AGENDA

FORT SMITH BOARD OF DIRECTORS
SPECIAL MEETING & STUDY SESSION

JANUARY 11, 2011 ~ 12:00 NOON

FORT SMITH PUBLIC LIBRARY
COMMUNITY ROOM
3201 ROGERS AVENUE

SPECIAL MEETING

ROLL CALL

1. Resolution confirming appointment and employment of Ray Gosack as City Administrator and authorizing execution of At-Will Employment Agreement

ADJOURN

STUDY SESSION

1. Presentation by Ivy Owen, Executive Director of the Fort Chaffee Redevelopment Authority

2. Review initial proposal for consolidation of Fort Smith Convention Center with Fort Smith Advertising and Promotion Commission ~ *Requested at the January 4, 2011 regular meeting* ~

3. Review preliminary agenda for January 18, 2011 regular meeting.

MEMORANDUM

TO: Ray Gosack, City Administrator

FROM: Sherri Gard, City Clerk

DATE: January 7, 2011

RE: Special Meeting - January 11, 2011

At the January 4, 2011 regular meeting, the Board of Directors called a special meeting for 12:00 Noon, Tuesday, January 11, 2011 at the Fort Smith Public Library Community Room to consider the following item:

- Resolution confirming the appointment and employment of Ray Gosack as City Administrator and authorizing the execution of at-will employment agreement

The previously scheduled study session will occur immediately following the special meeting.

SM 1.

RESOLUTION NO. _____

RESOLUTION CONFIRMING APPOINTMENT AND EMPLOYMENT OF RAY GOSACK AS CITY ADMINISTRATOR AND AUTHORIZING EXECUTION OF AT WILL EMPLOYMENT AGREEMENT

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

SECTION 1: The City of Fort Smith Board of Directors hereby confirms the appointment and employment of Ray Gosack as City Administrator effective as of January 4, 2011.

SECTION 2: The Mayor, his signature being attested by the City Clerk, is hereby authorized to execute the attached At Will Employment Agreement with City Administrator Ray Gosack.

THIS RESOLUTION ADOPTED this 11th day of January, 2011.

APPROVED:

_____
MAYOR

ATTEST:

_____
CITY CLERK

Approved as to form:

_____
City Attorney
No Publication Required

The City of Fort Smith ARKANSAS

MEMORANDUM

January 7, 2011

TO: Mayor and Board of Directors

FROM: Ray Gosack, City Administrator

SUBJECT: Employment Contract

Attached is a resolution confirming my appointment as city administrator and approving an employment contract. The contract was prepared and reviewed by me and Director Hutchings. The assistant city attorney has also reviewed the contract. Key provisions of the contract include:

- An *at will* employment concept. This is consistent with the city's personnel policies. The *at will* concept allows either party to end the employment relationship at any time without reason.
- An annual salary of $149,500. Benefits are detailed in sections 6, 7 & 8, and are the same as those provided to other senior management employees.
- A severance provision of four months' salary and health coverage benefits. This severance has been part of previous administrators' contracts.
- A provision for a formal performance review. The first review would occur in six months (July, 2011) and in December of each year thereafter.

I appreciate the board of directors' confidence in me, and will work diligently to help Fort Smith thrive, accomplish the board's goals, and lead the city staff.

Ray

Attachment

AT WILL
EMPLOYMENT AGREEMENT

This Employment Agreement made and entered into this 11th day of January, 2011 by and between Ray Gosack (hereinafter "Gosack") and the City of Fort Smith, Arkansas (hereinafter "the City"), acting by and through its Board of Directors (hereinafter "the Board"), as follows:

Term.

1. This Agreement shall remain in full force and effect from January 11, 2011 until terminated by City or Gosack as provided in this Agreement.

Duties.

2. The City and Gosack agree that Gosack shall become the City Administrator of the City effective January 4, 2011 and shall perform all the duties of a City Administrator as prescribed by Arkansas law, A.C.A. § 14-48-117 (1) through (12), other applicable state and federal statutes, City Ordinances, and such other lawful duties as the City may direct from time to time. He shall continue as City Administrator until his termination, resignation or death.

Salary.

3. As partial compensation, Gosack shall receive an annual salary beginning at $149,500.00. It is understood and agreed that this salary amount should be reviewed annually by the Board as part of a formal performance evaluation, and that it will be increased upon the Board's determination that Gosack's performance has been such as to warrant an increase and that Gosack has met goals provided to him by the City for the previous year.

Performance Evaluation.

4. City, acting through its Board of Directors, shall review Gosack's performance subject to a process, form, criteria, and format for the evaluation which shall be mutually agreed upon by City and Gosack. The process at a minimum shall include the opportunity for both parties to: (1) prepare a written evaluation, (2) meet with each other to discuss the evaluation, and (3) present a written summary of the evaluation results. The first review shall occur in July, 2011 and thereafter a review shall occur during the last regular board meeting of December of each year this Agreement is in effect.

Severance.

5. Upon termination of the employment relationship, whether by resignation, termination, or death, the City shall pay to Gosack (or his legal personal representative) severance pay equal to four (4) months of his then current salary. The City shall pay Gosack's premiums for health, dental and vision coverage for four (4) months following the end of employment and shall pay him for unused vacation and sick leave in accordance with the City's ordinances and policies.

Vacation.

6. Gosack shall be entitled to twenty (20) days of annual vacation leave which leave shall accrue each year on Gosack's anniversary date of January 11th. Gosack's current vacation leave balance of 121.5 hours, which does not include the accrual to be made on January 11, 2011, shall remain in place. The maximum vacation leave accrual will be in accordance with the Ordinances of the City applicable to non-uniformed employees as may be amended by the City from time to time.

Other Benefits.

7. Gosack shall be allowed sick leave, health coverage, dental coverage, vision coverage, life insurance 5X annual salary, disability insurance, longevity pay, holidays, discretionary day, and retirement benefits, including an annual deferred compensation contribution of $1,200, in accordance with the Ordinances of the City applicable to non-uniformed employees as may be amended by the City from time to time. Except as otherwise provided in this Agreement, Gosack shall be entitled to the highest level of benefits that are enjoyed by other employees of the City as provided by City's ordinances, policies or by practice. The City shall pay Gosack's membership dues in the International City/County Management Association, the Arkansas City Management Association, and one local civic club membership while he is employed as City Administrator with the City of Fort Smith.

Vehicle.

8. The City shall supply Gosack with a vehicle of the City's choice and the City shall be responsible for maintenance thereon. Alternatively, at the option of Gosack, the City shall pay the sum of $450.00 per month to Gosack as vehicle allowance. Gosack shall be responsible for taxes, if any, that may be determined to be due on said car allowance. Use of Gosack's own vehicle for City business shall be for travel in the local

area (generally a 30-mile radius of Fort Smith). Travel for City business beyond the local area may be accomplished by Gosack using a City vehicle.

Outside Activities.

9. The employment provided for by this Agreement shall be Gosack's sole employment. Recognizing that certain teaching opportunities provide indirect benefits to the City and the community, Gosack may elect, subject to the Board's approval, to accept limited teaching opportunities with the understanding that such arrangements shall not constitute interference with nor a conflict of interest with his responsibilities under this Agreement.

Bonding.

10. City shall bear the full cost of any fidelity or other bonds required of Gosack under any law or ordinance.

At Will Employment.

11. Irrespective of the provisions contained in this Employment Agreement, the parties agree that this Agreement is for an indefinite period of time, does not create a guaranty of continued employment, and that Gosack's employment as City Administrator may be terminated by the City at any time for any reason. Similarly, Gosack may resign from his employment at any time and receive all of the benefits set forth herein due upon resignation without the necessity of a reason.

Indemnification.

12. The City agrees to defend Gosack, upon his request, against any tort claim or other legal action filed against him, whether groundless or not, arising out of the performance of his duties as City Administrator. Furthermore, the City agrees to hold harmless and indemnify Gosack, to the extent allowed by law, against any tort claim or other legal action filed against him arising out of the performance of his duties as City Administrator.

