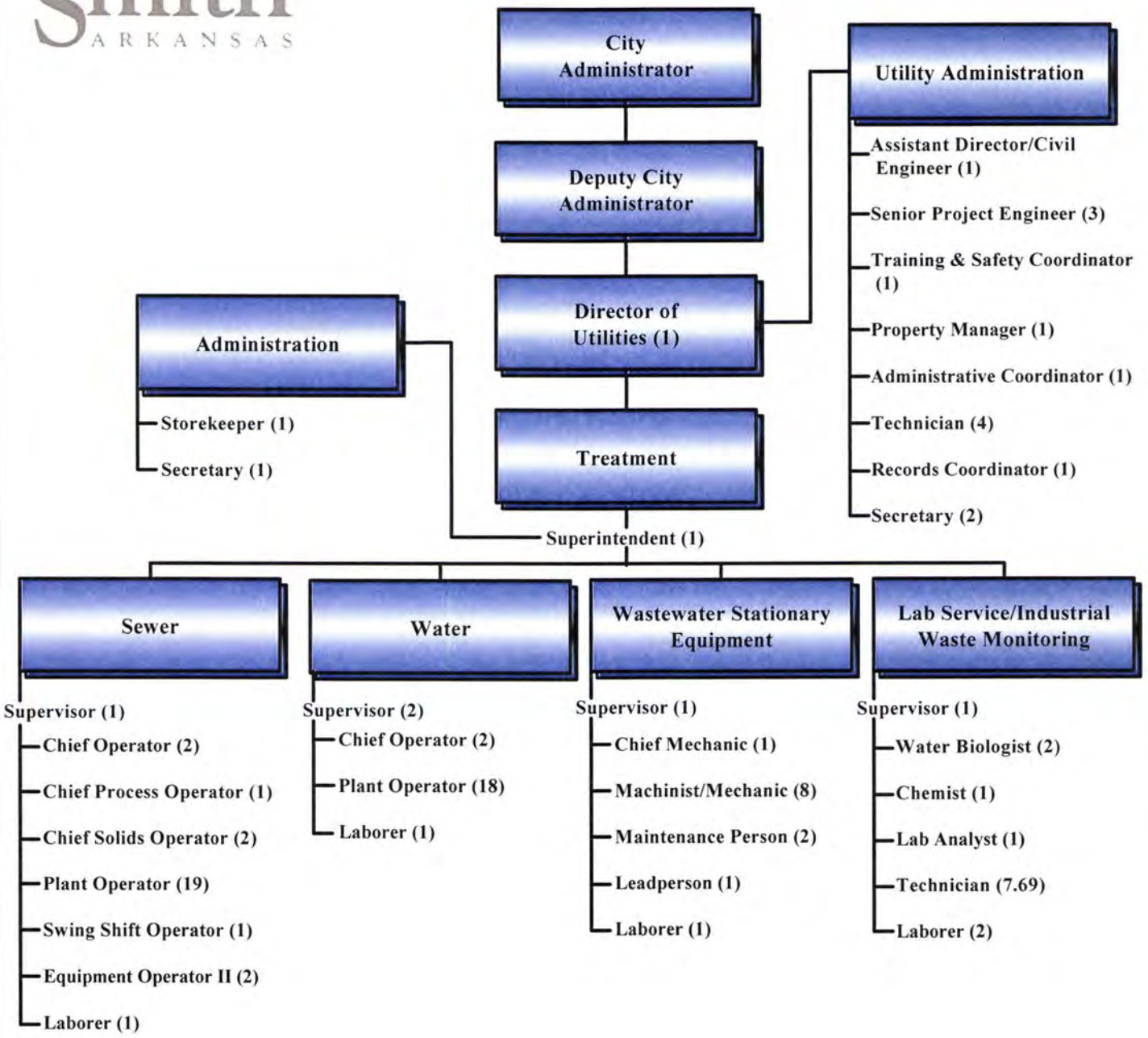
Outcome Measures:

Number of Traffic Accidents	3,106
Percent of Pot Holes Filled Within 1 Working Day	99
Hours of Lost Time Due to On the Job Injuries	10.00
Traffic Signal Outages (other than power failure or traffic accident)	25

Efficiency Measures:

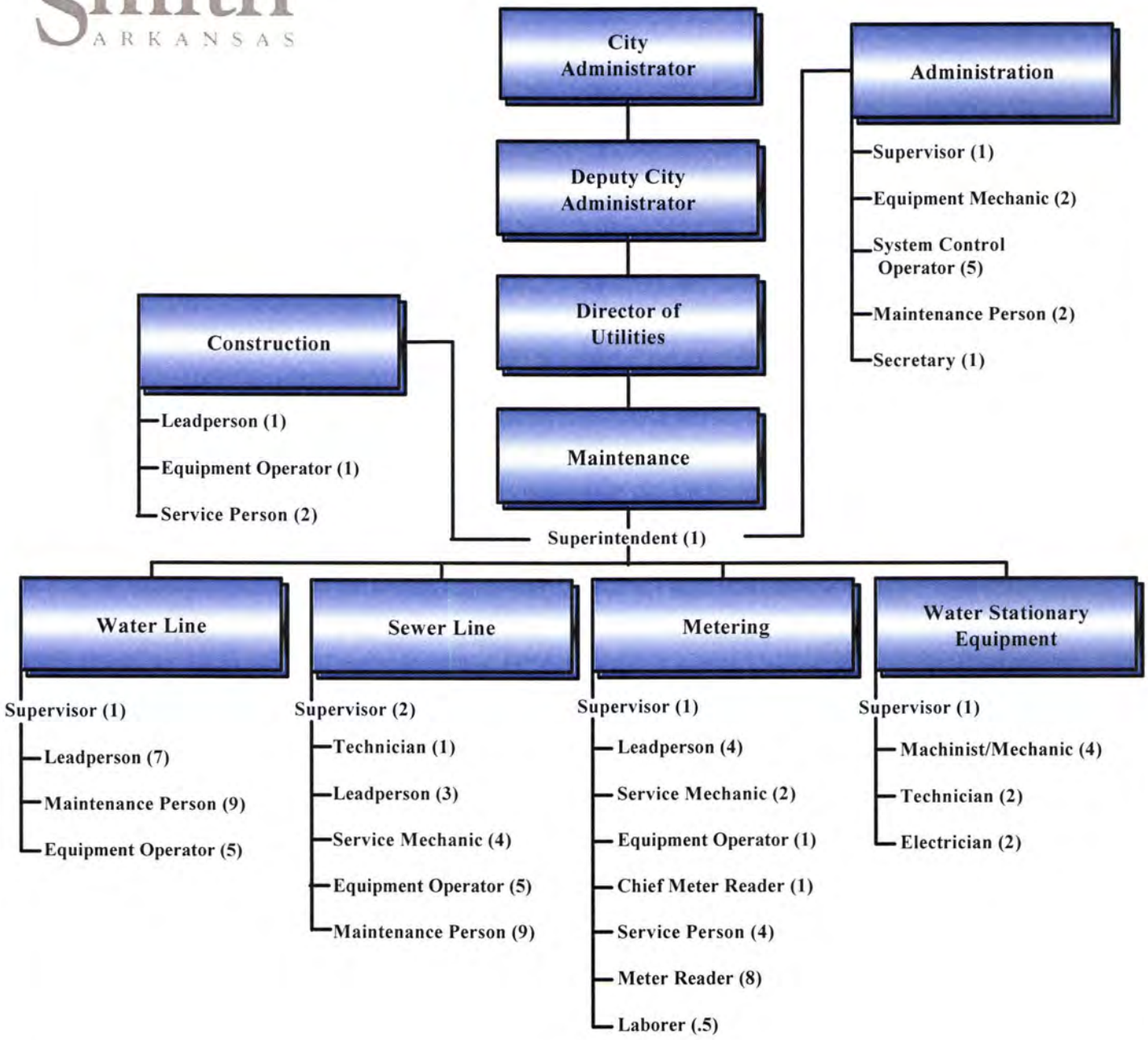
OG&E costs per signalized intersection: $130 per month for incandescent lights and $40 per month for LED.
Cost of mosquito spraying is $80 per hour.

Operation Services
Water and Sewer



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

Operation Services
Water and Sewer



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

WATER AND SEWER DEPARTMENT OVERVIEW:

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

The FY10 Budget is $565,362 or 1.6% more than the FY09 Budget. The increase is related to capital asset acquistions that were offset by reductions in operating costs.

Total positions for the Department are 191.19FTE which is the same as the FY09 Budget.

WATER AND SEWER OPERATING FUND	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenses	$ 9,613,093	$ 10,567,860	$ 9,880,756	$ 10,670,569	$ 11,046,310
Operating Expenses	22,783,579	23,863,577	23,105,524	23,292,500	23,307,993
Operating Budget	$ 32,396,672	$ 34,431,437	$ 32,986,280	$ 33,963,069	$ 34,354,303
Capital Outlay	377,775	188,670	227,917	1,222,400	1,550,530
Budget Appropriation	$ 32,774,447	$ 34,620,107	$ 33,214,197	$ 35,185,469	$ 35,904,833
Authorized Positions	191.19	191.19	191.19	191.19	191.19

WATER AND SEWER DEPARTMENT 2010 SERVICE OBJECTIVES

1. Improve citizen service by strengthening relationships with citizens, soliciting feedback from residents and businesses adjacent to city construction sites.
   - Conduct meetings with residents and businesses for construction projects using feedback to lessen construction impacts when possible and to improve citizen understanding of project's needs and benefits.
2. Use innovation and improved uses of technology to better utilize resources for serving the community. Continue the "green initiative" in planning for utility system and building projects.
   - Continue planning, design and construction practices that assure reliability and lower operations costs.
3. Cost effective execution of Wastewater Management Plan to meet EPA required implementation schedule for wet weather wastewater treatment and collection system improvements.
   - Initiate construction of wet weather improvements in Zero Street drainage basin consisting of pump station capacity, equalization storage, relief sewers and collection system rehabilitation improvements. Fully integrate EPA's Capacity Management Operation and Maintenance (CMOM) program into the sewer system work order management program.
4. Plan for water and sewer extensions to support growth and better serve neighborhoods. Replace all two-inch neighborhood water lines by 2020.
   - Continue construction of Rye Hill sewer projects to enhance industrail development within Chaffee Crossing and for the development of subdivisions within the southern growth area to meet city design standards and annexation requirements. Improve water service through line replacements project and to improve fire protection with older residential areas.

WATER AND SEWER DEPARTMENT
2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: Conducted meetings with property owners potentionally affected by construction projects improving citizen understanding of project's need and benefits. Worked with ITS Department for development of web enabled water and wastewater records currently in use internally and scheduled for release for public access.

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

   Outcome: Assued that the design and construction of the "P" Street watewater treatment plant improvements includes elements that prevent its presence from being considered a detriment to the riverfront development, downtown development and future Andrews Field.

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

   Outcome: Recent designs and construction of water and wastewater facilities have incorporated highly efficient process, electrical and control systems.

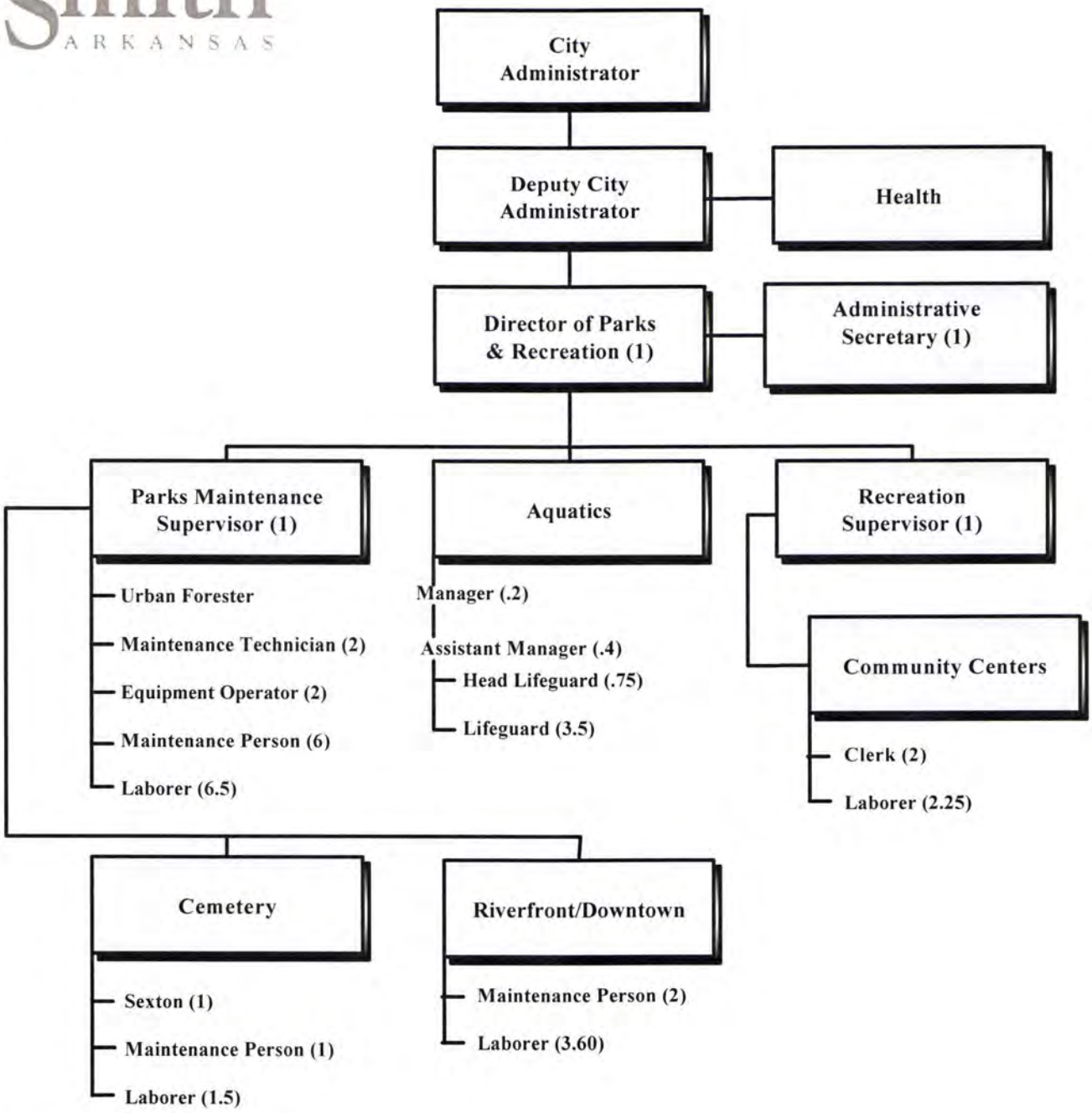
4. ***Service Objective:*** *Plan for water and sewer extensions to support growth and better serve neighborhoods. Replace all two-inch neighborhood water lines by 2020.*

   Outcome: Initial water projects for improved service and new developments in the southern service area are completed. The master planning for the southern service area and FCRA property have been updated and identified a new emphasis on sewer improvements in the eastern portion and conveyance of sewer flows to the Massard wastewater treatment plant. The construction and design of neighborhood water line replacement projects continue.