Entire Agreement

13. This Employment Agreement contains the entire agreement between the parties and supersedes all prior, oral and written agreements, understandings, commitments of any kind or nature.

No Waiver.

14. No waiver of any term, provision or condition of this Employment Agreement whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further waiver or continuing waiver of any such term, provision or condition or as a waiver of any term, provision or condition of this Employment Agreement.

Binding Event.

15. This Employment Agreement will become binding only upon a majority vote of the Board.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seal to this Employment Agreement on the day and year first above written.

CITY OF FORT SMITH

_____
Mayor

ATTEST:

_____
City Clerk

CITY ADMINISTRATOR

_____
Ray Gosack

The City of Fort Smith ARKANSAS

SS1

MEMORANDUM

January 7, 2011

TO: Mayor and Board of Directors

FROM: Ray Gosack, City Administrator

SUBJECT: Fort Chaffee Redevelopment Authority

Ivy Owen, executive director of the Fort Chaffee Redevelopment Authority, will present an overview of the efforts to develop portions of Fort Chaffee since its release by the military. The City of Fort Smith works closely with the FCRA to plan for re-use of the land, to construct infrastructure, and to encourage development of the properties. The public investments have led to hundreds of jobs being created, new housing and recreational opportunities, and hundreds of millions of dollars in private investment.

Ray

SS2.

Fort Smith
ARKANSAS

TO: Mayor and Board of Directors

FROM: Claude Legris, Executive Director
Fort Smith Advertising & Promotion (A & P) Commission

COPY: Fort Smith A & P Commissioners
Ray Gosack, City Administrator
Frankie Hamilton, Convention Center Director

DATE: January 7, 2011

REGARDING: January 11, 2011 Study Session

In response to a request made during one of the November budget hearings, the Advertising and Promotion Commission would like to share thoughts with the Board regarding potential consolidation of the Fort Smith Convention Center with the A & P.

On behalf of the Commission, I look forward to visiting with you at next Tuesday's Study Session (January 11, 2011) regarding this matter with a presentation entitled "Initial Proposal for Consolidation of Fort Smith Convention Center with Fort Smith Advertising & Promotion Commission."

We look forward to this dialogue leading to a decision to preserve and enhance the future of the Center, which is such a critical element to the Fort Smith hospitality industry.

Fort Smith Convention & Visitors Bureau
2 North B Street • Fort Smith, Arkansas 72901
479-783-8888 • 1-800-637-1477 • Fax 479-784-2421
E-Mail: tourism@fortsmith.org • URL: http://www.fortsmith.org

City A & P	Lodging Tax	Prepared Food Tax	When Enacted	Vote or Ordinance	Notes
Alma	1%	1%	1997	Vote	
Benton	1.50%	1.50%		No reply	
Bentonville A & P	2%	1%	1996	Ordinance	This tax covers hotels, meeting spaces and Food.
Brinkley	2%	2%	1993	Vote	
Cabot	1.50%	1.50%	1992	Ordinance	
Camden	3%	1%	2001	Ordinance	
Clarksville	1%	1%	1997	Ordinance	
Conway	2%	2%	2005	Ordinance	State law 26-75-601
Dumas	2%	2%	1995	Ordinance	
Eureka Springs	3%	3%	2007	Vote	Gift shop tax was removed in 2007.
Fayetteville	2%	2%	1977	Ordinance	
Fort Smith	3%	0%	1993 ****	Ordinance	**** In '93 the lodging tax was enacted by the city directors at 2%. Increased in 2001 to 3%.
Forrest City	1%	1%	1989	Ordinance	
Greenwood	0%	1%	2007	Ordinance	
Harrison	3%	1%	Hotel- 1976 Food-1987	Ordinance	
Helena/West Helena	2%	2%	1986	Ordinance	
Hope	1%	1%	1975	Ordinance	
Hot Springs	3%	3%	1965- 1%/1976- 2%/1981-3% *	Ordinance	
Jacksonville	2%	2%	Hotel -2003 Food-2007	Ordinance	

City A & P	Lodging Tax	Prepared Food Tax	When Enacted	Vote or Ordinance	Notes
Little Rock	2%	2%	Hotel- 1% in 1970; 1978 up to 2%; Food 2% 2004 **	Ordinance	** The passage of the lodging and prepared food taxes (both together) in the years indicated was by city ordinance in Little Rock. There was a public vote in 1986 due to the refinancing of bonds to dedicate the tax for the construction of the Statehouse Convention Center. As in Hot Springs, the tax itself was not challenged, only how the funds would be utilized. Public vote is required when bonds are to be sold.
Lonoke	2%	2%	2006	Vote	
Mena	4%	1%	2003	Ordinance	
North Little Rock	3%	3%	Hotel-1975 Food- 1979	Ordinance	
Ozark	1%	1%	1991	Ordinance	
Pine Bluff	3%	2%	1980***	Vote & Ordinance	*** January '79 a 1% tax on both lodging and prepared food together was approved by a vote of the citizens. In January '82 an ordinance was passed on both the lodging and prepared food tax to increase both from 1% to 2% each. In July of '93 the city council enacted an ordinance that raised the hotel tax to 3%.
Sherwood	2%	2%	1990	Vote	
Texarkana	3%	1%	1970	Ordinance	Ordinance H-123
Van Buren	1%	1%	1989	Ordinance	
West Memphis	2%	2%	1977	Ordinance	

RESOLUTION NO. _____

A RESOLUTION THANKING THE CONVENTION CENTER AD HOC COMMITTEE AND ACCEPTING ITS FINAL REPORT

WHEREAS, Resolution No. R-60-10 created the convention center ad hoc committee to examine the feasibility of implementing a 1 percent prepared food tax to support the operation of the convention center and the feasibility of conveying operation of the convention center to the Advertising and Promotion Commission or to private operators; and

WHEREAS, the convention center ad hoc committee met 7 times to review a multitude of financial and operating data and practices of other cities; to identify and analyze options; and to make recommendations and prepare a report; and

WHEREAS, the convention center ad hoc committee presented its final report to the Mayor and Board of Directors at the May 8, 2010 study session;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Fort Smith, Arkansas that:

SECTION 1: The board of directors hereby expresses its thanks and appreciation to the convention center ad hoc committee members - George Moschner, Craig Rivaldo, Tom Caldarera, George McGill, Kevin Moran, Ben Shipley and Lavon Morton - for their time and dedication in serving on the committee.

SECTION 2: The board of directors hereby accepts the final report submitted by the convention center ad hoc committee.

This Resolution passed this _____ day of June, 2010.

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
No Publication Required

REPORT OF CONVENTION CENTER AD HOC COMMITTEE
June 8, 2010

The City of Fort Smith board of directors created a convention center ad hoc committee on April 6, 2010 (authorizing resolution attached) to examine future financing for the continued operation of the Fort Smith Convention Center. This report provides background information about the funding issue, the options considered by the committee, and the committee's recommendations to the board of directors.

BACKGROUND

The Fort Smith Convention Center operated as a part of the City's General Fund prior to 2004. Convention center operating income is less than half of the center's operating costs. Prior to 2004, the city's General Fund subsidized this operating deficit.

In 2004, the City began using tourism turnback revenue from the State of Arkansas to finance the operations of the convention center and some capital improvement projects of the convention center. The tourism turnback revenue has been slightly less than $1.8 million per year. This revenue source ends on June 30, 2010.

The operating deficit of the convention center is approximately $1.1 million per year excluding any capital improvements. Capital maintenance funds should be provided to regularly fund major maintenance, replacement, and upgrades at the center.

With the looming convention center operating deficit facing the City, the board of directors created this committee to examine the feasibility of implementing a 1 percent prepared food tax to support the operation of the convention center. The committee was also tasked with examining the feasibility of conveying operation of the convention center to the Advertising and Promotion (A & P) Commission or to private operators. The prepared food tax can only be collected by the A & P Commission, and state law defines allowable expenditures of these funds.

The ad hoc committee, comprised of 7 members, met 6 times to gather information, identify and analyze options, and make recommendations. All meetings were open to the public and attended by the press.

COMMITTEE MEMBERS

George Moschner, Chairman
Craig Rivaldo
Tom Caldarera
George McGill
Kevin Moran
Ben Shipley
Lavon Morton

OPTIONS

The committee requested and received a variety of operating and financial data about the operations of the convention center and the A & P Commission. A high level, general review of the information was conducted by the committee. The information, much of which is attached to this report, included:

- A history of the convention center and its expansion in 2000-2001
- Operating budgets for the convention center and the A & P Commission
- Staffing levels of both organizations
- Operating income generated by the convention center
- General Fund revenue, expenditure, and fund balance information
- Uses of state turnback funds
- Past uses of convention center operating income
- Utilization data of the convention center
- Sales and marketing activities
- Operating and financial comparisons of convention centers and funding sources in other cities, including other Arkansas cities that use a prepared food tax.
- Opportunities for generating additional revenue from convention center operations

The committee also reviewed and discussed:

- Information from past discussions by the board of directors about convention center funding and operations, and about funding for various quality of place projects
- The mechanics of how various revenue sources work
- The City's 5-year budget for street and drainage work financed by a 1 percent sales tax
- Legal considerations. The assistant city attorney was present for this discussion.
- Private operation of the convention center. Representatives of 2 local hotels participated in this discussion.

Staff from City administration, convention center, finance and the A & P Commission provided information for the committee.

Through the gathering of information, the committee identified various financing options and alternatives for the operation of the convention center. The financing options included:

- Do Nothing
- Prepared Food Tax
- Business License Fee
- Reallocation of Street & Drainage Sales Tax Revenue

The operating alternatives included:

- Contract with a private operator
- Provide more services in-house to generate additional income
- Contract the operation of the convention center to the Advertising and Promotion Commission

A brief discussion and the advantages and disadvantages of each alternative are identified in the attached table. This analysis helped form the reasoning for the committee's recommendations.

RECOMMENDATIONS

The committee makes the following recommendations by a vote of 7 in favor and none opposed.

1. The committee believes that the *Do Nothing* and the *Business License Fee* options are not viable. The committee concluded that the convention center is a valuable asset to the region, provides a positive and significant economic impact on the region, and that its operations should continue and expand.

2. A prepared food tax of 1 percent is the best alternative for assuring the continued operation of the Fort Smith Convention Center. This source is the most equitable method, is commonly used by other cities to support the operation of their convention centers and other tourism/entertainment venues (Fort Smith is the only city in Arkansas with a publicly-owned convention center that doesn't have a prepared food tax to support the convention center's operation), and won't negatively affect the provision of vital city services. In support of this recommendation, committee members noted that an estimated 50%-60% of this revenue would be paid by non-residents to help support a regional asset, the tax doesn't apply to grocery purchases, and that dining out may be considered as discretionary spending. Committee members noted further that allowable expenditures of the prepared food tax revenue are mandated by state law, and that the revenues are under the control of the A & P Commission.

3. Reallocation of 10% of the street and drainage sales tax is a distant alternative to the prepared food tax. The committee believes that the best policy is to not adjust the uses of this sales tax. Members were concerned that a reallocation could jeopardize future public approval of the tax in 2015. The committee also believes that good roads are important for curb appeal, for economic development and for quality of place.

4. The operation of the convention center should be merged with the A & P Commission. The committee further recommends that the goals and purposes of the convention center be defined, operating performance benchmarks be established, and the two operations be integrated in a way that maximizes the synergies of joint operation. A contract should be executed between the city and the A & P Commission that includes, among other things, these provisions for convention center operations, and should clearly define how the prepared food tax revenue will be expended. The 2 City board members who serve on the A & P Commission should monitor and at least quarterly report to the board of directors the convention center's operations and the progress towards achieving revenue increases and cost decreases.

Based on the opinions offered by city management and the committee's general, high level review of the city's General Fund finances, the committee recognizes the financial pressure the city's General Fund appears to be under. The committee could find no evidence that the General Fund budget can currently support additional significant programs such as the convention center operations without dramatic cuts in critical programs including police and fire department operations. The committee further concluded that the business license fee is not an appropriate mechanism for financing convention center operations, and recommends that the board of directors not consider this option.

The committee recommends that the entity which operates the convention center now and in the future undertake a review of the following to reduce the gap between operating income and expenses:

1. Convention center management and commission members should perform an extensive analysis of operating costs for the sole purpose of significantly reducing personnel and other operating expenses.

2. The convention center provide more services exclusively such as ticketing and pipe and drape in order to generate additional revenue. This should be independently examined and analyzed to further assure that there's an adequate payback on the investments needed to provide these services. Such investments should be made only if a proper payback can be reasonably expected.

3. There should be a more reliable method of verifying the accuracy of commissions paid to the convention center by caterers and others including possibly requiring, by contract, that convention center users report to the city or to the A & P Commission the gross amounts the users paid to caterers and other service providers.

4. Consider the possibility of contracting the convention center operation to a private entity. The committee recognized that this option might lower the operating deficit, but would likely not completely eliminate the deficit because the City would continue to be responsible for some costs including utilities, maintenance and capital expenditures. This option does have impacts which may be viewed as adverse, such as eliminating open catering and possibly affecting the rates paid by local nonprofit organizations.

If the board of directors determines to proceed with a referendum to use the prepared food tax, the committee encourages the board to undertake a vigorous and thorough public education effort. The committee recognizes that some restaurant owners and others may oppose the initiation of a prepared food tax, and that current economic conditions may complicate the passage of a tax. However, the committee believes that if citizens are provided information about the value of the convention center, how the center benefits citizens, and the options for financing its operations, voters will be more likely to support the use of a prepared food tax.

The committee does not make any recommendations regarding the other proposed uses for the prepared food tax revenue. The committee has limited its recommendations to those involving the convention center because that was the purpose of the resolution creating the committee.

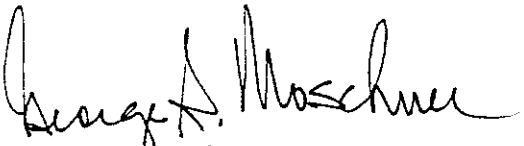
CONCLUSION

The ad hoc committee believes that the Fort Smith Convention Center is an important component of the region's quality of place and generates a significant positive economic impact for the region, including the direct or indirect support of a number of jobs within the region. A public investment to support the continued operation of the convention center assures the community of having a viable venue source for arts and entertainment performances and for attracting statewide and regional events and conventions to Fort Smith. The convention center enhances the prosperity of the region. An investment in its continued operation should provide a significant rate of return for the region.

The committee members appreciate all of the timely support, cooperation and

information received during this process from the City management, convention center and A & P Commission staffs.

Respectfully submitted by the
Convention Center Ad Hoc Committee,



George Moschner
Chairman

RESOLUTION NO. R-160-10

7E

A RESOLUTION ESTABLISHING A SPECIAL AD HOC COMMITTEE TO EXAMINE THE FEASIBILITY OF A RESTAURANT TAX AND TO MAKE RECOMMENDATIONS RELATED TO OPERATION OF THE FORT SMITH CONVENTION CENTER

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, that:

SECTION 1: A Special Ad Hoc Committee, consisting of no less than five (5) and no more than seven (7) members, who are to be appointed by the Board of Directors, is established for the purpose of examining the feasibility of implementing and applying a 1% restaurant tax subject to approval of same by the voters of Fort Smith.

SECTION 2: The aforementioned Committee, in addition to examining the feasibility of the implementation of and the application of a potential restaurant tax, shall also assess and make a recommendation to the Board of Directors regarding the economic feasibility of conveying operation of the Fort Smith Convention Center to the Advertising and Promotion Commission or to private operators.