WATER AND SEWER DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	Actual 09 Thru 9/30/09
Water Service Line Installations	465	408	408	465
Sewer Service Line Installations	97	68	68	97
Sewer Service Line Replacements	325	300	300	325
Water Line Replacements	2,727 LF	3,695 LF	3,695 LF	2,727 LF
Sewer Line Replacements	6,289 LF	8,160 LF	8,160 LF	6,289 LF
Water System Work Orders	28,946	34,250	34,250	28,946
Sewer System Work Orders	3,187	3,344	3,344	3,187
Sewer Lines Cleaned	334,420 LF	351,130 LF	351,130 LF	334,420 LF
Sewer Lines TV Inspected	66,602 LF	78,366 LF	78,366 LF	66,602 LF
Locate Tickets Completed	8,053	8,242	8,242	8,053
Leaks Repaired	1,163	1,163	1,163	866

Operation Services
Parks and Recreation



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

PARKS AND RECREATION OVERVIEW:

The Parks and Recreation Department includes seven programs: 6101 Health, 6201 Parks Maintenance, 6202 Oak Cemetery, 6204 Community Centers, 6205 Aquatics; 6206 River Park/Downtown Maintenance, and 6207 The Park at West End. The functions of the Department include maintenance and beautification of 25 City parks and medians with a total park acreage of 273.21, operation of the Creekmore community center and Elm Grove community center, and management of 30.27 acre Oak Cemetery which is on the register of national historic places. Also, the department manages and operates a swimming pool, a splash pad and three wading pools, manages the River Park facilities, Garrison Avenue streetscape and downtown parking areas, operates the Creekmore Train, and operates The Park at West End.

The FY10 Budget is $652,936 or 18.3% less than FY09. The decrease is due to the elimination of the capital asset requests for FY10. This decrease is offset by the additon of The Park at West End operations in FY10.

The Department has 38.60FTE positions allocated for FY10 which includes an additional 0.6FTE for operation of The Park at West End.

PARKS & RECREATION	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 1,343,759	$ 1,519,990	$ 1,430,718	$ 1,566,690	$ 1,650,880
Operating Expenditures	477,618	1,727,416	1,394,863	1,282,780	1,453,520
Operating Budget	$ 1,821,377	$ 3,247,406	$ 2,825,581	$ 2,849,470	$ 3,104,400
Capital Outlay	29,416	325,000	279,221	70,000	1,000,000
Budget Appropriation	$ 1,850,793	$ 3,572,406	$ 3,104,802	$ 2,919,470	$ 4,104,400
Authorized Positions	36.10	38.10	38.10	38.70	38.70

PARKS AND RECREATION DEPARTMENT 2010 SERVICE OBJECTIVES

1. Continue the "green initiative" by developing strategies to reduce energy consumption and other costs in City facilities.
   - Study methods of regulating air conditioning units for non-use periods.
   - Have windows inspected for efficiency and study cost-benefit of replacement.
   - Have building insulation inspected for efficiency and study cost-benfit of adding insulation.
   - Plan for planting trees around park buildings to reduce energy consumption.
2. Identify new revenue source in the General Fund to provide funds for construction, staffing and equipping Fire Station 11 in Chaffee Crossing, future downtown development, and park projects.
   - Support the Prepared Food Tax initiative.

PARKS AND RECREATION DEPARTMENT 2009 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Improve employee morale and retention by restoring step and merit pay increases and making salaries more competetive with other cities.*

   Outcome: Step raises and merit pay were accomplished.

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

   Outcome: Most of the Board and Commission packets are sent to members electronically; power point presentations are used at meetings; and documents are proofed on screen significantly reducing the number of copies produced. Documents and files are being scanned into the system reducing the number of paper copies and space to file them. Sanitation Department is providing recycle barrels for events encouraging the public to recycle aluminum and plastic containers. City sponsored and privately sponsored events are encouraged to recycle. Energy consumption is being monitored in the facilities. Thermostats are adjusted to use less energy when not in use. Maintenance routes are established to reduce fuel consumption. Over one hundred trees were planted again this year and medians the department maintains. Most of the parks' trees have been mapped with the GPS system and a map of most of the parks is available on the Parks website along with recommendations for trees to plant and how to information on maintaining trees. Information on the benefits of trees is being compiled.

3. ***Service Objective:*** *Continue economic growth and develop strategies to attract higher technological jobs to the region.*

   Outcome: No dedicated funding source has been established. Park Partners is organized and working on funding and volunteering for projects.

4. ***Service Objective:*** *Improve the livability of neighborhoods by enhancing infrastructure and enforcing new and existing neighborhoods.*

   Outcome: Chad Colley Boulevard and Massard Road are maintained under a contract with a private vendor. Maintenance is performed twice a month including mowing, trimming, and litter pickup. Other contracts include the maintenance of various medians and roadways the department is responsible for including Garrison Avenue downtown and Jenny Lind Road in the Fianna neighborhood.

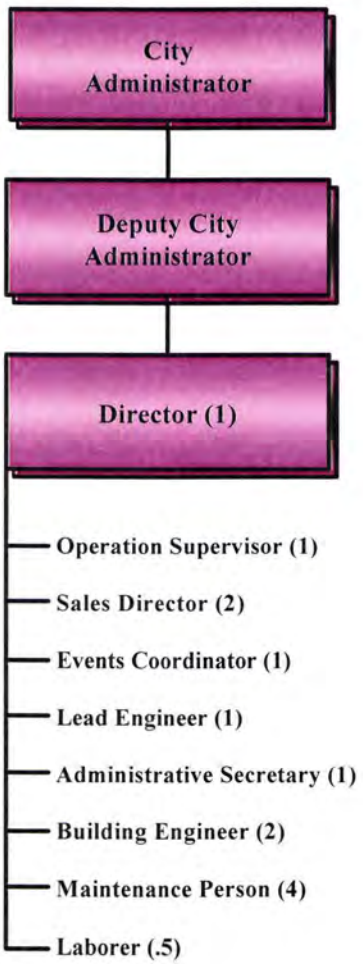
5. ***Service Objective:*** *Continue efforts to strengthen citizen service and citizen access to City government.*

   Outcome: The Parks website is updated regularly and includes more information to the public including tree inventories and benefits, and staff contact information. The reservations system calendar is available on the website which has reduced the time citizens spend renting a room for their events. The Parks and Recreation Commission and Oak Cemetery Commission meeting agendas, summaries, and minutes are also available on the City's website.

PARKS AND RECREATION DEPARTMENT
WORKLOAD/DEMAND STATISTICS

	ACTUAL FY08	BUDGET FY09	ACTUAL 2009	BUDGET FY10
Flowerbed Square Footage	90,242	93,000	90,242	90,242
Median Flowerbeds Maintained	143	165	165	165
Median Square Footage	260,045	328,000	328,000	330,000
Medians Maintained	47	50	50	60
Street Easements Maintained-Miles	6	8	8	8
Trees Planted	115	200	65	120
Park Acres Maintained	273.21	273.21	273.21	273.21
Park Flowerbeds Maintained	84	90	90	90
Parks	25	25	25	25
Trails	2	2	2	2
Miles	3.90	3.90	3.90	3.90
Train Revenue	$11,146	$11,500	$10,896	$11,500
Train Riders	44,584	46,000	43,584	46,000
Cemetery Deeds Sold	40	40	62	40
Cemetery Interments	53	50	59	50
Cemetery Revenue	$51,409	$51,500	$54,876	$55,000
Community Center Bookings	633	775	865	650
Community Center Patrons	31,650	40,000	42,500	35,000
Community Center Revenue	$30,776	$30,000	$35,340	$36,000
Number of Community Centers	1	2	2	2
Aquatic Admissions	33,370	32,000	32,750	33,000
Aquatic days of Operations	91	95	91	90
Aquatic Revenue	$51,496	$65,000	$63,271	$65,000
Number of Swimming Pools	1	1	1	1
Number of Wading Pools	3	3	3	3
Splashpad	1	1	1	1
Riverpark Bookings	438	650	551	450
Riverpark Patrons	95,770	95,000	56,000	55,000
RiverPark Revenue	$47,610	$35,000	$87,324	$50,000
Number of Facilities	3	3	3	3
Total Events	76	80	72	75
Total Events Patrons	99,260	100,000	93,000	100,000
Private Events	32	30	42	40
Private Event Patrons	62,900	65,000	41,000	40,000
Parks and Recreation Events	44	50	30	35
Parks and Recreation Events Patron	62,900	70,000	52,000	60,000

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

The FY10 Budget for the Convention Center is $302,108 or 16% less than the FY09 Budget. This decrease is due to the elimination of most of the capital asset requests as well as a reduction in the operating accounts for FY10. Personnel positions decreased by 1.50FTE for FY10 as well.

The Convention Center has 13.50TE positions for FY10 which reflects the transfer of the parking deck attendant to Finance as well as the reduction to seasonal laborers from 1.0FTE to 0.50FTE.

CONVENTION CENTER	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 757,043	$ 813,930	$ 769,259	$ 809,210	$ 842,020
Operating Expenditures	643,660	927,038	877,005	742,150	822,830
Operating Budget	$ 1,400,703	$ 1,740,968	$ 1,646,264	$ 1,551,360	$ 1,664,850
Capital Outlay	90,924	147,500	35,651	35,000	0
Budget Appropriation	$ 1,491,627	$ 1,888,468	$ 1,681,915	$ 1,586,360	$ 1,664,850
Authorized Positions	14.00	15.00	15.00	13.50	13.50

CONVENTION CENTER 2010 SERVICE OBJECTIVES

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

CONVENTION CENTER 2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: Thirty-two new accounts have been added through November 2009.

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

   Outcome: Goal Achieved.

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

   Outcome: Goal achieved, 369 people took site tours to date.

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

   Outcome: Goal achieved.

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

   Outcome: All tradeshows have yielded quality leads.

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

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

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

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

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

   Outcome: 37 large center programs have been held through November 2009; 9 additional large center programs booked through December; 37 exhibits/tradeshows have been held through November, with 2 additional booked for December; 22 state convention/meetings/events held/booked through December; 20 regional/national convention/meeting events have been held through November, with 4 booked in December; 62 local events held through November with 8 additional contracted in December; 57 theater events held through November with 8 additional booked in December.

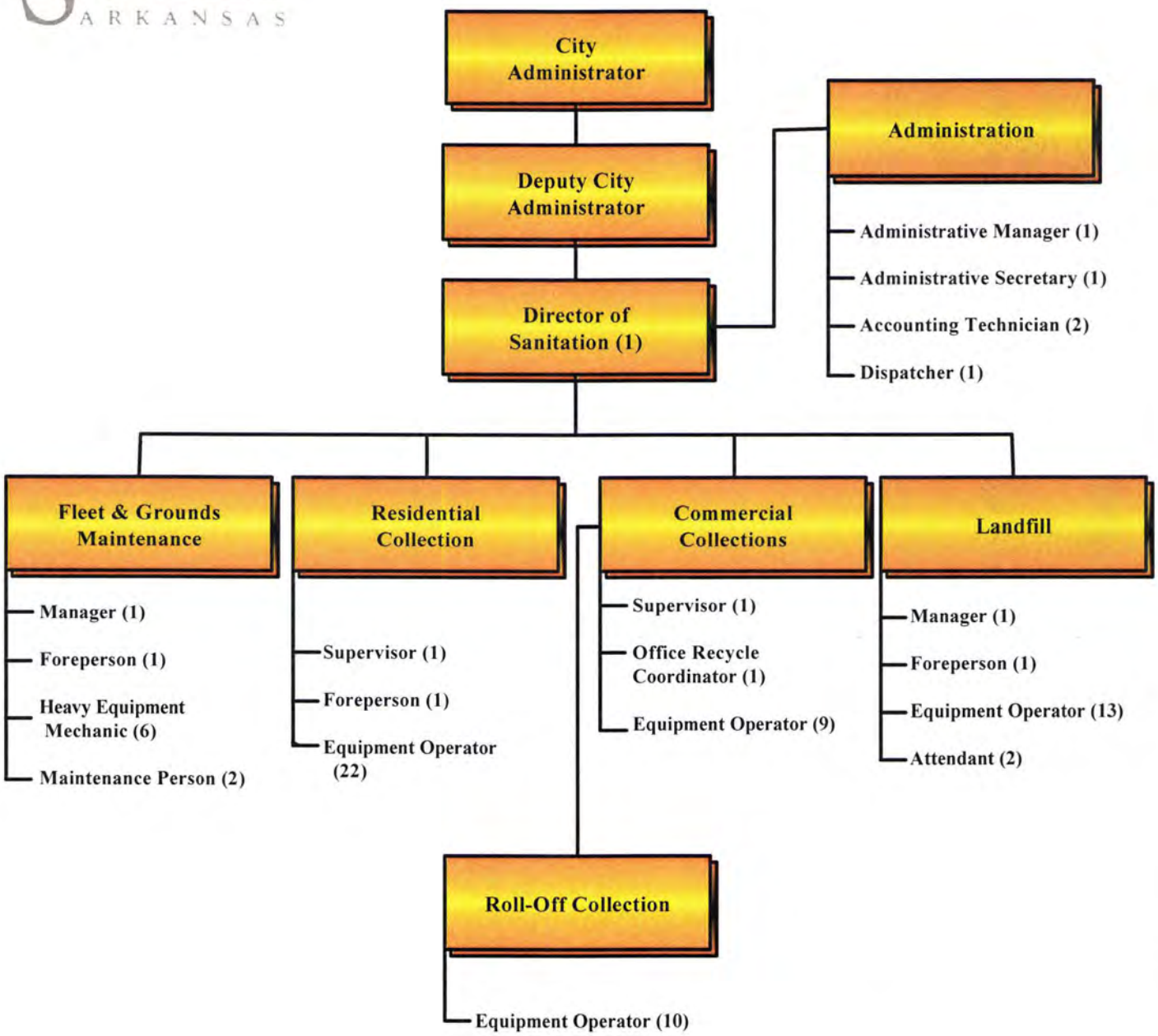
9. ***Service Objective:*** *Achieve client/customer experience and level of satisfaction through the delivery of consistent, quality client/customer service.*

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

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

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

Operation Services
Sanitation



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

SANITATION DEPARTMENT OVERVIEW:

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

The FY10 Budget is $2 million or 15.3% less than the FY09 Budget. The decrease is due to a reduction in overtime pay for FY10 as well as a reduction in the amount of operating expenses for FY10.

The Sanitation Department has 78FTE positions for FY10, which is consistent with FY09.

SANITATION DEPARTMENT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenses	$ 4,698,536	$ 5,021,960	$ 4,678,271	$ 4,793,764	$ 5,307,930
Operating Expenses	4,621,278	6,202,730	4,096,557	5,047,980	5,411,830
Operating Budget	$ 9,319,814	$ 11,224,690	$ 8,774,828	$ 9,841,744	$ 10,719,760
Capital Outlay	1,633,777	1,909,630	1,758,917	1,281,600	1,200,000
Budget Appropriation	$ 10,953,591	$ 13,134,320	$ 10,533,745	$ 11,123,344	$ 11,919,760
Authorized Positions	78.00	78.50	78.00	78.00	78.00

SANITATION DEPARTMENT 2010 SERVICE OBJECTIVES

1. Continue expansion of the Automated Refuse Collection Program.
2. Prepare to provide services to south Fort Smith residents at the end of the Altes Sanitation Service agreement.
3. Expand public outreach, awareness, and participation in sold waste and recycling in Fort Smith and surrounding communities.
4. Begin construction on the Phase 5 landfill expansion.

SANITATION DEPARTMENT 2009 SERVICE OBJECTIVES AND OUTCOMES

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

   Outcome: The automated refuse collection program expansion for 2009 began in September. The total customer base receiving automated refuse collection will be approximately 14,775 households or 71% of the total households serviced by the Department of Sanitation.

2. ***Service Objective:*** *Construct a new transfer station/citizen convenience center at the landfill.*

   Outcome: Due to funding contraints, this objective has been put on hold.

3. ***Service Objective:*** *Excavate area for construction of Phase 5, continue to prepare area for Class 4 construction, and to construct a new transfer station if budget allows.*

   Outcome: Preparation for the Phase 5 landfill expansion and the Class 4 areas were continued. All soils excavated from the sites were/is reused as daily cover on the "working face" of the Phase 4 disposal site.

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

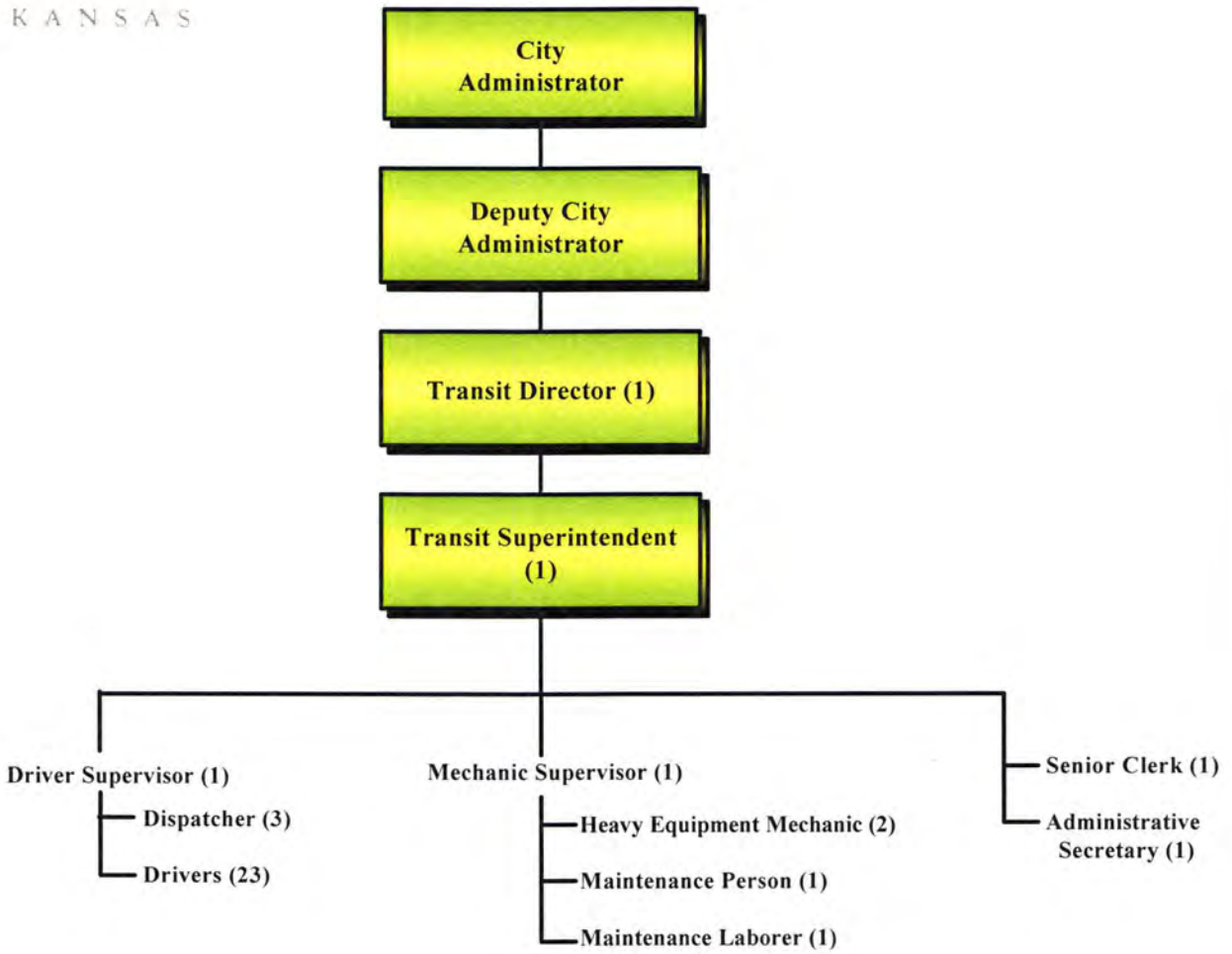
   Outcome: Transfer station/convenience center had been delayed due to budget constraints.

SANITATION DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Residential Accounts			
Total Residential Accounts	20,867	20,780	25,500
Monthly Charge Per Residence	$ 14.38	$ 14.38	$ 14.38
Number of Requests for Dial-A-Truck	5,400	4,842	5,200
Tons of Residential Refuse Collected Per Year	22,170	22,607	27,742
Tons of Residential Refuse Collected Per Day Per Route*	9	14	17
Tons of Residential Recycled Material Collected Per Year	3,000	2,252	3,000
Tons of Residential Recycled Material Collected Per Day Per Route	11	11	14
Commercial Container Accounts:			
Number of 2yd Containers Emptied Per Week	1,650	1,594	1,675
Number of 4yd Containers Emptied Per Week	600	865	900
Number of 6yd Containers Emptied Per Week	450	330	350
Number of 8yd Containers Emptied Per Week	850	810	850
Total Number of Containers Emptied Per Week	3,550	3,599	3,775
Total Number of Tons Collected Per Week	519	443	475
Number of 2yd Containers Emptied Per Year	85,800	81,848	87,100
Number of 4yd Containers Emptied Per Year	31,200	44,980	46,800
Number of 6yd Containers Emptied Per Year	23,400	17,160	18,200
Number of 8yd Containers Emptied Per Year	44,200	42,120	44,200
Total Number of Containers Emptied Per Year	184,600	186,108	196,300
Total Number of Tons From Commericial Collection Per Year	27,000	23,036	24,700
Industrial Roll-Off Accounts:			
Hauls Per Week	250	167	190
Total Number of Hauls Per Year	13,000	8,684	9,880
Tons Collected Per Week	1,050	800	900
Landfill Operations			
Tons Disposed at Landfill Per Year	315,000	270,000	280,000

*Budget FY09 is based on 5, 8 hour days, Estimated FY09 and Budget FY10 are based on 4,10 hour days.

Operation Services
Public Transit



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

TRANSIT DEPARTMENT OVERVIEW:

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

The FY10 Budget is $1.16 million or 32.8% less than FY09. The decrease is a result of the transfer station construction being included for FY09 costs as well as stimulus funded capital assets authorized during the last half of FY09.

The total personnel in the Department is allocated at 36FTE for FY10 which is consistent with the prior year.

TRANSIT DEPARTMENT	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 1,592,266	$ 1,726,840	$ 1,525,869	$ 1,739,860	$ 1,813,900
Operating Expenditures	490,062	556,360	379,563	471,570	495,190
Operating Budget	$ 2,082,328	$ 2,283,200	$ 1,905,432	$ 2,211,430	$ 2,309,090
Capital Outlay	25,600	1,234,429	2,490,928	151,000	158,550
Budget Appropriation	$ 2,107,928	$ 3,517,629	$ 4,396,360	$ 2,362,430	$ 2,467,640
Authorized Positions	36.00	36.00	36.00	36.00	36.00

TRANSIT DEPARTMENT 2010 SERVICE OBJECTIVES

1. Strengthen marketing of services by identifying prime locations in Fort Smith to distribute transit brochures and by working directly with agencies in need of public transportation.
2. Promote Fort Smith Transit as a transportation option to protect the environment and reduce greenhouse gasses.
3. Develop an awards program to recognize transit employees for continued safe transportation of passengers and prolonged protection of equipment.

TRANSIT DEPARTMENT 2009 SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Work with Bi-State MPO, Arkansas Highway & Transportation Department (AHTD) and a local university to identify a Mobility Manager capable of of disseminating the Automatic Vehicle Locator (AVL) program and coordinating local transportation services among the River Valley Transportation Providers.*

   Outcome: The Bi-State MPO, with the assistance of the Fort Smith Transit Department, secured a grant from AHTD and hired an intern from the College of Business at UAFS to serve as a local Mobilty Manager. The Mobility Manager now reports to the transit director and performs daily tasks associated with linking transportation providing agencies for enhanced services.

2. ***Service Objective:*** *Work with the FS Police and Fire Departments, Sebastian County Sherriff's Department and the Federal Transit Administratin on converting incidential office space at the Transit Facility on Jenny Lind to an Emergency Operations Center.*

   Outcome: The Fort Smith Police Department identified a new location on Zero Street that would provide better accomodations for an Emergency Operations Center.

3. ***Service Objective:*** *Install a fuel tank and automated pumps at the Transit Facility to reduce fuel and labor costs for the transit and police department.*

   Outcome: Funding for the fuel tank installation and automation was included in the application process for the American Recovery and Reinvestment Act grant. Grant funding was awarded in July 2009.

TRANSIT DEPARTMENT
SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY08	BUDGET FY09	ESTIMATED FY09	BUDGET FY10
Efficiency Measures:				
Cost Per Passenger	$9.98	$11.50	$9.19	$10.37
Cost Per Revenue Hour	$60.06	$55.75	$50.35	$66.63
Cost Per Revenue Mile	$4.33	$4.40	$3.78	$4.89
Performance Measures:				
Total Passenger Trips	208,600	215,736	179,500	206,400
Total Revenue Miles	480,446	484,000	449,000	450,000
Total Revenue Hours	34,671	35,000	32,590	33,000
Fare Revenue	$171,574	$178,000	$151,000	$160,000
Fixed Route Service				
Total Fixed Route Trips	136,269	175,667	148,300	161,250
Half Fare Passenger Trips	30,218	29,775	27,950	28,000
Downtown Shuttle	24,708	28,000	24,040	25,000
Monthly Pass Trips	15,440	17,000	11,780	13,500
Fixed Route Transfers	58,957	60,500	52,820	55,000
Demand Response Service				
Demand Response Transfers	28,563	29,124	26,950	36,550
Avg. Scheduled Demand Res. Trips-Mthly	3,121	2,481	2,846	3,250
Total Subscription (routine) Trips Mthly.	280	2,040	184	220
Total Number of Senior Citizens Serviced on Demand Response	1,560	1,240	1,423	1,625
Total No Shows	947	1,000	690	750
Total Cancellations	5,320	5,500	4,200	4,500
Demand Response Transfers	331	0	300	200
Special Services				
Transit Assistance Programs Trips-Fixed and Demand	1,235	1,300	1,448	1,700
Charter/Shuttle Passengers	14,557	10,944	4,300	8,600
DHS Passenger Trips (Fixed and Demand)	796	3,200	2,250	3,000
Accident Summary				
Total Minor Accidents (including no fault)	18	0	12	0
Total Preventable (at fault) Minor Accidents	10	0	2	0
Total Major Accidents (Disabling Damage)	4	0	0	0
Maintenance Performance				
Total Number of Preventive Maintenance Inspections	139	150	84	140
Total Major Mechanical System Failures	48	20	6	25
Total Road Calls	13	15	11	15
Drug and Alcohol Prevention				
Total Pre-Employment Drug Tests	1	0	4	0
Total Random Drug and Alcohol Tests	18	18	7	8
Total Random Alcohol Tests	4	4	2	2
Total Reasonable Suspicion Drug and Alcohol Tests	0	0	0	0
Total Post Accident Drug & Alcohol Tests	4	0	0	0
Total Positive Drug or Alcohol Tests	0	0	0	0

NON-DEPARTMENTAL

NON-DEPARTMENTAL	ACTUAL FY 08	BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenditures	3,828,875	4,316,303	3,712,812	3,603,164	3,641,480
Operating Budget	$ 3,828,875	$ 4,316,303	$ 3,712,812	$ 3,603,164	$ 3,641,480
Capital Outlay	3,224,932	2,219,173	2,521,949	1,984,800	733,200
Budget Appropriation	$ 7,053,807	$ 6,535,476	$ 6,234,761	$ 5,587,964	$ 4,374,680
Authorized Positions	0.00	0.00	0.00	0.00	0.00

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

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

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

GENERAL FUND

Outside Agency Funding-Contractual Services	227,700	
Port Authority Insurance	6,500	
Fort Smith Museum of History - Utilities	20,000	
SRCA, Inc. Social Services	175,156	
Youth Volunteer Program	15,863	
WAPDD Annual Dues	20,860	
Transit Charters	10,000	
Transfer to Cleanup/Demolition	90,000	
Transfer to Parking Authority Fund	250,000	
Property Insurance Deductible	15,000	
Fort Chaffee Redevelopment Authority	31,000	
Fort Smith Public Library-6% County Sales Tax Allocation	930,626	
Area Agency on Aging	50,000	
Project Compassion	7,500	
Downtown Development	268,253	
Mayor's 4th of July Celebration	35,000	
City/Chamber/UAFS Initiative	50,000	
Darby House Building Improvements	20,000	
Fort Smith Classic	36,000	
Downtown Development-Trolley Crossing	213,956	
Sub-Total		2,473,414

STREET MAINTENANCE FUND

50/50 Sidewalk Repair Program	$ 15,000		
DRIPP	20,000		
Sinking Account	222,800		
Property Insurance Deductible	15,000		
Transfer to General Fund	78,250		
Sub-Total		351,050	

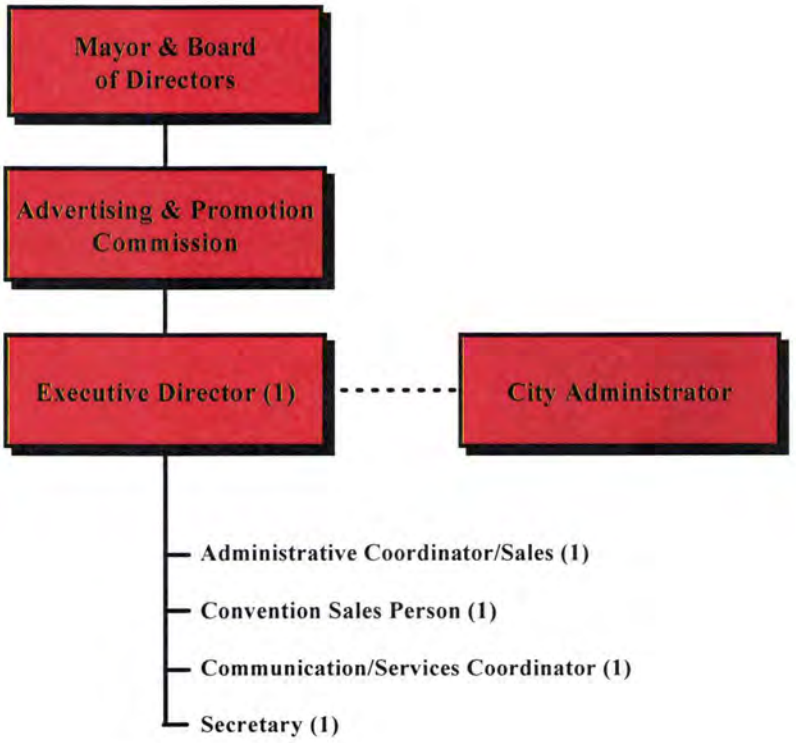
WATER AND SEWER OPERATING FUND

South Sebastian County Water Users Association Payment	360,000		
Property Insurance Deductible	30,000		
Transfer to General Fund	78,250		
		468,250	

SANITATION OPERATING FUND

Transfer to Sanitation Sinking Account/Landfill Const. Fund	2,112,000		
Transfer to Cleanup/Demolition Fund	90,000		
Transfer to General Fund	78,250		
Property Insurance Deductible	15,000		
Sub-Total		2,295,250	
GRAND TOTAL			$ 5,587,964

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 FY10 Budget is $161,202 or 15.3% less than FY09 Budget. The decrease is attributable to the building repairs completed from the FY09 hail storm and advertising allocations.