SECTION 3: Because time is of the essence, the Special Ad Hoc Committee shall, no later than four (4) weeks from date of establishment of the Committee and appointment of its members, provide a written report to the Board of Directors of its findings and recommendations.

THIS RESOLUTION adopted this 16th day of April, 2010.

APPROVED

Mayor

ATTEST:

City Clerk Acting

APPROVED AS TO FORM:

City Attorney npr

FORT SMITH CO[illegible]ENTION CENTER
Funding and Operating Options

OPTION	*BACKGROUND INFO*	*ADVANTAGES*	*DISADVANTAGES*
Do Nothing	Provide no new funding source for convention center operations	Requires no additional public resources	Could curtail operating days/hours of convention center Could reduce other General Fund services -- police, fire, and parks
Prepared Food Tax	1 percent tax is estimated to generate $1.8 million annually Can be implemented either by ordinance adopted by the board of directors or by referendum Funds are controlled by the A & P Commission. City and A & P may enter into an agreement regarding use of the funds May be desirable to have a 10-year sunset on the tax so that voters are assured they have to approve its continuation	Funding source provided by state law for convention and tourism facilities An estimated 50% - 60% of revenue is paid by non-residents The tax is collected by a business sector (restaurants) that benefits directly from convention center activity Funding source used by other publicly-owned convention centers in Arkansas Impact on consumers is modest – 10¢ on a $10 meal or 50¢ on a $50 meal Funding could help other quality of place projects Allows for open catering to continue	Imposes a new tax Some restaurant owners will likely oppose Current economic conditions may weaken chances of voter approval

OPTION	*BACKGROUND INFO*	*ADVANTAGES*	*DISADVANTAGES*
Business License Fee	Fee is estimated to generate $1.8 million annually Fee existed from 1970's through 1994 May be implemented by board of directors	Residents don't pay the fee (at least not directly) A common revenue source used by cities across the country	Fee was eliminated to gain support for the approval of the county-wide sales tax in 1994. Resurrecting the fee may be viewed by some as breaking a promise. If used for the convention center, the business license fee revenue wouldn't be available for other general government purposes such as improving fire protection (which benefits business' insurance rates) Little or no connection between those who pay the fee (the general business community) and the benefits of the convention center
Reallocation of Street Sales Tax	10% reallocation is estimated to be $1.9 million annually Reallocation must be approved by the voters The entire tax is up for voter renewal in 2015	Would not require the implementation of a new tax	Fewer neighborhood street and drainage projects would be completed Funds wouldn't be available for other quality of place projects such as aquatics center and softball fields at Ben Geren Park, River Park promenade, and trails

OPTION	*BACKGROUND INFO*	*ADVANTAGES*	*DISADVANTAGES*
Turn Operations Over to a Private Entity	Convention center would be operated by a private entity An open, competitive process would have to be used to select a private operator	Could reduce subsidy required to operate center Easier for event planners – they work with only one entity rather than many to plan an event	Access by multiple restaurants, caterers and others to serve events at the convention center would cease. Local businesses would be harmed. Local organizations may have to pay higher rates to use the convention center Service problems (e.g., food quality, event service, etc.) would be more difficult to address Users wouldn't have a choice of providers as they do now
Bring More Services Under the Convention Center's Authority	Food and beverage service, ticketing, pipe and drape, decorating could be provided directly by the convention center rather than third parties	Opportunity to generate more revenue to reduce the deficit Easier for event planners – they work with fewer organizations	Would require a significant capital investment in kitchen facilities, storage, tableware, etc. Some groups may expect preferential rates from the city, thereby reducing the revenue-generating potential Convention center users would lose the flexibility of choosing service providers

OPTION	*BACKGROUND INFO*	*ADVANTAGES*	*DISADVANTAGES*
Merge Convention Center Operations with the A & P Commission	Would involve a pre-nup agreement between board of directors and A & P Commission	All convention marketing and operating responsibilities are under one umbrella Easier for event planners – they work with fewer organizations Easier to network and learn from other convention centers' experiences because many convention centers operate under this arrangement	A & P operations are not subject to control of a publicly-elected board

City of Fort Smith, Arkansas
Convention Center Fund
Statement of Revenues, Expenditures, and Change in Fund Balances
For the Fiscal Years Ended December 31, 2001 - 2009
and for the Fiscal Year Ending December 31, 2010

	2001	2002	2003	2004	2005
Revenues					
State Tourism Turnback	$ 2,657,575	$ 1,710,644	$ 1,734,186	$ 1,758,065	$ 1,782,552
Interest Earned	-	-	8,291	9,154	18,549
Total Revenues	2,657,575	1,710,644	1,742,477	1,767,219	1,801,101
Expenditures					
Personnel	-	-	-	579,777	598,449
Operating	-	-	94,088	533,487	638,745
Capital	-	-	880,143	836,960	518,673
Total Expenditures	-	-	974,231	1,950,224	1,755,867
Excess (deficiency) of revenues over (under) expenditures	2,657,575	1,710,644	768,246	(183,005)	45,234
Other Financing Uses:					
Transfer to Debt Service Fund	(2,657,575)	(1,710,644)	-	-	-
Net Changes in Fund Balance	-	-	768,246	(183,005)	45,234
Fund balances, January 1	-	-	-	768,246	585,241
Fund balances, December 31	$ -	$ -	$ 768,246	$ 585,241	$ 630,475

City of Fort Smith, Arkansas
Convention Center Fund
Statement of Revenues, Expenditures, and Change in Fund Balances
For the Fiscal Years Ended December 31, 2001 - 2009
and for the Fiscal Year Ending December 31, 2010
(Continued)

	2006	2007	2008	2009	2010
Revenues					
State Tourism Turnback	$ 1,795,545	$ 1,795,984	$ 1,796,050	$ 1,786,637	$ 888,723
Interest Earned	35,400	41,284	26,790	11,734	15,000
Total Revenues	1,830,945	1,837,268	1,822,840	1,798,371	903,723
Expenditures					
Personnel	652,179	704,597	757,042	772,391	803,150
Operating	644,626	892,658	734,585	855,715	742,150
Capital	168,922	281,701	-	27,132	35,000
Total Expenditures	1,465,727	1,878,956	1,491,627	1,655,238	1,580,300
Excess (deficiency) of revenues over (under) expenditures	365,218	(41,688)	331,213	143,133	(676,577)
Other Financing Uses:					
Transfer to Debt Service Fund	-	-	-	-	-
Net Changes in Fund Balance	365,218	(41,688)	331,213	143,133	(676,577)
Fund balances, January 1	630,475	995,693	954,005	1,285,218	1,428,351
Fund balances, December 31	$ 995,693	$ 954,005	$ 1,285,218	$ 1,428,351	$ 751,774

Note : source for the 2001 through 2008 data is from the CAFR for each applicable year. Pl ote that the Convention Center Fund was not established until 2003. The information included for 2001 and 2002 was excerpted from the 1997 Sales and Use Tax Bond Fund financial statements included in the 2001 and 2002 CAFRs. This is the treatment for the transfer of the funds to pay debt service if the funds had been transferred each year from a special revenue fund, i.e., the Convention Center Fund, to the debt service fund, i.e., the 1997 Sales and Use Tax Bond Fund. The actual treatment for the tourism turnback revenue received in 2001 and 2002 was to deposit the funds directly into the debt service fund as an intergovernmental revenue. The principal and interest payments reported for 2001 totaled $9,220,000 and $1,391,728, respectively, and the principal and interest payments reported for 2002 totaled $8,165,000 and $937,122, respectively.

Note 2: The source for the 2009 numbers is the CAFR draft that is under examination now and for the 2010 estimate is the 2010 budget.