The authorized positions for FY10 total 5.0FTE which is the same as FY09.

CONVENTION & VISITORS BUREAU	ACTUAL FY 08	AMENDED BUDGET FY 09	ESTIMATED FY 09	BUDGET FY 10	BUDGET FY 11
Personnel Expenditures	$ 309,518	$ 325,428	$ 316,441	$ 330,350	$ 347,330
Operating Expenditures	506,887	730,533	615,968	564,409	576,670
Operating Budget	$ 816,405	$ 1,055,961	$ 932,409	$ 894,759	$ 924,000
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 816,405	$ 1,055,961	$ 932,409	$ 894,759	$ 924,000
Authorized Positions	5.00	5.00	5.00	5.00	5.00

CONVENTION AND VISITORS BUREAU 2010 SERVICE OBJECTIVES

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

CONVENTION AND VISITORS BUREAU
SERVICE MEASURES/PERFORMANCE INDICATORS

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

CONVENTION AND VISITORS BUREAU
2009 SERVICE OBJECTIVES AND OUTCOMES

SERVICE OBJECTIVE	OUTCOME			
	Actual FY08	**Budget FY09**	**Estimated FY09 Thru Dec.**	**Budget FY10**
1. Increase exposure of the Fort Smith area through advertisements & articles about the City of Fort Smith hospitality offerings by by 5%.	314 column inches of editorial	860 column inches of editorial	1,258 column inches of editorial **	903 column inches of editorial
2. Increase number of leads provided to the Fort Smith Convention Center and the Fort Smith Hospitality Community by 10%.	103 leads	97 leads	144 leads	99 leads
3. Contribute to an increase in Fort Smith area hotel occupancy through an increase in convention/event guests.	Room Tax $790,638	Room Tax $781,046	Room Tax $625,889 -15.7 Jan-Dec.	Room Tax $781,046
4. Increase the number of city-wide convention/event proposals by 20%.	12	15	11	16
5. Increase the number of motorcoach tour groups into the Fort Smith area by 5%.	89	83	75	87
6. Increase the number of guests to the Fort Smith Visitor Information Center, Miss Laura's and Chaffee Barbershop by 5%.	13,145	16,411	12,784	17,231

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

Capital Improvement Program

Introduction

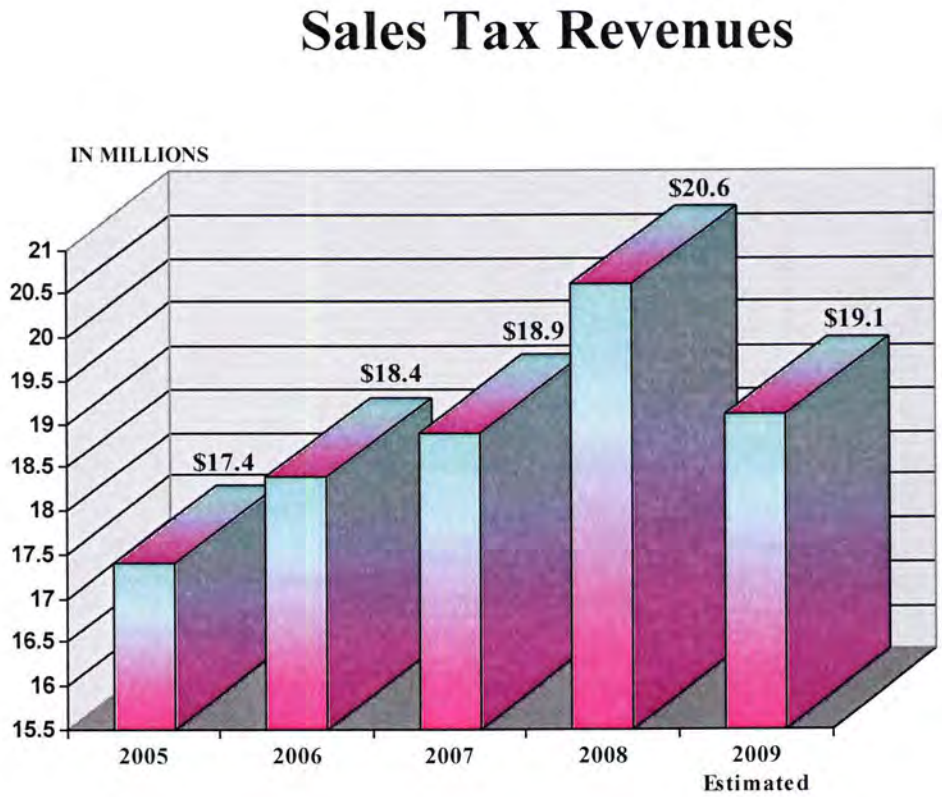
The City's major capital improvements are provided by the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the Sales and Use Tax Bond Construction Fund, the Sanitation Sinking/Landfill Construction Fund, Sidewalk Construction Fund, the Tilles Park Fund and the Parking Authority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

Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund in October 2009. The FY10 CIP for the sales tax street program was included in the approval document Resolution No. R-227-09.

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

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



The estimated sales tax revenue for 2010 is $19.3 million which represents a 1% increase over the estimated 2009 tax revenue of $19.1 million. Interest earnings and other revenue for 2010 are estimated at $2.6 million and the beginning fund balance is estimated to be $18 million. Therefore, total resources available for 2010 are $39.9 million. Of this amount, $4.9 million is estimated as the ending fund balance at December 31, 2010 which represents funds available for contingency and for future years' projects. Total project funds available are $39.9 million and will be used for the 2010 program allocated as follows:

FY10 Program:	
Neighborhood Overlays and Reconstruction	$ 11.3 million
Neighborhood Drainage Improvements	1.9
Intersection Signal Improvements	0.3
Multi-Year and/or Major Projects	18.3
Special Projects	0.4
Administrative Costs	2.3
Overlays by Street Department	.2
	$ 34.7 million

The 2010 neighborhood overlays and reconstruction projects are as follows:

Street	From	To	Length	Cost
South 18th	Rogers Avenue	Grand Avenue	2,561	$ 345,735
South D Street	Wheeler Avenue	14th Street	2,094	278,900
Copper Oaks Lane	88th Street	Wyndemere Way	1,126	152,010
Canterbury Cove	88th Street	Wyndemere Way	1,070	144,450
Wyndemere Way	Canterbury Cove	End of Road	732	98,820
Cleburne Court	Massard Road	End of Road	631	85,185
Victoria Drive	46th Street	47th Street	440	59,400
47th Terrace	Victoria Drive	Windsor Drive	759	102,465
North G Street	17th Street	20th Street	1,049	104,900
Savannah Street	Old Greenwood Rd.	46th Street	1,924	222,400
Old Greenwood Rd.	Savannah Street	End of Road	1,800	198,000
46th Street	Savannah Drive	Phoenix Avenue	993	109,230
Meandering Court	Village Road	Meandering Way	1,181	159,435
Village Road	End of Road	Meandering Way	779	105,165
Reeder Street	Greenwood Ave.	Adelaide Avenue	581	70,700
Turtle Bay Drive	Meandering Way	1/2 Way to Pebble Ct.	342	51,458
Edwards Street	Division Street	Kelley Highway	1,288	115,920
62nd Street	Kinkead Avenue	Grand Avenue	1,373	137,300
Kinkead Avenue	62nd Street	66th Street	1,451	145,100
66th Street	Park Avenue	Kinkead Avenue	1,339	133,900
Futral Drive	31st Street	Division Street	1,200	162,000
North T Street	29th Street	31st Street	829	111,915
34th Street	North S Street	Ridgeway Drive	732	98,820
North I Street	16th Street	Greenwood Ave.	2,091	313,650
North T Street	50th Street	53rd Street	1,177	117,700
53rd Street	North T Street	Wilson Road	2,220	104,300
Canopy Oaks Drive	Massard Road	alley Meadow Oaks	1,315	122,850
50th Street	Grand Avenue	North O Street	2,661	265,200
North J Street	4th Street	6th Street	741	71,200
Euper Lane	Waldron Road	Burnham Road	2,033	203,300
Burnham Court	Duncan Road	End of Road	241	32,535
Duncan Road	Waldron Road	Burnham Road	1,984	196,520
28th Street	Independence St.	Gary Street	683	68,300
Gary Street	28th Street	29th Street	577	64,910
Roberts Blvd.	Wells Lake Road	Chad Colley Blvd.	2,050	254,650

Street	From	To	Length	Cost
29th Street	Walnut Street	Willow Street	1,341	134,100
South Y Street	58th Street	End of Road	844	113,940
Sunchase Lane	66th Street	68th Circle	836	112,860
68th Circle	End of Road	End of Road	473	63,855
Dallas Street	66th Street	70th Drive	1,345	181,575
25th Circle	Louisville Street	End of Road	172	23,220
27th Circle	Louisville Street	End of Road	175	23,625
Louisville Street	23rd Street	End of Road	1,730	223,540
Old Greenwood Rd.	Old Greenwood Rd.	Old Greenwood Rd.	1,878	253,530
27th Circle	Jackson Street	End of Road	389	52,515
Tilles Avenue	20th Street	May Avenue	1,498	162,225
Cornell Avenue	Jenny Lind Road	22nd Terrace	956	129,060
Harvard Avenue	Fordham Avenue	Jenny Lind Road	1,034	150,830
22nd Terrace	Cornell Avenue	Fordham Avenue	500	67,500
Harvard Circle	Harvard Avenue	End of Road	87	11,745
South Q Street	25th Street	Greenwood Ave.	651	65,100
Wharton Street	Greenwood Ave.	28th Street	290	26,100
South Y Street	Greenwood Ave.	28th Street	266	21,280
28th Street	South Y Street	Wharton Street	576	51,840

Total 2010 Street Overlay/Reconstruction Program	6,875,763
Balance of 2009 Projects Currently Under Construction	4,486,433
Total 2010 Street Overlay/Reconstruction Program	$ 11,362,196

The 2010 neighborhood drainage improvements total $1.9 million. In addition, there is $900,000 of prior year projects to be completed during FY10. The FY10 projects are identified as follows:

2208 South R Street-$125,000 This project will directy surface underground to alleviate severe flooding of a duplex and alley washout problems. Water has risen close to a foot onto the glass patio door in the back. The owner has agreed to dedicate necessary easements.

Williams Lane Area-$20,000 This project will add culverts to a private driveway and channel grading to alleviate flooding to the driveway. The work will not be completed until the owner agrees to a drainage easement across the entire property.

2732-2740 Brooken Bill Drive-$25,000 This project will direct surface drainage underground to alleviate flooding of two houses. The owners have agreed to dedicate the necessary easements.

Rosewood Drive & Rosewood Circle-$100,000 This project will direct surface drainage underground to alleviate flooding one house and severe road flooding. The work can be completed in existing right-of-way.

No.36th St. from Hon Ave to Kinkead Ave.-$50,000 This project will increase the size of underground piping to alleviate flooding of two houses. The work can be completed in existing right-of-way.

Weeks and Gordon Lanes-$200,000 This project will add underground piping to alleviate frequent flooding on one house as well as some severe street flooding in the area. The work will be completed within existing right-of-way as well as in some new easements.

Horan near 87th Street- $15,000 This project adds a drainage pipe under Horan near 87th Street to alleviate structure flooding to the back of the houses along 87th Street as well as some street flooding. This work will be completed within existing right-of-way.

Channel Between S.18th & Jenny Lind Near Knoxville-$225,000 This project will complete a previous drainage project that did not proceed due to a property owner not donating the easements. The ownership has changed and the new owner is willing to provide necessary easements. The area is a maintenance problem and a hazard to the neighborhood. The previous projects on this reach of drainage have alleviated flooding of streets and structures. This project will complete it.

2816-2818 Grinnel Avenue-$30,000 This project replaces some failing drainage pipes between two houses that is causing damage to structures. The work will take place within existing easements.

6801-6813 Phoenix Avenue-$210,000 This project repairs a drainage channel that has become a maintenance problem. It will also allow for drainage relief to a subdivision that is experiencing flooding problems.

The 2010 intersection and signal improvements total $350,000 and inlcudes replacement of the traffic signal poles at the intersection of Towson Avenue with both South B Street and South D Street and the installation of a traffic signal at Harvard and Highway 271.

Multi-year and major projects are allocated at $18.3 million for FY10. 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. Construction is expected to begin in FY11 pending completion of design and right-of-way acquistion. The allocation for FY10 is $2.8 million. Anticipated future allocations are $6 million in FY11, $7.8 million in FY12 and $3.9 million in FY13.

Greenwood Avenue-
This project consists of overlay, minor widening and reconstruction of Greenwood Avenue from Country Club to Midland Blvd. New traffic signals will be installed at the intersections of Greenwood Avenue with Kinkead Avenue and Park Avenue. The project is scheduled for completion in early FY10. FY09 allocation was $5 million and the FY10 allocation is $500,000.

May Branch Drainage Project-
This project is for the purpose of reducing flooding along May Branch from the Arkansas River to Park Avenue. It consists of the construction of a drainage channel to replace the existing deteriorated and hydraulically inadequate concrete pipe. The project is being designed by the Corps of Engineers. The City is lobbying for federal funding to assist with the project as the total cost exceeds $30 million. Due to the magnitude of the project, it will be funded over a period of several years. The FY10 allocation is $1 million with future allocations totaling $15.2 million in FY11-FY14.

Mill Creek Drainage between Cavanaugh Road and South 28th Street-
This project includes the rechannelization of Mill Creek from Cavanaugh Road north to South 28th Street. This project also includes replacement of the bridges at both Cavanaugh Road and South 28th Street. South 28th Street will be realigned with Highway 71 as identified on the Master Street Plan and a traffic signal will be installed at the intersection. This project is scheduled for completion in late FY10. The allocation in FY09 was $1.1 million and the allocation for FY10 is $3.4 million.

Texas Road- South of Cavanaugh-
This project includes the widening of Texas Road from Cavanaugh Road south to Torrington Way to a collector curb and gutter section. Also included is minor street widening along Texas Road south of Torrington Way. The project will include a sidewalk north of Cavanaugh Road to Hillside Drive. The FY08 allocation was $200,000, the FY09 allocation was $2 million, and the FY10 allocation is $1.75 million.

FCRA Development-
The Fort Chaffee Redevelopment Authority (FCRA) projects include street and drainage work in accordance with the City's memorandum of agreements for industrial development. Work is currently ongoing on the Chad Colley extension to serve the Umarex facility. The allocation for FY10 is $1.1 million. Future allocations are estimated at $1 million per year in FY11-FY14.