Note 3: The capital amounts reflect those assets that were capitalized by the City for each year. If the expenditure was less than $5,000 per unit or if the expenditure was for an asset not owned by the City, e. g., parking lot expenditure of $200,000 during 2007 for the County Courthouse, then those expenditures are presented as operating costs.

Note 4: The Convention Center Fund is a special revenue fund that is used to account for the state tourism turnback received by the City to be used for the operations and capital asset acquisition for the convention center. The turnback is restricted for tourism related expenditures.

City of Fort Smith, Arkansas
General Fund
Convention Center Rental Revenue & Expenditures
For the Fiscal Years Ended December 31, 2003 - 2009
and for the Fiscal Year Ending December 31, 2010

	2003	2004	2005	2006	2007	2008	2009	2010
Rental Revenue	$ 439,264	$ 496,834	$ 522,898	$ 605,625	$ 624,106	$ 676,970	$ 615,029	$ 700,000
Expenditures								
General Fund Programs	-	-	-	-	-	-	-	700,000
Additional Library Funding	-	240,000	240,000	240,000	240,000	165,000	150,000	-
Parks Programs/Projects	315,764	72,307	-	84,846	144,172	320,939	303,174	-
Senior Service Programs:								-
SRCA, Inc.	113,500	133,327	180,398	178,279	137,434	88,531	79,355	-
Area Agency on Aging	10,000	50,000	100,000	100,000	100,000	100,000	80,000	-
Project Compassion	-	1,200	2,500	2,500	2,500	2,500	2,500	-
Total Expenditures	$ 439,264	$ 496,834	$ 522,898	$ 605,625	$ 624,106	$ 676,970	$ 615,029	$ 700,000

City of Fort Smith, Arkansas
Convention Center Rental Revenue Applied to Convention Center Costs -
Deficit Amounts if Turnback Was Unavailable
For the Fiscal Years Ended December 31, 2003 - 2009
and for the Fiscal Year Ending December 31, 2010

	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:								
Rental Revenue	$ 439,264	$ 496,834	$ 522,898	$ 605,625	$ 624,106	$ 676,970	$ 615,028	$ 700,000
Expenditures:								
Personnel	-	579,777	598,449	652,179	704,597	757,042	772,391	803,150
Operating	94,088	533,487	638,745	644,626	892,658	734,585	855,715	742,150
Capital	880,143	836,960	518,673	168,922	281,701	-	27,132	35,000
Total Expenditures	$ 974,231	$ 1,950,224	$ 1,755,867	$ 1,465,727	$ 1,878,956	$ 1,491,627	$ 1,655,238	$ 1,580,300
Excess (deficiency) of revenues over (under) expenditures	$ (534,967)	$ (1,453,390)	$ (1,232,969)	$ (860,102)	$ (1,254,850)	$ (814,657)	$ (1,040,210)	$ (880,300)

	(8,071,445)
Average Deficit - all years presented	(1,008,931)
Average Deficit - 2003 through 2009	(1,027,306)

City of Fort Smith, Arkansas
State Turnback for Tourism
For the Fiscal Years Ended December 31, 2001 through 2009
and for the Fiscal Year Ending December 31, 2010

Funds Received:		
2001	$	2,657,575
2002		1,710,644
2003		1,734,186
2004		1,758,065
2005		1,782,552
2006		1,795,545
2007		1,795,984
2008		1,796,051
2009		1,786,637
Funds to be Received:		
2010		888,723
Total	$	17,705,962

Note: The 2001 and 2002 turnback funds were used to pay principal and interest payments on the 1997 Sales & Use Tax Bonds which funded the Convention Center remodel and construction costs.

Convention Center Fund (1115)
Statement of Revenues, Expenditures and Changes in Fund Balance
Actual at 12/31/08 and 12/31/09 and Projected for 12/31/10

	2008 Actual	2009 Actual	2010 Projection
Revenues			
State Tourism Turnback	$ 1,796,050	$ 1,786,637	$ 888,723
Interest Earned	26,790	11,734	15,000
Total Revenues	$ 1,822,840	$ 1,798,371	$ 903,723
Expenditures			
Program 6203 -			
Personnel	757,042	772,391	803,150
Operating	734,585	855,715	742,150
Capital Outlay	-	27,132	35,000
Total Expenditures	$ 1,491,627	$ 1,655,238	$ 1,580,300
Excess Revenues Over Expenditures	331,213	143,133	(676,577)
Fund Balance, January 1,	954,005	1,285,218	1,428,351
Fund Balance, December 31,	$ 1,285,218	$ 1,428,351	$ 751,774

Operation Services
Convention Center

Program 6203

Personnel	Actual 2008	Budget 2009	Estimated 2009	Budget 2010
101 Regular Salaries	498,148	516,700	525,323	512,590
102 Overtime	1,730	3,580	2,050	3,890
103 Retirement	48,959	54,870	50,669	53,450
104 Social Security	36,614	41,680	36,684	40,320
105 Insurance	118,619	129,030	121,073	129,070
106 Longevity	781	970	967	1,090
107 Medical Expenses	60	60	45	70
108 Other	50,572	65,400	30,808	67,000
111 Workers' Compensation	1,560	1,640	1,640	1,730
Total	757,043	813,930	769,259	809,210
Operating				
201 Office Supplies	622	1,500	874	1,500
202 Small Equipment	7,664	8,000	4,859	10,000
203 Fuel, Oil, Lube	570	850	524	700
204 Clothing	7,395	8,200	7,045	8,050
205 Custodial Equipment & Supplies	8,260	9,350	14,431	15,000
206 Materials	2,656	2,600	1,682	2,800
207 Repair of Equipment	9,734	10,500	5,083	10,500
208 Repair of Buildings	42,262	157,738	410,280	100,000
209 Merchandise/Program Participation	53,202	70,000	40,204	100,000
210 Communications	22,761	32,000	19,588	25,000
211 Utilities	379,539	500,000	256,754	350,000
212 Bonds, Insurance, Licenses	50,039	60,000	54,601	52,000
213 Postage	1,199	1,300	911	1,400
214 Advertising, Printing, Photo	23,824	28,000	17,948	28,000
215 Travel	26,226	28,000	28,024	28,000
216 Education, Memberships, Subscriptions	2,372	3,500	3,217	3,500
217 Lease, Rent, Taxes	4,382	4,200	4,182	4,500
219 Other - Pest Control, Convention Center Commission	953	1,300	6,798	1,200
Total	643,660	927,038	877,005	742,150
Capital Outlay	90,924	147,500	35,651	
301 Ticketing System				35,000
Total				35,000
Convention Center Total	1,491,627	1,888,468	1,681,915	1,586,360

Convention Center
(continued)

Program 6203

Schedule of Personnel	Pay Grade	Actual 2008	Budget 2009	Estimated 2009	Budget 2010
Director	20	1	1	1	1
Operation Supervisor	11	1	1	1	1
Sales Director	9	2	2	2	2
Lead Engineer	8	1	1	1	1
Events Coordinator	7	1	1	1	1
Administrative Secretary	7	1	1	1	1
Building Engineer	6	2	2	2	2
Maintenance Person	3	4	4	4	4
Parking Deck Attendant	2	1	1	1	0
Laborer (Seasonal)	1	0	1	1	0.5
Employee Positions		14	15	15	13.5

Funding Allocation:
100% Convention Center Fund

Advertising and Promotion Fund

Convention and Visitors Bureau

Program 6870

	Actual 2008	Budget 2009	Estimated 2009	Budget 2010
PERSONNEL				
101 Regular Salaries	217,480	228,330	227,113	230,987
102 Overtime	0	212	0	210
103 Retirement	22,605	24,643	23,127	24,926
104 Social Security	16,597	18,083	15,512	17,737
105 Insurance	46,546	47,830	43,903	49,950
106 Longevity	480	490	505	670
108 Other-Car Allowance, Contract Labor	5,400	5,400	5,841	5,400
111 Workers' Compensation	410	440	440	470
Total	309,518	325,428	316,441	330,350
OPERATING				
201 Office Supplies	6,256	5,500	6,740	6,000
202 Small Equipment	5,526	6,300	7,171	2,550
204 Clothing	403	0	111	150
205 Custodial Equipment & Supplies	0	0	0	200
206 Materials	0	100	0	100
207 Repair of Equipment	1,634	3,000	1,681	2,700
208 Repair of Buildings	5,436	23,540	13,883	7,040
210 Communications	36,594	38,370	13,265	23,130
211 Utilities	9,544	9,000	5,859	9,000
212 Bonds, Insurance, Licenses	1,481	1,850	683	1,850
213 Postage	13,684	23,000	14,597	23,000
214 Advertising, Printing, Photo	29,809	66,700	24,977	37,500
215 Travel	58,549	67,735	67,553	56,130
216 Education, Memberships, Subscriptions	16,590	14,165	16,873	12,635
217 Lease, Rent, Taxes	2,658	5,000	2,945	5,000
219 Other - Public Relations	12,406	33,500	17,926	47,800
230 Print Media Advertising-Newspapers	7,660	6,680	7,780	6,980
231 Print Media Advertising-Magazines	108,502	114,886	116,595	76,915
234 Agency Costs	8,104	10,000	10,269	10,000
235 Volunteer Programs	6,988	14,118	14,538	12,200
236 Gifts and Donations	7,863	11,500	5,717	10,000
237 Convention/Meeting Marketing Contingency	550	5,000	4,924	4,700
238 Group Traveler Marketing Contingency	1,724	5,000	450	4,700
239 Casual Traveler Marketing Contingency	3,193	5,000	7,590	4,700
240 Special Events	101,143	166,065	214,372	174,875
241 Hog Rally	36,842	0	0	0
245 Hail Damage	0	69,970	16,469	0
002 Collection Fee	23,748	24,554	23,000	24,554
Total	506,887	730,533	615,968	564,409
Convention and Visitors BureauTotal	816,405	1,055,961	932,409	894,759

Convention and Visitors Bureau
(continued)

Program 6870

Schedule of Personnel	Pay Grade	Actual 2008	Budget 2009	Estimated 2009	Budget 2010
Executive Director	21	1	1	1	1
Administrative Coordinator/Sales	9	1	1	1	1
Convention Sales & Service	8	1	1	1	1
Communication/Services Coordinator	7	1	1	1	1
Secretary	5	1	1	1	1
Employee Positions		5	5	5	5

Note 1: This program is not included in the Operating Funds as funds are allocated from the Advertising and Promotion Fund. Employees are under the direction of the Advertising and Promotion Commission. The Mayor and one Board member serve on this Commission.

Funding Allocation:
100% Advertising and Promotion Fund

City of Fort Smith
Combined Program Budgets
A&P Commission and Convention Center
2010

	A&P 6870 Budget 2010	Conv. Ctr. 6203 Budget 2010	Combined Programs Budget 2010	Integrated Management Budget 2010
Personnel				
101 Regular Salaries	230,987	512,590	743,577	743,577
102 Overtime	210	3,890	4,100	4,100
103 Retirement	24,926	53,450	78,376	78,376
104 Social Security	17,737	40,320	58,057	58,057
105 Insurance	49,950	129,070	179,020	179,020
106 Longevity	670	1,090	1,760	1,760
107 Medical Expenses	-	70	70	70
108 Other-Car Allowance, Contract Labor	5,400	67,000	72,400	72,400
111 Workers' Compensation	470	1,730	2,200	2,200
Total	330,350	809,210	1,139,560	1,139,560
Operating				
201 Office Supplies	6,000	1,500	7,500	7,500
202 Small Equipment	2,550	10,000	12,550	12,550
203 Fuel, Oil, Lube	-	700	700	700
204 Clothing	150	8,050	8,200	8,200
205 Custodial Equipment & Supplies	200	15,000	15,200	15,200
206 Materials	100	2,800	2,900	2,900
207 Repair of Equipment	2,700	10,500	13,200	13,200
208 Repair of Buildings	7,040	100,000	107,040	107,040
209 Merchandise/Program Participation	-	100,000	100,000	0
210 Communications	23,130	25,000	48,130	48,130
211 Utilities	9,000	350,000	359,000	359,000
212 Bonds, Insurance, Licenses	1,850	52,000	53,850	53,850
213 Postage	23,000	1,400	24,400	24,400
214 Advertising, Printing, Photo	37,500	28,000	65,500	47,500
215 Travel	56,130	28,000	84,130	58,130
216 Education, Memberships, Subscriptions	12,635	3,500	16,135	13,635
217 Lease, Rent, Taxes	5,000	4,500	9,500	9,500
219 Other - Public Relations, Conv. Ctr. Comm.	47,800	1,200	49,000	47,800
230 Print Media Advertising-Newspapers	6,980	-	6,980	6,980
231 Print Media Advertising-Magazines	76,915	-	76,915	76,915
234 Agency Costs	10,000	-	10,000	10,000
235 Volunteer Programs	12,200	-	12,200	12,200
236 Gifts and Donations	10,000	-	10,000	10,000
237 Convention/Meeting Marketing Contingency	4,700	-	4,700	4,700
238 Group Traveler Marketing Contingency	4,700	-	4,700	4,700
239 Casual Traveler Marketing Contingency	4,700	-	4,700	4,700
240 Special Events	174,875	-	174,875	174,875
002 Collection Fee	24,554	-	24,554	24,554
Total	564,409	742,150	1,306,559	1,158,859
Capital Outlay				
301 Ticketing System	-	35,000	35,000	-
Total	894,759	1,586,360	2,481,119	2,298,419

Schedule of Personnel	Pay Grade				
Executive Director	21	1.0	-	1.0	1.0
Director	20	-	1.0	1.0	1.0
Operation Supervisor	11	-	1.0	1.0	1.0
Sales Director	9	-	2.0	2.0	2.0
Administrative Coordinator/Sales	9	1.0	-	1.0	1.0
Convention Sales & Service	8	1.0	-	1.0	1.0
Lead Engineer	8	-	1.0	1.0	1.0
Events Coordinator	7	-	1.0	1.0	1.0
Communication/Services Coordinator	7	1.0	-	- 1.0	- 1.0
Administrative Secretary	7	-	1.0	1.0	1.0
Building Engineer	6	-	2.0	2.0	2.0
Secretary	5	1.0		1.0	1.0
Maintenance Person	3	-	4.0	4.0	4.0
Laborer (Seasonal)	1	-	0.5	0.5	0.5
Employee Positions		5.0	13.5	18.5	18.5

Operation Services
Convention Center

Program 6203

Personnel	Actual 2008	Actual 2009	Budget 2010	1/1/2010 - 3/31/2010
101 Regular Salaries	498,148	528,086	512,590	109,281
102 Overtime	1,730	2,083	3,890	693
103 Retirement	48,959	52,075	53,450	11,418
104 Social Security	36,614	38,603	40,320	7,857
105 Insurance	118,619	121,484	129,070	29,865
106 Longevity	781	914	1,090	194
107 Medical Expenses	60	30	70	0
108 Other	50,572	27,476	67,000	4,630
111 Workers' Compensation	1,560	1,640	1,730	1,730
Total	757,043	772,391	809,210	165,668
Operating				
201 Office Supplies	622	859	1,500	268
202 Small Equipment	7,664	7,289	10,000	2,296
203 Fuel, Oil, Lube	570	394	700	101
204 Clothing	7,395	7,113	8,050	1,306
205 Custodial Equipment & Supplies	8,260	11,761	15,000	3,953
206 Materials	2,656	1,590	2,800	409
207 Repair of Equipment	9,734	3,522	10,500	2,331
208 Repair of Buildings				
Hailstorm Repairs, net of Insurance & FEMA Reimbursements	(67,061)	336,867	0	0
Repair of Buildings	109,323	67,183	100,000	16,343
209 Merchandise/Program Participation				
Program Participation	42,643	35,979	90,000	15,554
Merchandise	10,559	5,212	10,000	5,055
210 Communications	22,761	19,713	25,000	3,317
211 Utilities				
Electric	233,019	177,137	231,000	27,083
Natural Gas	146,520	72,404	119,000	32,443
212 Bonds, Insurance, Licenses	50,039	54,618	52,000	14,253
213 Postage	1,199	970	1,400	193
214 Advertising, Printing, Photo	23,824	16,582	28,000	4,352
215 Travel	26,226	22,279	28,000	5,200
216 Education, Memberships, Subscriptions	2,372	2,650	3,500	1,430
217 Lease, Rent, Taxes	4,382	4,933	4,500	1,421
219 Other - Pest Control, Convention Center Commission	953	6,662	1,200	197
Total	643,660	855,717	742,150	137,505
Capital Outlay	90,924	27,132		
301 Ticketing System			35,000	0
Total			35,000	0
CONVENTION CENTER TOTAL	1,491,627	1,655,240	1,586,360	303,173