Arterial Street Overlays-
These projects address resurfacing of some of the major arterial streets. The FY10 projects include resurfacing Grand Avenue from North 11th Street to just east of North 16th Street and resurfacing Waldron Road from Rogers Avenue to just north of Gordon Lane. The FY10 allocation is $1.4 million. Future allocations in FY11-FY14 total $4.8 million.

Highway 45-Phoenix Avenue to Zero Street-
This project inludes the widening along Highway 45 from the Phoenix Avenue intersection. The project also includes replacement of the bridge over Interstate 540. The design and construction will be performed by the Arkansas Highway and Transportation Department (AHTD). The estimated project cost if $13.4 million with the City's share at $7.6 million. The AHTD expects to bid the contract by the middle of FY10 with construction expected to last 18 to 24 months. The FY10 allocation is $5,748,750. The balance of the City's share, $1,851,250, was allocated in FY09.

Garrison Avenue Streetscape-
This project is a continuation of the Garrison Avenue Streetscape along both sides from 9th Street to 13th Street. It also includes the replacement of the traffic signal at Garrison Avenue and Towson Avenue. Federal grants of $1.95 million will fund the majority of this project. The FY10 allocation is $200,000 and the FY11 allocation is estimated at $2.5 million.

Levee Certification and Repair-
This project includes the levee certification evaluation in accordance with federal design criteria. Plans are complete for the repair of the 600 foot secion that washed out in May 1990. However, the construction is on hold pending the results of the investigation/certification evaluation of the entire levee. The FY10 allocation is $400,000. The FY11 and FY12 allocation are estimated at $600,000 each.

Special projects are various street related improvements and studies and include the following for FY10:

Traffic Studies	$	20,000
Town Branch-North 9th Street Drainage Study		150,000
Contingency		200,000
	$	370,000

Administrative- costs for in-house engineering services and administration services total $2,272,200.

Overlays provided by the Street Maintenance department will total $200,000 for 2010.

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	2006	2007	2008	2009
January	$ 1,896,509	$ 1,891,846	$ 1,943,505	$ 1,983,506
February	1,433,633	1,466,534	1,523,541	1,445,308
March	1,443,913	1,489,480	1,606,701	1,525,340
April	1,513,517	1,644,939	1,639,160	1,689,217
May	1,459,669	1,480,153	1,646,642	1,532,752
June	1,496,297	1,552,445	1,781,470	1,503,710
July	1,569,117	1,597,188	1,928,815	1,564,567
August	1,507,518	1,543,987	1,831,763	1,584,418
September	1,577,707	1,640,360	1,655,788	1,584,166
October	1,534,802	1,540,196	1,716,165	1,508,580
November	1,477,399	1,517,348	1,497,986	1,409,760
December	1,510,834	1,565,049	1,547,119	1,754,636 *
Totals	$ 18,420,915	$ 18,929,525	$ 20,318,655	$ 19,085,960
Y-T-D % Change	6%	2.8%	8.9%	-7.4%

* Estimated Revenue

The following schedule reflects the proposed current year projects for the sales tax program for the years 2010 through 2014

Improvements	2010	2011	2012	2013	2014
Neighborhood Overlays and Reconstr	$ 11.3	$ 7.0	$ 7.0	$ 7.0	$ 7.0
Neighborhood Drainage Improvements	1.9	1.0	1.0	1.0	1.0
Intersection and Signal Improvements	0.3	0.3	0.3	0.3	0.3
May Branch Drainage	1.0	1.0	3.0	4.0	7.2
Jenny Lind- Zero to Cavanaugh	2.8	6.0	7.8	3.9	-
Greenwood Avenue- Country Club to Midland	0.5	-	-	-	-
Spradling Avenue-Clayton Expressway Eastward	-	-	-	0.5	0.7
Arterial Street Overlays	1.4	1.2	1.2	1.2	1.2
Texas Road- South to Cavanaugh	1.7	-	-	-	-
Mill Creek Drainage/28th Street	3.4	-	-	-	-
Levee Certification & Repair	0.4	0.6	0.6	-	-
Highway 45- Phoenix to Zero	5.7	-	-	-	-
Town Branch-North 9th Street Drainage	0.1	0.7	0.7	-	-
Garrison Avenue Streetscape	0.2	2.5	-	-	-
FCRA Development	1.1	1.0	1.0	1.0	1.0
Special Projects	0.4	0.2	0.2	0.2	0.2
Administrative	2.3	2.4	2.5	2.6	2.7
Overlays by Street Department	0.2	0.2	0.2	0.2	0.2
Total	$ 34.7	$ 24.1	$ 25.5	$ 21.9	$ 21.5

Water and Sewer Capital Improvement Projects Funds

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

In October 2007, the City issued $24.47 million in water and sewer revenue bonds to provide funding for wastewater pump stations, wastewater extensions in the southern growth area, the Mountainburg water treatment plant rehabilitation and expansion, new transmission line from Mountainburg to Fort Smith, transmission system metering, Midland Boulevard transmission line replacement, Lee Creek water treatment plant instrumentation, neighborhood water line replacements, and water storage tank painting. In August 2008, the City issued $117.42 million in water and sewer refunding and construction revenue bonds to provide funding for the advance refund of the 2002A series bonds, for sewer extensions in the growth areas of the City, the Mountainburg water treatment plant rehabilitation and expansion, replacement of neighborhood water lines, and the Howard Hill elevated water storage tank. The current portion of the 2008 Bonds is $45 million. Future financing will need to be obtained for the completion of the new transmission line from Mountainburg to Fort Smith ($21 million) and for the remaining $33 million in wet weather sewer improvements.

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

Water Projects	2010	2011	2012	2013	2014
Distribution System Improvements and Fire Protection Improvements	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000	$ 3,500,000
Mountainburg Water Treatment Plant Rehabilitation and Expansion	20,877,310	8,385,710	-	-	-
Mountainburg Water Line Corridor Study & Right of Way Acquisition.	750,000	1,280,000		-	-
48" Mountainburg Water Line Engineering, Design, and Construction	-	1,530,000	6,600,000	10,950,000	-
30" Midland Avenue Water Line	2,800,000	-	-	-	-
24" Water Line Reduced Pressure Plane	450,000	2,550,000	7,050,000	2,000,000	-
Water Storage Tank-Painting	165,000	165,000	165,000	165,000	165,000
Chaffee Crossing 30" Water Line & 5.5 mg Ground Storage	-	2,000,000	4,000,000	-	-
LFS 4 Million Gallon Clearwell	1,418,000	-	-	-	-
LFS Treatment Plant Residual Lagoon Improvements	1,100,000	-	-	-	-
Water Projects Totals	$ 31,060,310	$ 19,410,710	$ 21,315,000	$ 16,615,000	$ 3,665,000

Wastewater Projects	2010	2011	2012	2013	2014
Wet Weather Neighborhood Collection System Improvements	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Wet Weather Wastewater Pump Station and Force Main Improvements	5,848,000	7,860,000	9,180,000	9,500,000	9,500,000
Wet Weather Relief Sewers	6,230,000	6,420,000	6,600,000	7,000,000	7,350,000
"P" Street Wet Weather Treatment Plant Improvements Phase 2	5,691,000	4,200,000	-	-	-
Rye Hill Development Area	625,000	2,675,000	-	-	-
Rye Hill Outfall Line	3,500,000	2,060,000	-	-	-
Pump Station Upgrades	1,000,000	440,000	-	-	-
Massard Waste Water Treatment Plant Expansion	-	-	-	2,200,000	6,000,000
Wastewater Projects Totals	$26,894,000	$27,655,000	$19,780,000	$22,700,000	$26,850,000
Total Water and Wastewater CIP	$57,954,310	$47,065,710	$41,095,000	$39,315,000	$30,515,000

Sales and Use Tax Bond Construction Funds

In September 2006, the City issued Sales and Use Tax Bonds, Series 2006, for the purchase of a new radio communication system for public safety use, including municipal utilities, and for wastewater wet weather improvements in response to the EPA administrative orders against the City. The $11.3 million radio project was substantially complete at the end of 2008. During 2008, an additional $950,000 in bonds were issued to complete the radio project. At the end of 2009, the radio project is expected to have a balance of $845,000 that will be spent during 2010. It is estimated that the radio project will be closed out by the middle of 2010.
The $49 million wastewater improvements will be spread over a three year period and will include treatment plant improvements, neighborhood sewer line improvements, relief sewers, and pump station improvements. During 2008, an additional $13.9 million in sales and use tax bonds was issued to fund more wet weather improvements. In September 2009, the City issued $29.15 million in Sales and Use Tax Construction Bonds to provide additional sewer wet weather impropvements. During the first quarter of 2010, the City will issue $3.595 million in Sales and Use Tax Construction Bonds that is remaining from the 2006 issue. The purpose of these bonds is for sewer wet weather improvements. These wet weather improvements are transferred from this fund to the Water and Sewer Operating Fund for capitalization purposes.

The original 2006 bond proceeds have been spent. At the end of 2009, approximately $5.2 million of the 2008 bonds proceeds and approximately $25 million of the 2009 bond proceeds remain to be spent. Along with the 2010 issue of $3.595 million, the following is the CIP for the Sales and Use Tax Bond Construction Fund for wastewater projects:

	2010	2011	2012
"P" Street Wet Weather Treatment Plant Improvements-Phase 2	$ 11,153,000	$ -	$ -
Neighborhood Relief Sewer Improvements	6,000,000	11,000,000	5,642,000
Total	$ 17,153,000	$ 11,000,000	$ 5,642,000

Sanitation Sinking/Landfill Construction Fund

The Sanitation Sinking/Landfill Construction Fund includes the beginning of the fifth phase of the sanitary landfill expansion during FY10. The total projected cost is $4.2 million and approximately $3.1 million will be spent during 2010. The FY10 transfers from the Sanitation Operating Fund includes future landfill expansion and convenience center ($800,000); equipment sinking fund ($962,000) as well as the charge for the annual landfill closure and postclosure care costs of $350,000. Equipment purchases planned for 2010 total $1,014,000. Therefore, the total capital improvements for 2010 total $4,114,000.

Sidewalk Construction Fund

The total capital improvements for the Sidewalk Construction Fund for 2010 is $630,000. Of this amount, $74,000 is allocated to complete the 2007 sidewalk program and $246,000 is allocated to complete the 2008 sidewalk program. The 2009 sidewalk program was approved in conjunction with the adoption of the street sales tax CIP in October 2009 in Resolution No. R-227-09. Funds for the FY09 program were generated by building permit assessment fees. The projects proposed for the FY09 sidewalk program to be completed during 2010 total $310,000 and include sidewalk construction around Tilles Elementary School and Darby Junior High School.

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 2010 for improvements or equipment total $9,142. These funds will be used for future years' capital needs.

Parking Authority Fund

There are no major capital improvements planned for the City's existing parking facility in FY10.

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 2010-2014. The 2010 projects are those actually funded.

	2010	2011	2012	2013	2014
Elm Grove Community Center **	$ 105,000	$ 105,000	$ -	$ -	$ -
Neighborhood Parks	-	300,000	300,000	150,000	150,000
Trails & Greenways	-	500,000	500,000	250,000	250,000
Contingency	-	50,000	50,000	50,000	50,000
Equipment	-	100,000	100,000	100,000	100,000
Creekmore Tennis Court Repair	-	-	-	-	-
Creekmore Community Centers Repair	-	250,000	-	250,000	-
Cisterna Fountain Renovation	-	-	-	-	-
Carol Ann Cross Park Fountains	-	-	-	-	60,000
Tilles Tennis Court-Resurface & Lighting	-	-	-	150,000	-
FSP Playground	-	-	-	100,000	-
River Park-Tension Cover for Ampitheater	-	25,000	-	-	-
FSP Parking & Fishing Pavilion	-	150,000	150,000	-	100,000
Total	$ 105,000	$ 1,480,000	$ 1,100,000	$ 1,050,000	$ 710,000

** This represents the note payments due annually through FY11.

Capital Outlay

In addition to the capital improvement projects included previously in this section, the City appropriates funds for capital outlay in the operating programs other than for fleet purchases for the Street and Traffic Control and Sanitation departments that are funded by a sinking account. A detail line item description of each piece of equipment or project which is directly related to a particular program is included in the Budget Supplement. The following is a schedule of capital outlay for the operating programs for FY10:

Land, Buildings and Related Improvements-		
Health Department Architect Design for Renovation	$ 55,000	
Sanitation Administration Building Remodel	30,000	
Sidewalk Extension-Transit Transfer Station	48,000	
Total Buildings and Related Improvements		133,000
Heavy Equipment -		
2 Dump Trucks-Replacements-Water & Wastewater	204,000	
Backhoe Loader-Replacement-Water & Wastewater	65,000	
TV Inspection Van-Replacement-Water & Wastewater	250,000	
Sewer Rodding Truck-Replacement-Water & Wastewater	98,000	
25 Passenger Cutaway Bus-Replacement Transit	70,000	
Automated Sideloader-Replacement-Sanitation	270,000	
Total Heavy Equipment		957,000
Water & Wastewater Plant & Systems		
Spectrophotometers (2) Replacements	35,000	
8,000 Gallon Chemical Storage Tank for Lee Creek-Addition	29,000	
Lime Trough for Lee Creek-Replacement	21,000	
Ion Chromatograph-Replacement	80,000	
Hydrolab-DS5 Water Quality Monitoring System-Replacement	15,000	
Pump Impellers (4)-Replacements	20,000	
		200,000
City Fleet-		
Replacement Vehicles:		
1/2 Ton Pickup-Customer Service	19,000	
1/2 Ton Pickup-Water & Wastewater	20,400	
1 Ton Truck w/Utility Bed-Water & Wastewater	34,200	
1 Ton Cab & Chassis w/Utility Bed (5)- Water and Wastewater	178,800	
1 Ton Cab & Chassis w/Utility Bed (5)- Water and Wastewater	42,000	
Total City Fleet		294,400

Miscellaneous Capital Outlay-		
Water Meters	130,000	
Automatic Refuse Carts-Sanitation	300,000	
Recycling Containers-Sanitation	285,000	
Solid Waste Commercial Compactors & Containers	258,000	
Solid Waste Roll-Off Compactors & Containers	138,600	
Convert Medical Files to Meet HIPPA Compliance-Health Department	15,000	
Ticketing System-Convention Center	35,000	
Tire Changer & Balancer-Transit	33,000	
Total Miscellaneous		1,194,600
Grand Total Direct Capital Outlay for Operating Programs		$ 2,779,000

Reconciliation of Total Capital Outlay:

Capital Outlay -	
Operating Funds (see page 74)	$ 2,744,000
Convention Center	35,000
Total	$ 2,779,000

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 2010 are as follows:

Streets and Traffic Control:	
2010 Depreciation	$ 222,800
Planned Fleet Purchases in 2010:	
Air Compressor (Replacement)	$ 13,800
Backhoe w/Jaw Bucket (Replacement)	85,000
3/4 Ton Pickup (Replacement)	31,800
Total	$ 130,600
Sanitation:	
2010 Depreciation	$ 962,000
Planned Fleet Purchases in 2009:	
Commercial Front Loader (Replacement)	$ 270,000
Knuckle Boom Truck (Addition)	180,000
Roll Off Truck (Replacement)	170,000
2 Ton Diesel Dual Purpose Utility Bed Truck (Replacement)	110,000
Compactor Lease Payment	197,410
4 WD Farm Truck (Replacement)	72,000
15' Brush Hog (Replacement)	15,000
	$ 1,014,410

Effects of Capital Improvements on Operating Budgets

The capital improvements the City is undertaking as identified in this section will enhance the City and provide improved service to its citizens and surrounding areas. A majority of the planned improvements for 2010 involve infrastructure, and, as such, those improvements will not have an impact on the operating budget for the current year. The projects that will impact the operating budget are as follows:

- Once there is significant development plans for use of the property in the recently annexed Chaffee Crossing area, the City will incur operating costs associated with providing public safety services, street maintenance, and water and sewer system maintenance. The costs for these services range from $1.6 million to $2 million annually. The City does not expect to incur significant operating costs during 2010. Infrastructure related costs for Chaffee Crossing include water improvements of $3.6 million, wastewater improvements of $24.3 million, and a fire station at an approximate cost of $2 million. The City has not identified revenue sources to fund these projects which may be necessary to begin as early as 2011.
- The City's other significant capital projects include street infrastructure, water improvements, and wastewater upgrades and repairs. These projects will not impact the operating budget for FY10. Once the Mountainburg water treatment plant expansion and rehabilitation is completed at the end of FY11, the City will evaluate the cost savings expected from the new equipment beginning in FY12. The City has not estimated this amount.