Convention Center
(continued)

Program 6203

Schedule of Personnel	Pay Grade	Actual 2008	Actual 2009	Budget 2010	1/1/2010 - 3/31/2010
Director	20	1	1	1	1
Operation Supervisor	11	1	1	1	1
Sales Director	9	2	2	2	2
Lead Engineer	8	1	1	1	1
Events Coordinator	7	1	1	1	1
Administrative Secretary	7	1	1	1	1
Building Engineer	6	2	2	2	2
Maintenance Person	3	4	4	4	4
Parking Deck Attendant	2	1	1	0	0
Laborer (Seasonal)	1	0	1	0.5	0.5
Employee Positions		14	15	13.5	13.5

Funding Allocation:
100% Convention Center Fund

Note: The breakdowns between hailstorm repairs and the reimbursements are as follows:

Expenditures	1,202,407	336,867	-	-
FEMA and Insurance	(1,269,468)	-	-	-
	(67,061)	336,867	-	-

Advertising and Promotion Fund

Convention and Tourism Bureau

Program 6870

Personnel	Actual 2008	Actual 2009	Budget 2010	1/1/2010 - 3/31/2010
101 Regular Salaries	217,480	229,271	230,987	46,911
102 Overtime	0	0	210	0
103 Retirement	22,605	23,739	24,926	5,101
104 Social Security	16,597	17,570	17,737	3,577
105 Insurance	46,546	44,177	49,950	11,571
106 Longevity	480	434	670	83
108 Other-Car Allowance, Contract Labor	5,400	5,400	5,400	1,246
111 Workers' Compensation	410	440	470	470
Total	309,518	321,031	330,350	68,959
Operating				
201 Office Supplies	6,256	6,034	6,000	(383)
202 Small Equipment	5,526	4,953	2,550	165
204 Clothing	403	161	150	0
205 Custodial Equipment & Supplies	0	0	200	0
206 Materials	0	0	100	0
207 Repair of Equipment	1,634	1,626	2,700	399
208 Repair of Buildings	5,436	21,588	7,040	2,095
210 Communications	36,594	10,424	23,130	3,230
211 Utilities	9,544	6,023	9,000	1,876
212 Bonds, Insurance, Licenses	1,481	683	1,850	0
213 Postage	13,684	13,046	23,000	2,192
214 Advertising, Printing, Photo	29,809	33,301	37,500	7,722
215 Travel	58,549	59,613	56,130	17,923
216 Education, Memberships, Subscriptions	16,590	13,037	12,635	3,465
217 Lease, Rent, Taxes	2,658	3,295	5,000	685
219 Other - Public Relations	12,406	11,950	47,800	4,500
230 Print Media Advertising-Newspapers	7,660	8,456	6,980	190
231 Print Media Advertising-Magazines	108,502	105,690	76,915	11,275
234 Agency Costs	8,104	7,806	10,000	749
235 Volunteer Programs	6,988	11,729	12,200	3,081
236 Gifts and Donations	7,863	4,121	10,000	144
237 Convention/Meeting Marketing Contingency	550	3,283	4,700	1,562
238 Group Traveler Marketing Contingency	1,724	300	4,700	106
239 Casual Traveler Marketing Contingency	3,193	8,460	4,700	2,158
240 Special Events	101,143	168,330	174,875	25,908
241 Hog Rally	36,842	0	0	0
245 Hail Damage	0	75,739	0	0
002 Collection Fee	23,748	20,198	24,554	2,894
Total	506,887	599,846	564,409	91,936
Convention and Tourism Bureau Total	816,405	920,877	894,759	160,895

Convention and Tourism Bureau
(continued)

Program 6870

Schedule of Personnel	Pay Grade	Actual 2008	Actual 2009	Budget 2010	1/1/2010 - 3/31/2010
Executive Director	21	1	1	1	1
Administrative Coordinator/Sales	9	1	1	1	1
Convention Sales & Service	8	1	1	1	1
Communication/Services Coordinator	7	1	1	1	1
Secretary	5	1	1	1	1
Employee Positions		5	5	5	5

Note 1: This program is not included in the Operating Funds as funds are allocated from the Advertising and Promotion Fund. Employees are under the direction of the Advertising and Promotion Commission. The Mayor and one Board member serve on this Commission.

Funding Allocation:
100% Advertising and Promotion Fund

4B

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	1,875,900
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)
	12.3%	6.9%		

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	$ 1,384,556	$ 1,384,556
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	7,595,900	6,815,900	6,962,200	7,091,200
Ad Valorem	5,518,765	5,808,900	6,021,579	6,199,500	6,386,400
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	566,000	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	36,000
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	236,800	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	696,894
Reimbursement from Enhanced 9-1-1 Fund	257,420	250,730	250,730	255,000	255,000
Reimbursement from FSPS for SRO's	-	80,400	-	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	2,386,810
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.

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	$ 248,330	$ 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
5501 Water and Wastewater Treatment Administration	216,020	0	0	216,020	0
5503 Sewer Treatment	3,776,800	0	0	3,776,800	0
5504 Water Treatment	3,657,440	0	0	3,657,440	0
5505 Laboratory Services	866,280	0	0	866,280	0
5506 Wastewater Equipment Maintenance	1,356,520	0	0	1,356,520	0
5509 Industrial Waste Monitoring	356,910	0	0	356,910	0
5510 Water Line Maintenance	1,990,030	0	0	1,990,030	0
5511 Sewer Line Maintenance	2,254,240	0	0	2,254,240	0
5513 Metering/Transmission Line Maintenance	1,468,810	0	0	1,468,810	0
5515 Water and Wastewater Line Maintenance Administration	869,860	0	0	869,860	0
5516 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	206,820	206,820	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	$ 2,626,560	$ 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	$ 488,250	$ 2,295,250
Total Appropriations	$ 102,746,611	$ 42,515,929	$ 6,943,850	$ 38,844,833	$ 14,441,999

CITY OF FORT SMITH

Five-Year Capital Improvement Program for Streets Bridges and Drainage (2010-2014) and Sidewalk Program (2010)