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Budget Organizational Structure

A separate budget is presented for each fund listed in the fund structure on pages 38-39. Each fund's budget is presented on pages 43-51 in the Budget Summaries - All Funds section of this document. It is important to note that the City is legally required, by state law, to adopt a budget for the General Fund and Street Maintenance Fund. An annual budget is approved for the Water and Sewer Operating Fund and Sanitation Operating Fund as well. These four funds are referred to as the operating funds and a major portion of this document is devoted to the operating funds.

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

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

4303 Collections	33% General Fund; 10% Street Sales Tax Fund; 8% Street Maintenance Fund; 37% Water and Sewer Operating Fund; 12% Sanitation Operating Fund
4304 Utility Billing/ Customer Service	3% General Fund; 2% Street Sales Tax Fund; 5% Street Maintenance Fund; 75% Water and Sewer Operating Fund; 15% Sanitation Operating Fund
4306 Purchasing	Same as Program 4303
4401 Info. & Tech. Services	40% General Fund; 25% Street Sales Tax Fund; 5% Street Maintenance Fund; 20% Water & Sewer Operating Fund; 10% Sanitation Operating Fund
6912 Public Parking Personnel	100% Parking Authority Fund
6921 Public Parking Deck	100% Parking Authority Fund

Development Services

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

Police Services

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

Fire Services

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

Operation Services -
Streets and Traffic Control

5101	Administration	100% Street Maintenance Fund
5302	Street Construction	100% Street Maintenance Fund
5303	Street Drainage	100% Street Maintenance Fund
5304	Street Maintenance	100% Street Maintenance Fund
5401	Traffic Control Operations	100% Street Maintenance Fund
5402	Signals	100% Street Maintenance Fund
5403	Street Lighting	100% Street Maintenance Fund
5405	Sign Shop	100% Street Maintenance Fund

Operation Services -
Water and Sewer

5501	Utility Administration	100% Water and Sewer Operating Fund
5601	W/WW Treatment Administration	100% Water and Sewer Operating Fund
5603	Sewer Treatment	100% Water and Sewer Operating Fund
5604	Water Treatment	100% Water and Sewer Operating Fund
5605	Laboratory Services	100% Water and Sewer Operating Fund
5606	Wastewater Equip. Maint.	100% Water and Sewer Operating Fund
5608	Sludge Disposal	100% Water and Sewer Operating Fund
5609	Industrial Waste Monitoring	100% Water and Sewer Operating Fund
5610	Water Line Maintenance	100% Water and Sewer Operating Fund
5611	Sewer Line Maintenance	100% Water and Sewer Operating Fund
5612	Sewer Line Construction	100% Water and Sewer Capital Improvement Projects Fund
5613	Metering/Trans. Line Maint.	100% Water and Sewer Operating Fund
5615	W/WW Line Maint. Admin.	100% Water and Sewer Operating Fund
5616	Water Stationary Equip. Maint.	100% Water and Sewer Operating Fund
5618	Debt Service	100% Water and Sewer Operating Fund

Operation Services -
Parks and Recreation Services

6101	Health	100% General Fund
6201	Parks (Personnel & Operating Accounts)	83.5% General Fund; 16.5% Street Maintenance Fund
6201	Parks (Capital Outlay)	100% General Fund
6202	Oak Cemetery	100% General Fund
6204	Community Centers	100% General Fund
6205	Aquatics	100% General Fund
6206	Riverfront/Downtown	100% General Fund
6207	The Park at West End	100% General Fund

Operation Services -
Convention Center

6203	Convention Center	100% Convention Center Fund

Operation Services -
Sanitation

6301	Administration	100% Sanitation Operating Fund
6302	Residential Collection	100% Sanitation Operating Fund
6303	Commercial Collection	100% Sanitation Operating Fund
6304	Fleet & Grounds Maintenance	100% Sanitation Operating Fund
6305	Sanitary Landfill	100% Sanitation Operating Fund
6306	Debt Service	100% Sanitation Operating Fund
6307	Roll-0ff Collection	100% Sanitation Operating Fund

Operation Services -
Transit

6550	Public Transit	100% General Fund

Non-Departmental

6870	Convention and Visitors Bureau	100% Advertising and Promotion Fund

Budget and Budgetary Control

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

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

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

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

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

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

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

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

Accounting System Control

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

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

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

Classification of Revenue Sources-Operating Funds

GENERAL FUND

Intergovernmental

State Turnback-General

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

Transit Reimbursement

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

Airport Security Reimbursement

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

Taxes and Assessments

Franchise Taxes

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

Ad Valorem Taxes

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

County Sales Tax

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

Court Fines and Forfeitures

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

Licenses and Permits

Occupation Licenses

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

Construction

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

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

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

Service Charges and Fees

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

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

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

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

Parks/Aquatics
Revenue derived from the operation of recreational activities, e.g. riverfront facilities, miniature golf course, train and swim pools/aquatic facilities, as well as recreation programs.

Cemetery
Sale of cemetery plots at Oak Cemetery and the fees for grave opening and closing.

Animal Pound
Revenue derived from the impoundment of animals. Impoundment fee is $10.00, and maintenance fee is $3.00 per day. Animal control service is provided by the Sebastian County Humane Society.

False Alarm Fees
Fees generated from excess false alarm responses by the police department.

Transit System
Fares, charter fees and other program income derived from the public transit system. The bus advertising revenue is included within this category.

Miscellaneous

Reimbursement from Airport Commission
Revenue received for processing Airport payroll.

Interest Earned
Revenue derived from the investment of idle monies of the General Fund.

Other
Miscellaneous revenues received from such items as photo copy charges, chemical analysis fees and sale of capital assets.

Sebastian County
Reimbursement by the County for its participation in the expenditures of the District Court (30%), the Health Center (50%) and District Court-Sebastian County (100%).

Reimbursement from Enhanced 9-1-1 Fund
Revenue received in support of the dispatch program from the Sebastian County 911 Fund.

Transfers

Transfer From Sales Tax Fund
Reimbursement from the Sales Tax Fund for administrative, engineering, and financial services borne by the General Fund in support of the Sales Tax Program.

Transfer from A&P Fund
Collection fee charged to the Advertising and Promotion (A&P) Fund for services provided by the Finance Department.

Transfer from the Convention Center Fund
Closure of the Convention Center Fund to the General Fund is anticipated for FY11. Depending on the funding option chosen for the Convention Center, this transfer may be made to a different fund.

Transfer from the Street Maintenance Fund
Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

Transfer from the Water and Sewer Operating Fund
Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

Transfer from the Sanitation Operating Fund
Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

Street Maintenance Fund

Intergovernmental

State Turnback-Gasoline Tax
Monies collected by the state from fees for registration and licensing of vehicles and gasoline tax which is returned to a municipality based on that municipality's population. The revenue is to be utilized for the maintenance, construction and reconstruction of streets which are not a continuation of State highways.

Taxes and Assessments

Ad Valorem
One-half of the annual three (3) mill road tax levied by Sebastian County. The revenue is to be used for the purpose of making and repairing streets and bridges within City limits.

Miscellaneous

Interest Earned
Revenue received from the investment of idle monies of the Street Maintenance Fund.

Other
Revenue derived from miscellaneous sources such as sale of capital assets, charges for street cut permits and oil and gas lease royalties.

Water and Sewer Operating Fund

Service Charges and Fees

Water Sales
Revenue derived from charges to residential, commercial and industrial customers for water services. Rates are established by the Board of Directors.

Contract Water Sales
Revenue derived from the sale of water to customers who are private, public or municipal entities and the U.S. Army (Fort Chaffee) which have contracts with the City for such services. Rates are established by the Board of Directors.

Monthly Customer Charges
Fees charged to utility customers for turning service on/off, tampering, and testing.

Fire Protection
Revenue derived from charges for water usage for commercial and industrial concerns which have sprinkler systems for fire protection.

Installations - Water Service
Revenue received from charges for installation and tapping of service lines within City controlled right-of-ways and easements.

Sewer Service Charges
Revenue received from charges to residential, commercial and industrial customers for sanitary sewer services. Rates are established by the Board of Directors.

Sewer Connection Charges
Revenue received from charges for connecting and tapping sewer service lines within City controlled right-of-ways and easements.

Industrial Waste Monitoring Fee
Revenue derived from industries for monitoring and testing as required in the Pretreatment Program.

Miscellaneous

Interest Earned
Revenue derived from the investment of idle monies of the Water and Sewer Operating Fund.

Other
Revenue derived from items such as rentals, oil and gas leases, and sale of capital assets.

Sanitation Operating Fund

Service Charges and Fees

Residential Collections
Revenue derived from the monthly billing to residential customers (single family dwelling units) for trash collection. Rates are established by the Board of Directors.

Commercial Collections
Revenue derived from the billing of commercial customers for sanitation services Rates are established by the Board of Directors.

Sanitary Landfill Operations
Revenue derived from charges for use of the sanitary landfill. Rates are established by the Board of Directors.

Roll-Off Collections
Revenue derived from charges for roll-off container services to industrial customers electing to sign a contract for such services. Rates are established by the Board of Directors.

Sale of Methane Gas
Revenue derived from the operation of a third party vendor that captures methane gas from the landfill and sells it. The City receives a percentage of the revenue generated by the operation.

Recycling Operations
Revenue derived from charges for recycling material. The City receives a portion of revenue earned from a contractual source.

Miscellaneous

Interest Earned
Revenue derived from the investment of idle monies of the Sanitation Operating Fund.

Other
Revenue derived from miscellaneous items such as the sale of capital assets.

Debt Service
Summary of Debt Service Requirements By Purpose

Purpose	FY10 Principal and Interest	Principal/Interest Outstanding	Year of Retirement	Original Issue
Water and Sewer Revenue Refunding and Construction Bonds-Series 2002 (B&C)	$ 4,227,350	$ 28,389,200	$ 2023	$ 111,755,000
Water and Sewer Revenue Refunding Bonds- Series 2005A	2,151,633	19,350,088	2019	17,605,000
Water and Sewer Revenue Bonds- Series 2005B	309,795	10,011,023	2025	7,330,000
Water and Sewer Revenue Bonds- Series 2007	1,891,169	32,109,050	2027	24,470,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2008	6,419,179	212,277,453	2032	117,420,000
Parking Facilities Refunding and Improvement Revenue Bonds- Series 1998	137,413	837,373	2017	2,025,000
Solid Waste Refunding Revenue Bonds - Series 2002	1,103,220	1,102,930	2011	6,305,000
Sales & Use Tax Bonds Series 2006	10,789,313	34,401,378	2012 *	84,935,000
Sales & Use Tax Bonds Series 2008	2,945,406	10,852,506	2012 *	15,815,000
Sales & Use Tax Bonds Series 2009	699,300	31,586,575	2014	29,150,000
Total	**$ 30,673,778**	**$ 380,917,576**		**$ 416,810,000**

* Estimated maturity date based upon mandatory redemption requirements.

The Water and Sewer Refunding and Sewer Construction Revenue Bonds, Series 2002, the Water and Sewer Revenue Refunding Bonds, Series 2005A, the Water and Sewer Revenue Bonds Series 2005B, the Water and Sewer Revenue Bonds, Series 2007, and the Water and Sewer Refunding and Construction Revenue Bonds, Series 2008, are collateralized by the operating revenue of the water and sewer utility system. The Series 2002 Bonds were issued for the purpose of providing a portion of the financing for the Lake Fort Smith water supply expansion project ($95.73 million of the original par), financing a portion of the costs for improvements to the City's water system ($8.19 million of the original par), and to advance refund $7.64 million of the 1994 Series Bonds ($7.835 million of the original par). The Series 2005A Water and Sewer Revenue Refunding Bonds were issued to refund a portion of the outstanding Series 1999 Water and Sewer System Revenue Bonds ($16.375 of the original par). The Series 2005B Water and Sewer Revenue Construction Bonds were issued to provide financing for water improvements in the southern areas of the City, extension of water service lines, construction of an elevated water tank, and painting for an elevated water tank. The Series 2007 Bonds were issued to provide financing for new sewer pump stations, sewer extensions in the southern growth area of the city, Mountainburg water treatment plant rehabilitation and expansion, Midland Boulevard water transmission line replacement, neighborhood water line replacements, new water transmission line from Mountainburg to the City, water storage tank painting, Lee Creek water treatment plant instrumentation, and water transmission system metering. The Series 2008 Bonds were issued to advance refund the Series 2002A Bonds, to provide financing for sewer extensions in the growth areas of the City, Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacements, and the Howard Hill elevated storage tank. The Water and Sewer Operating Fund provides for the current year's debt service. If revenue in a particular year were not estimated to be sufficient to provide for the operation of the system and current debt service, the rates of the system would be increased. Water and sewer rate increases effective January 1, 2010 are anticipated to provide sufficient additional revenue to provide for debt service requirements during 2010.

In October 1998, the City issued $2.025 million in Parking Facilities Refunding and Improvement Revenue Bonds. The purpose of the bonds was to refund the Series 1991 Bonds and provide funds to increase the City provided parking lots in the downtown area. The bonds are collateralized by the revenues derived from the operation of the parking facilities in downtown, including the parking deck, surface parking lots and parking meters. It is estimated that system revenues will be sufficient to cover debt service in 2010.

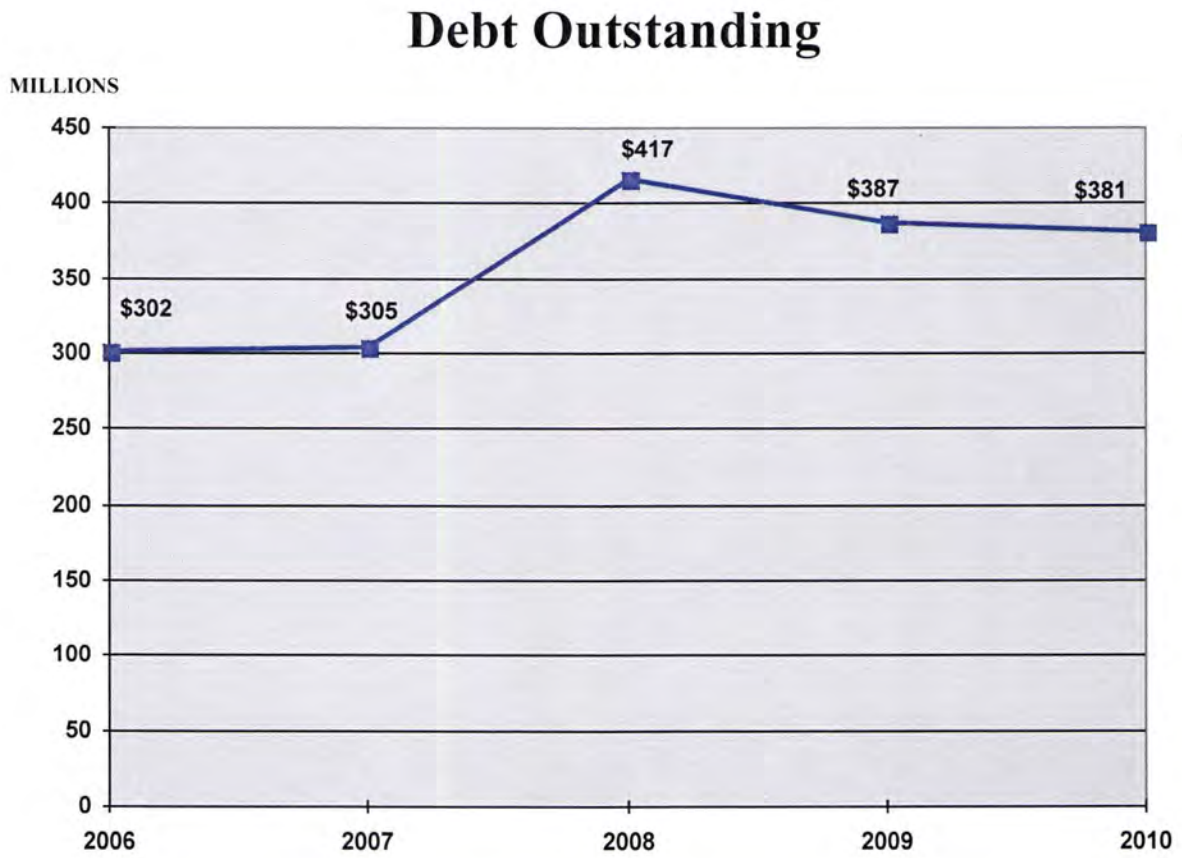
The Solid Waste Refunding Revenue Bonds, Series 2002 are collateralized by the operating revenue of the sanitation collection and landfill disposal system. The Series 2002 Bonds were issued in September to refund the Series 1995 Solid Waste Refunding and Construction Revenue Bonds. Rates should be sufficient to provide the required debt service in 2010.

The Sales & Use Tax Bonds, Series 2006, are collateralized by a one percent (1%) local sales tax which was approved by voters on May 16, 2006. This sales tax is an extension of the sales tax authorized for the 2001 Sales & Use Tax Bonds which were refunded ($24.9 million) by the 2006 Bonds. The 2006 Bonds were also issued to purchase a new radio communication system ($11.3 million) for public safety purposes and to provide wastewater improvements ($48.8 million). It is anticipated that these bonds will be retired in 2012 prior to the stated maturity date of 2015 due to the mandatory redemption requirements.

The Sales and Use Tax Bonds, Series 2008, are collateralized by the same one percent (1%) local sales tax as the 2006 Series bonds. This sales tax issue includes additional funds for wastewater improvements including wet weather improvements and for the radio communications system purchase. It is anticipated that these bonds will be retired during 2012 due to the mandatory redemption requirements.

The Sales and Use Tax Bonds, Series 2009, are collateralized by the same one percent (1%) local sales tax as the 2006 and 2008 Series bonds. This issue is to provide funds for wastewater improvements including wet weather improvements. The sales tax will be used to pay debt service requirements on the 2009 issue once the 2006 and 2008 issues are redeemed.

The following graph reflects the debt outstanding at December 31, 2006 through 2010.



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, 2010, is:

Assessed Property Value	$ 1,325 million
Debt Limit Per State Statute (25% of Assessed Property Value)	$ 331 million
General Obligation Bonds Outstanding @ December 31, 2010	0
Legal Debt Margin	$ 331 million

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 9) whereby annual payments should not exceed 25% of total operating revenue. In 2010, the calculation is as follows:

	Water & Sewer Revenue Bonds	Solid Waste Revenue Bonds
2010 Debt Service Payment	$ 15,348,860	$ 1,103,220
Operating Revenue (Service Charges & Fees)	$ 36,676,870	$ 13,942,200
Debt Service as a % of Operating Revenue	42%	8%
Policy Limit	25%	25%

The policy is met for the solid waste revenue bonds. Although the policy is not expected to be met in FY10 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.

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, 2009.

For the Fiscal Year Ended 12/31/09

Primary Government
Water and Sewer Revenue Bonds

	2002 Series			2005A Series			2005B Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	3,010,000	1,217,350	4,227,350	1,445,000	706,632	2,151,632	0	309,795	309,795
2011	3,145,000	1,076,150	4,221,150	1,505,000	645,220	2,150,220	0	309,795	309,795
2012	3,300,000	923,725	4,223,725	1,565,000	581,258	2,146,258	0	309,795	309,795
2013	1,060,000	753,000	1,813,000	1,630,000	518,657	2,148,657	525,000	309,795	834,795
2014	1,110,000	705,300	1,815,300	1,700,000	453,458	2,153,458	545,000	288,795	833,795
2015-2019	6,415,000	2,649,550	9,064,550	9,560,000	1,191,495	10,751,495	3,090,000	1,084,830	4,174,830
2020-2024	6,425,000	826,475	7,251,475	0	0	0	3,070,000	373,638	3,443,638
2025-2029	0	0	0	0	0	0	100,000	4,375	104,375
2030-2032	0	0	0	0	0	0	0	0	0
TOTAL	24,465,000	8,151,550	32,616,550	17,405,000	4,096,720	21,501,720	7,330,000	2,990,818	10,320,818

Water and Sewer Revenue Bonds (Continued)

	2007 Series			2008 Series			Total Water & Sewer Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	870,000	1,021,169	1,891,169	585,000	5,834,178	6,419,178	5,910,000	9,089,124	14,999,124
2011	900,000	986,368	1,886,368	620,000	5,810,779	6,430,779	6,170,000	8,828,312	14,998,312
2012	940,000	950,369	1,890,369	645,000	5,785,979	6,430,979	6,450,000	8,551,126	15,001,126
2013	975,000	912,768	1,887,768	1,160,000	5,760,179	6,920,179	5,350,000	8,254,399	13,604,399
2014	1,015,000	873,769	1,888,769	1,200,000	5,713,779	6,913,779	5,570,000	8,035,101	13,605,101
2015-2019	5,720,000	3,726,244	9,446,244	6,910,000	27,686,299	34,596,299	31,695,000	36,338,418	68,033,418
2020-2024	7,145,000	2,300,719	9,445,719	23,035,000	24,861,750	47,896,750	39,675,000	28,362,582	68,037,582
2025-2029	5,180,000	483,813	5,663,813	45,445,000	16,822,938	62,267,938	50,725,000	17,311,126	68,036,126
2030-2032	0	0	0	37,055,000	3,765,750	37,055,000	37,055,000	3,765,750	40,820,750
TOTAL	22,745,000	11,255,219	34,000,219	116,655,000	102,041,631	214,930,881	188,600,000	128,535,938	317,135,938

5 Year Debt Maturity Disclosure
For the Fiscal Year Ended 12/31/09

Primary Government:
Solid Waste Revenue Bonds

	2002 Series		
	Principal	Interest	Total
2010	1,020,000	83,220	1,103,220
2011	1,060,000	42,930	1,102,930
TOTAL	2,080,000	126,150	2,206,150

Primary Government:
General Fund Promissory Notes

	2006 Series		
	Principal	Interest	Total
2010	475,000	29,181	504,181
2011	495,000	9,900	504,900
TOTAL	970,000	39,081	1,009,081

Primary Government:
Sales & Use Tax Bonds

	2006 Series			2008 Series			2009 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	8,970,000	1,819,312	10,789,312	2,465,000	480,406	2,945,406	0	699,300	699,300
2011	9,390,000	1,400,250	10,790,250	2,560,000	386,681	2,946,681	0	699,300	699,300
2012	9,825,000	968,670	10,793,670	2,665,000	284,282	2,949,282	0	699,300	699,300
2013	10,300,000	489,458	10,789,458	2,765,000	184,344	2,949,344	14,425,000	699,300	15,124,300
2014	1,950,000	78,000	2,028,000	1,930,000	77,200	2,007,200	14,725,000	338,675	15,063,675
TOTAL	40,435,000	4,755,690	45,190,690	12,385,000	1,412,913	13,797,913	29,150,000	3,135,875	32,285,875

	Total Sales & Use Tax Bonds		
	Principal	Interest	Total
2010	11,435,000	2,999,018	14,434,018
2011	11,950,000	2,486,231	14,436,231
2012	12,490,000	1,952,252	14,442,252
2013	27,490,000	1,373,102	28,863,102
2014	18,605,000	493,875	19,098,875
TOTAL	81,970,000	9,304,478	91,274,478

Component Unit
Parking Authority

	1998 Series		
	Principal	Interest	Total
2010	100,000	37,412	137,412
2011	105,000	33,012	138,012
2012	110,000	28,340	138,340
2013	115,000	23,390	138,390
2014	120,000	18,042	138,042
2015-2017	265,000	19,589	284,589
TOTAL	815,000	159,785	974,785

Glossary of Key Budget Terms

AHTD - Arkansas Highway and Transportation Department.

ADEQ - Arkansas Department of Environmental Quality formerly the Arkansas Economic Development Commission (ADEC).

Accrual Basis- The recording of the financial effects on a government of trnsactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Appropriation-An authorization made by the City Board of Directors which permits the City to incur obligations and to make expenditures/expenses of resources.

Assessed Property Values-20% of the actual value assigned to real and personal property by the Sebastian County Assessor as a basis for levying taxes.

Balanced Scorecard- A measure of strategic performance for an organization. Targets are set for each major strategy and measured to actual results at yearend.

Basis of Accounting-Timing of recognition for financial reporting purposes, i.e. when the effects of transactions or events should be recognized in financial statements.

Basis of Budgeting-The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Bond - A certificate of debt issued by an entity guaranteeing payment of the original investment plus interest by a specified future date.

Budget - A financial plan for a specified period of time, e.g. fiscal year, that presents all planned revenues and expenditures/expenses for various municipal services.

Budget Amendment - A legal procedure utilized by the board of Directors and the City Administrator to revise a budget appropriation.

Budget Calendar - A schedule of key dates which City officials follow in the preparation, adoption and administration of the budget.

Budget Message - The opening section of the budget which provides the Mayor, Board of Directors and the public with a general summary of the most important aspects of the annual operating budget, changes from the current and previous fiscal years, and the views and recommendations of the City Administrator.

Capital Assets- Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. The City's capitalization threshold is $5,000 for a single item with an estimated life of three years or more for all assets other than infrastructure which has a threshold of $250,000.

Capital Improvement Program(CIP) - A financial plan for construction of physical assets such as streets, bridges, buildings and recreational facilities.

CBID- Central business improvement district. An area in the downtown area whereby economic development is managed by a Board appointed commission.

COLA- Cost of living adjustment.

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

Component Unit- A legally separate organization for which the City, as primary government, is financially accountable. The Parking Authority and the Advertising and Promotion Commission are component units of the City of Fort Smith.

Comprehensive Annual Financial Report (CAFR) - The official annual report of the City. A financial report that contains, at a minimum, introductory, financial and statitical sections, and whose financial section provides information on each individual fund and component unit.

Consumer Price Index(CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

Contingency/Reserve Balance- The amount of funds required to be reserved in each fund to meet unexpected claims and emergency type purchases.

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 Authority

FTE- Full time equivalent which represents the positions authorized.

Fund - A fiscal and accounting entity with a self-balancing set of accounts established and maintained for a specific purpose or to attain a certain objective in accordance with legal or administrative restrictions.

Fund Balance - The fund equity of governmental and similar trust funds. The amount reflected for budget purposes is the total amount available for appropriation which includes the contingencies for such funds.

Funding Source - Revenue plus the prior year's unencumbered fund balance/working capital.

General Obligation Bonds - Bonds which are secured by the full faith and credit of a government and for which repayment is provided by a general tax.

HNTB Planners- A consulting firm employed to prepare updated zoning codes as well as other planning department documents.

Hotel/Motel Tax - A tax assessed upon hotel/motel establishments within the City based upon occupancy. The tax is presently three percent of room rates.

ICMA-RC- International City Management Association Retirement Corporation.

IEC-Innovations and Entrepreneurship Center- an initiative among UAFS, the Fort Smith Chamber of Commerce, and the City of Fort Smith to assist with starting new businesses and support of existing concerns.

Intergovernmental Revenues - Revenues received from other governments including the Federal, state, and county governments.

IPMC- International Property Maintenance Code.

Line-Item Budget - A budget that lists each expenditure/expense account code classifications for each program separately, along with the dollar amounts budgeted for each specific classification.

LMI- Low to Moderate Income- As defined by HUD to be a location of economic disadvantage.

Mission Statement- The basic purpose for the City's existence.

Modified Accrual- A governmental fund-type measurement focus whereby revenues and other financial resources are recognized when they become susceptible to accrual, i.e. when they become both measurable and available to finance expenditures of the current period. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred.

Net Assets- Assets less liabilities of a fund.

Non-Departmental - Expenditure/expense items of a particular fund which do not relate directly to an operating program.

OPEB- Other Post Employment Benefits- The City provides health care benefits to retired persons until they attain the age eligible for Medicare

Operating Budget - The financial plan for the fiscal year for funds which have legally adopted budgets. The funds are General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and Sanitation Operating Fund.

Operating Funds - Refers to the four funds for which an appropriated budget is adopted. The four funds are the General Fund, Street Maintenance Fund, the Water and Sewer Operating Fund and the Sanitation Operating Fund.

Operating Expenditures/Expenses - Expenditures/Expenses of the four operating funds which are used as a basis for determining contingency reserve. Expenditures/Expenses which are excluded from this category are interfund transfers.

Primary Government- A term used in connection with defining the financial reporting entity. The City of Fort Smith is a general purpose local government and it is a primary government.

Program - An operating unit within a division of the City organizational structure. Each program represents a specific type of activity within its division aimed at providing a service for which the City is responsible.

Revenue - Increases in net assets of a fund.

Revenue Bonds - Bonds which are secured by a pledge of revenues generated by the operation of the system for which the bonds were issued. The bonds do not constitute a charge against the general credit or taxing power of the government.

Service Objective- A performance effort by departments to accomplish the goals established by the Board of Directors.

Sinking Account- An account established to reserve funds for purchase and replacement of fleet for City programs. An annual fleet depreciation amount is allocated to the account each year. Currently, the Street Maintenance and Sanitation Operating funds follow this process.

SRO- School Resource Officer.

TEC- A traffic engineering consulting firm employed to prepare an updated master street plan as well as other engineering department documents.

Tipping Point Report- A report commissioned by the Chamber of Commerce to provide strategies to improve the economic growth in the region.

UAFS- University of Arkansas at Fort Smith.

Unencumbered Balance - The amount of an appropriation which is neither expended nor encumbered and is available for future use.

Values Statement- The City's basic values for providing services.

Vision Statement- The City's views for what level services are provided and how those services are provided by its personnel.

Working Capital - A term used to describe current assets less current liabilities for the enterprise and internal service funds. The amount reflected for budget purposes includes all monies available for appropriation including contingencies of such funds.

Fort Smith Notes

Fort Smith is located in western Arkansas and the Arkansas river divides Fort Smith from the border of Oklahoma. On December 25, 1817, an army post under the command of Major William Bradford was established entitled "Camp Smith" after Thomas A.Smith who ordered its establishment .The site was at La Belle Point on the Arkansas River in what is now Fort Smith. Captain John Rogers, known as the founder of Fort Smith, arrived in 1822.

In 1840, the town of Fort Smith was organized. The first municipal election was conducted January 14, 1841 with Charles A. Birnie elected as Mayor. On December 24, 1842, Fort Smith was incorporated as a town.

The Commission form of city government was established in 1913. On March 28, 1967, the City Administrator form of government replaced the Commission form. The governing body is the Board of Directors which is comprised of the Mayor and seven (7) directors. Three (3) of the directors are elected at large and four (4) directors are elected from four (4) equally populated wards.

Fort Smith is known as the manufacturing capital of the state. Although service type industries, such as health and social services, have created most of the new jobs in the Fort Smith area, manufacturing remains a significant source of jobs for the area. Manufacturing in the Fort Smith area averages 80 jobs per place of business compared to the United States average of 39 jobs per business and the state of Arkansas average of 56 jobs per business. Manufacturing produces the largest number of jobs in the area accounting for 28.9% of total employment. Retail trade accounts for 12.9% of total employment.

City of Fort Smith Arkansas

Miscellaneous Statistical Data

General Information:

Form of Government	City Administrator
Area	92.4 square miles
County	Sebastian
Time Zone	Central
Area Code	479
City Population	83,461 (2006 Estimated)
Date of Incorporation	December 24, 1842
Date Form of Government Adopted	March 28, 1967
Miles of Street	505 miles
Number of Street Lights	6,029
Number of Traffic Signals	146
Water Supply	Lake Fort Smith and Lee Creek Reservoir
Annual Precipitation	45.92 inches (average)
Temperature Averages	Winter: 40 degrees F/5 degrees C
	Summer: 60.8 degrees F/28 degrees C

Fire Protection:

Number of Stations	10
Number of Firefighters and Officers	129

Police Protection:

Number of Stations	1
Number of Sub Stations	10
Number of Police Members and Officers	167

Municipal Water Department:

Number of Consumers	32,829
Number of Contract Communities	13
Production Capacity	59,000,000 gallons
Average Daily Production	23,567,000 gallons
Maximum Daily Consumption	37,004,000 gallons
Miles of Water Main	626 miles

Municipal Wastewater Department:

Number of Customers	29,984
Number of Contract Communities	1
Sanitary Sewers	515.7
Average Daily Sewer Flow	18,231,000 gallons

Municipal Solid Waste System:

Number of Accounts	26,174
Average Annual Refuse Collections	99,635.8 tons
Average Annual Refuse Disposal	286,017.9

Recreation and Culture:

Number of City Parks	25
Park Acreage	273.21
Trails and Greenways	3.9
Number of Swim Pools	1
Number of Wading Pools	3
Number of Community Centers	5
Splashpad	1
Number of Libraries	4 (67,000 square foot main and three neighborhood branches)
Number of Volumes	293,804
Convention Center	
Theater	
Area	1,331 seats with 4,200 square feet of stage
Number of Event Days	69
Exhibition Hall	
Area	40,000 square feet of space
Number of Event Days	119

City of Fort Smith
Schedule of Building Permits Issued for New Construction
For the Fiscal Year Ended December 31, 2000 through
December 31, 2009

	Commercial Construction		Residential Construction	
Fiscal Year	Number of Units	Value	Number of Units	Value
2000	88	$32,890,175	209	$27,388,944
2001	54	$51,903,874	290	$33,932,448
2002	71	$45,602,511	551	$48,343,083
2003	72	$50,705,144	481	$36,931,529
2004	48	$18,970,339	394	$42,274,420
2005	96	$64,341,825	428	$46,397,342
2006	84	$58,517,215	342	$31,729,635
2007	57	$80,762,587	402	$34,661,039
2008	67	$107,390,575	350	$37,681,093
2009	45	$44,192,081	514	$40,173,803

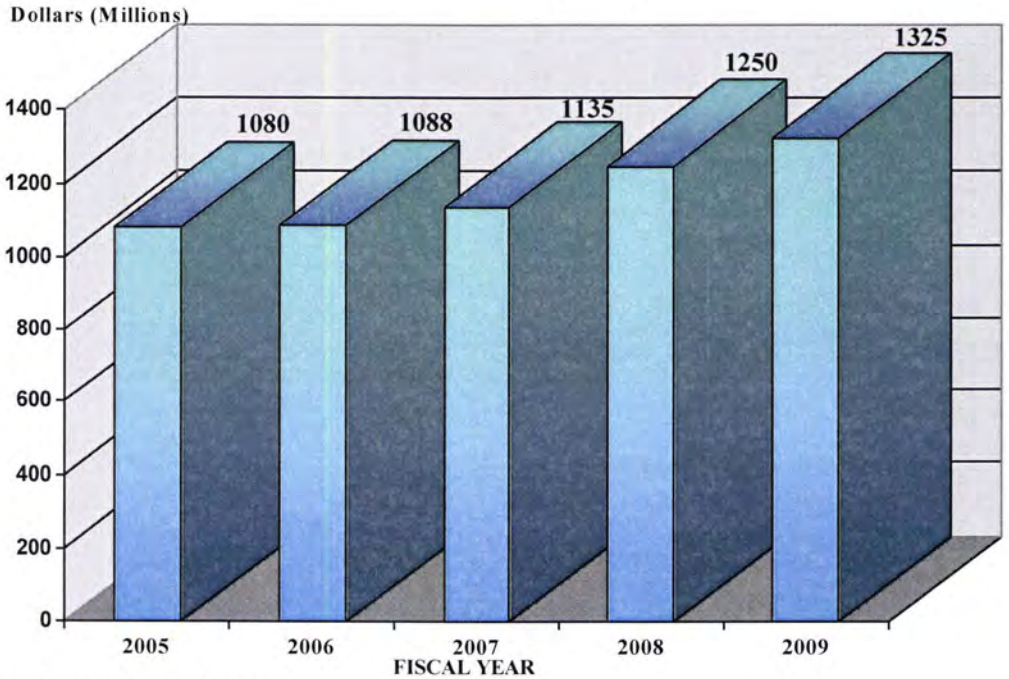
Source: City of Fort Smith Building Safety Department

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

Company	Product	# Employees
Sparks Health System	Medical/Surgical Services	4,748
Baldor Electric	Electric Motors & Grinders	2,262
O K Foods	Poultry Processor	2,200
Fort Smith Public Schools	Primary & Secondary Education	2,170
Whirlpool Corp.	Ice-Makers-Refrigerators	1,800
St. Edward Medical Center	Medical/Surgical Services	1,774
Rheem-Ruud	Central Heating-A/C Equipment	1,702
University of Arkansas at Fort Smith	Higher Education	946
City of Fort Smith	Local Government	914
Arkansas Best Corporation	Trucking and Transportation	898

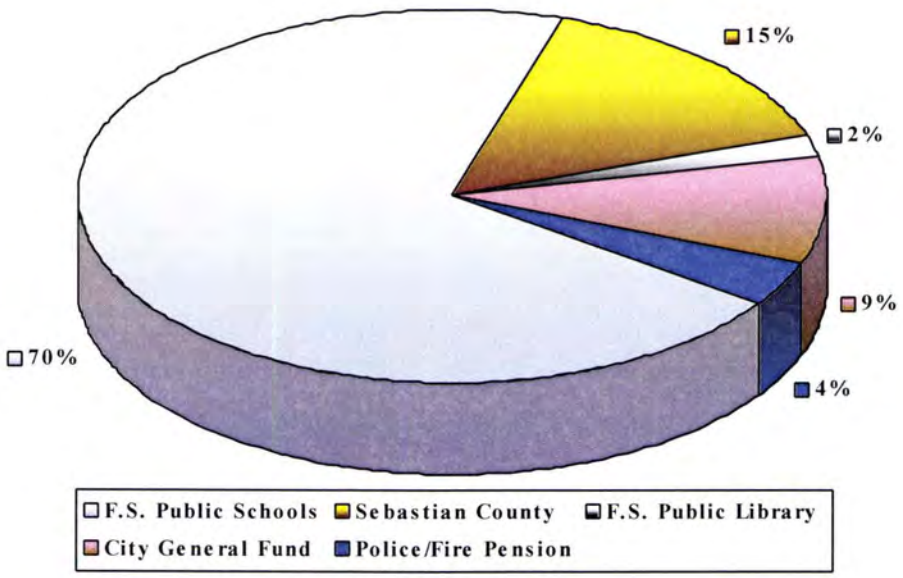
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City limits.

Assessed Property Valuation



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

Allocation of Real Property Tax Rates For Taxes Payable FY10 for Overlapping Governments Within The City Limits



Source: Sebastian County Clerk's Office

Personnel Count Comparison

	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Policy & Administration Services Division				
4100 Mayor	2.00	2.00	2.00	2.00
4101 Board of Directors	7.00	7.00	7.00	7.00
4102 City Administrator	3.00	3.00	3.00	3.00
4111 Economic Development	2.00	2.00	2.00	2.00
4201 District Court	17.00	17.00	17.00	18.00
4202 City Prosecutor	2.00	2.00	2.00	2.00
4203 Public Defender	0.00	0.00	0.00	0.00
4204 City Attorney	0.00	0.00	0.00	0.00
4206 District Court-State Division	1.00	1.00	1.00	1.00
4405 Internal Audit	1.00	1.00	1.00	1.00
Total Policy & Administration Services Division	35.00	35.00	35.00	36.00
Management Services Division:				
4104 Human Resources	4.00	4.00	4.00	4.00
4105 City Clerk	2.63	2.63	2.63	3.00
4301 Finance	11.00	11.00	11.00	11.00
4303 Collections	6.00	6.00	6.00	6.00
4304 Utility Billing/Cust. Svc.	14.00	14.00	14.00	14.00
4306 Purchasing	2.00	2.00	2.00	2.00
4401 Information and Technology	9.00	9.00	9.00	9.00
6912 Public Parking Personnel	0.00	0.00	0.00	1.00
Total Management Services Division	48.63	48.63	48.63	50.00
Development Services Division				
4103 Engineering	19.00	19.00	19.00	19.00
4106 Planning	7.75	7.75	7.75	7.75
4107 CDBG	3.25	3.25	3.25	4.25
4108 Building Safety	11.00	11.00	11.00	11.00
6900 Neighborhood Services	8.00	8.00	8.00	8.00
Total Development Services Division	49.00	49.00	49.00	50.00

	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Police Services Division				
4701 Administration	3.00	3.00	3.00	5.00
4702 Support Services	42.00	42.00	48.25	55.25
4703 Criminal Investigations	37.00	41.00	41.00	40.00
4704 Patrol Operations	122.00	118.00	118.00	117.00
4705 Radio Communications	2.00	2.00	2.00	2.00
4706 Airport Security	3.00	3.00	3.00	3.00
6911 Police Grant	1.00	1.00	1.00	1.00
6920 Public Parking/Enforcement	4.00	4.00	4.00	4.00
Total Police Services Division	214.00	214.00	220.25	227.25
Fire Services Division				
4801 Administration	9.00	9.00	9.00	9.00
4802 Suppression & Rescue	123.00	123.00	123.00	123.00
Total Fire Services Division	132.00	132.00	132.00	132.00
Operation Services Division-				
Streets & Traffic Control				
5101 Administration	5.00	5.00	5.00	5.00
5302 Street Construction	11.44	11.44	11.44	11.44
5303 Street Drainage	19.04	19.04	19.04	19.04
5304 Street Maintenance	15.60	15.60	15.60	15.60
5401 Traffic Control Operations	13.16	13.16	13.16	13.16
5402 Signals	0.00	0.00	0.00	0.00
5403 Street Lighting	0.00	0.00	0.00	0.00
5405 Sign Shop	0.00	0.00	0.00	0.00
Total Streets & Traffic Control	64.24	64.24	64.24	64.24

	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Water & Sewer				
5501 Utilities Administration	15.00	15.00	15.00	15.00
5601 Water & Wastewater Treatment Administration	3.00	3.00	3.00	3.00
5603 Sewer Treatment	29.00	29.00	29.00	29.00
5604 Water Treatment	23.00	23.00	23.00	23.00
5605 Laboratory Services	9.00	9.00	9.00	9.00
5606 Wastewater Equipment Maintenance	14.00	14.00	14.00	14.00
5609 Industrial Waste Monitoring	5.69	5.69	5.69	5.69
5610 Water Line Maintenance	22.00	22.00	22.00	22.00
5611 Sewer Line Maintenance	24.00	24.00	24.00	24.00
5612 Construction Management	4.00	4.00	4.00	4.00
5613 Metering/Transmission Line Maintenance	21.50	21.50	21.50	21.50
5615 Water & Wastewater Line Maintenance Administration	12.00	12.00	12.00	12.00
5616 Water Stationary Equipment Maintenance	9.00	9.00	9.00	9.00
6700 Debt Service	0.00	0.00	0.00	0.00
Total Water & Sewer	191.19	191.19	191.19	191.19
Parks & Community Services				
6101 Health	0.00	0.00	0.00	0.00
6201 Parks Maintenance	20.50	20.50	20.50	20.50
6202 Oak Cemetery	3.50	3.50	3.50	3.50
6204 Community Centers	4.25	4.25	4.25	4.25
6205 Aquatics	4.85	4.85	4.85	4.85
6206 Riverfront/Civic Center/Downtown	5.00	5.00	5.00	5.00
6207 The Park at West End	0.00	0.00	0.00	0.60
Total Parks & Community Services	38.10	38.10	38.10	38.70
Convention Center				
6203 Convention Center	14.00	15.00	15.00	13.50
Total Convention Center	14.00	15.00	15.00	13.50

	2008 Actual	2009 Budget	2009 Estimated	2010 Budget
Sanitation				
6301 Administration	6.00	6.00	6.00	6.00
6302 Residential Collections	25.50	25.50	25.00	24.00
6303 Commercial Collections	10.00	10.00	10.00	11.00
6304 Fleet & Grounds Maintenance	9.00	10.00	10.00	10.00
6305 Sanitary Landfill	17.00	17.00	17.00	17.00
6306 Debt Service	0.00	0.00	0.00	0.00
6307 Roll-Off Collection	10.00	10.00	10.00	10.00
Total Sanitation	77.50	78.50	78.00	78.00
Transit				
6550 Public Transit	36.00	36.00	36.00	36.00
Total Operation Services Division	421.03	423.03	422.53	421.63
Non-Departmental				
6870 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
Total FTE Personnel	904.66	906.66	912.41	921.88

Please note: This schedule includes position of Mayor and the seven Director positions. The reconciliation to the schedule on page 3 is as follows:

	2008 Actual	2009 Estimated	2010 Budget
Total FTE Personnel, this schedule	904.66	912.41	921.88
Program 4100 Mayor & 4101 Board of Directors	(8.00)	(8.00)	(8.00)
Total FTE Personnel, Schedule on page 3	896.66	904.41	913.88

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