9/17/09

		2009	2010	2011	2012	2013	2014
	Beginning Balance	31,364,192	18,015,042	4,924,578	6,474,584	2,232,069	1,037,805
	Current Year Revenues						
	Sales Tax	19,085,960	19,276,820	19,662,356	20,153,915	20,657,763	21,174,207
	Grants/Other Participation	1,090,108	2,590,000	6,025,000	1,200,000	200,000	200,000
	Interest	394,193	339,009	168,461	128,670	48,323	25,769
	Total - Current Year Revenues	20,570,261	22,205,829	25,855,817	21,482,585	20,906,086	21,399,976
	Total Funds Available	**51,934,453**	**40,220,871**	**30,780,394**	27,957,169	**23,138,155**	**22,437,781**
1	Neighborhood Overlays & Reconstruction	10,670,764	11,362,196	7,000,000	7,000,000	7,000,000	7,000,000
2	Neighborhood Drainage Improvements	1,248,862	1,863,147	1,000,000	1,000,000	1,000,000	1,000,000
3	Town Branch - North 9th Street Drainage	0	150,000	750,000	750,000	0	0
4	Briarcliff Drainage	286,904	0	0	0	0	0
5	Mill Creek Drainage / 28th Street	1,100,000	3,400,000	0	0	0	0
6	Intersection and Signal Improvements	101,500	350,000	300,000	300,000	300,000	300,000
7	Hwy 45 - Phoenix to Zero	1,851,250	5,748,750	0	0	0	0
8	Rogers Avenue Turn Lane (Cliff Dr to I-540)	517,535	0	0	0	0	0
9	Jenny Lind - Zero to Cavanaugh	60,000	2,800,000	6,000,000	7,800,000	3,900,000	0
10	Jenny Lind - Dodson to Dallas	2,600,000	0	0	0	0	0
11	Greenwood Ave. - Country Club to Midland	5,000,000	500,000	0	0	0	0
12	Chad Colley Ext - Massard to Rye Hill	1,096,336	0	0	0	0	0
13	Spradling Ave. - Clayton Expwy. eastward	0	0	0	0	500,000	700,000
14	Kelley Highway Bridge at I-540	100,037	0	0	0	0	0
15	Arterial Street Overlays	1,290,875	1,400,000	1,200,000	1,200,000	1,200,000	1,200,000
16	May Branch Drainage Project	20,000	1,000,000	1,000,000	3,000,000	4,000,000	7,200,000
17	Levee Certification & Repair	180	400,000	600,000	600,000	0	0
18	Garrison Avenue Streetscape	170,545	200,000	2,500,000	0	0	0
19	Texas Road - Cavanaugh to south	2,000,000	1,750,000	0	0	0	0
20	North Pointe (FSHA) Street & Drainage	1,082,992	0	0	0	0	0

CITY OF FORT SMITH

9/17/09

Five-Year Capital Improvement Program for Streets Bridges and Drainage (2010-2014) and Sidewalk Program (2010)

		2009	2010	2011	2012	2013	2014
21	Overlays by Street Department	150,000	150,000	150,000	150,000	150,000	150,000
22	Traffic Studies	32,285	20,000	20,000	20,000	20,000	20,000
23	Sidewalk Program	674,000	630,000	200,000	200,000	200,000	200,000
24	FCRA Development	1,748,396	1,100,000	1,000,000	1,000,000	1,000,000	1,000,000
25	Engineering Dept. and Other Depts.	2,111,250	2,272,200	2,385,810	2,505,100	2,630,350	2,761,860
26	Contingency	5,700	200,000	200,000	200,000	200,000	200,000
	TOTAL	**33,919,411**	**35,296,293**	**24,305,810**	**25,725,100**	**22,100,350**	**21,731,860**
	Ending Balance	**18,015,042**	**4,924,578**	**6,474,584**	**2,232,069**	**1,037,805**	**705,921**

Grants/Other Participation

Jenny Lind Road	48,000	2,240,000	3,800,000	1,000,000	0	0
Kelley Bridge at I-540 - Walmart/Tapp	347,979	0	0	0	0	0
Texas Road Payback - Developer	0	50,000	0	0	0	0
Garrison Avenue Streetscape	0	0	1,950,000	0	0	0
Car Mart Drainage Culvert	182,000	0	0	0	0	0
CDBG-R Sidewalk	212,129	0	0	0	0	0
Building Permit Fees for Sidewalks	300,000	300,000	275,000	200,000	200,000	200,000
TOTAL	**1,090,108**	**2,590,000**	**6,025,000**	**1,200,000**	**200,000**	**200,000**

City Count urist Facilities
Debt Service/Expense Schedule

Year	War Memorial	Fayetteville	Fort Smith	Texarkana	Hot Springs	Little Rock	State Fair	Pine Bluff	Total
2001	$ 800,056	$ 287,202	$ 1,824,501	$ 337,438	$ 2,377,022	$ 1,946,174	$ 460,000	$ 700,000	$ 8,762,393
2002	$ 791,600	$ 286,978	$ 1,823,745	$ 337,438	$ 2,380,892	$ 1,941,106	$ 460,000	$ 700,000	$ 8,751,859
2003	$ 789,400	$ 285,959	$ 1,822,318	$ 249,448	$ 2,380,734	$ 1,941,710	$ 460,000	$ 700,000	$ 8,659,569
2004	$ 789,600	$ 284,192	$ 1,820,480	$ 235,838	$ 2,380,120	$ 1,936,022			$ 7,466,252
2005		$ 285,560	$ 1,819,588	$ 235,838	$ 2,378,836	$ 1,831,571			$ 6,661,874
2006			$ 1,813,619	$ 235,838	$ 2,377,260	$ 1,831,973			$ 6,358,690
2007			$ 1,813,837	$ 235,838	$ 2,378,724	$ 1,925,037			$ 6,354,436
2008			$ 1,814,437	$ 235,838	$ 2,468,882	$ 1,909,699			$ 6,429,807
2009			$ 1,814,123	$ 235,838	$ 2,454,230	$ 1,905,034			$ 6,409,225
2010			$ 1,795,531	$ 210,838	$ 2,453,290	$ 1,895,239			$ 6,354,899
2011					$ 2,454,770	$ 1,890,302			$ 4,345,072
2012					$ 2,454,490	$ 1,881,542			$ 4,336,972
2013						$ 1,873,997			$ 1,873,997
2014						$ 1,863,224			$ 1,863,224
2015						$ 1,856,634			$ 1,856,634
2016						$ 1,845,637			$ 1,845,637
Total	$ 3,170,656	$ 1,479,892	$ 18,162,158	$ 2,549,994	$ 28,941,182	$ 30,474,898	$ 1,440,000	$ 2,100,000	$ 86,318,780

Source: Arkansas State Treasury
12/5/2000/cctdebtALC.

SUMMARY

YEAR	TOTAL REVNUE	ADDITIONAL REVENUES GENERATED	NUMBER OF EVENTS	MOVE-IN MOVE-OUT DAYS	TOTAL EVENT DAYS	TOTAL ATTENDEES	TOTAL CATERED EVENTS	TOTAL EXPENDITURES
2009	$590,739.52	$22,791.56	349	98	359	153,055	96	$1,655,238.47
2008	$630,160.96	$27,760.39	231	143	231	119,532	106	$1,491,636.81
2007	$615,871.64	$39,023.12	432	92	531	160,760	112	$1,878,956.32
2006	$587,974.56	$26,776.16	435	89	435	138,696	116	$1,465,727.37

Fort Smith Co. ention Center

All references and totals are based on 2009 figures.
***Within any booking there can be multiple events going on at the same time.

TYPE OF EVENT	NUMBER OF EVENTS	TOTAL REVENUE
Large Center Programs(Events utilizing 30,000 square feet or more)	42	$148,157.50
Exhibits/Tradeshows	64	$145,899.00
State Conventions/Meetings/Events	21	$49,344.00
Regional/National Conventions/Meetings/Events	37	$29,163.90
Local Area Banquets/Meetings/Events	84	$67,514.50
Theatre Events	101	$150,660.62
Total Number Events & Revenue for 2009	*349*	***$590,739.52***

ADDITIONAL REVENUE GENERATED	
10% Commissions on Catered Events	**$20,538.16**
Concessions	**$1,856.00**
Vending	**$394.00**
Misc. Income (Washer/Dryer/Fax/Copies)	**$3.40**
Total Additional Revenue Generated	***$22,791.56***

	TOTAL MOVE-IN/MOVE-OUT DAYS	TOTAL EVENT DAYS	TOTAL ATTENDEES	TOTAL CATERED EVENTS
1st Quarter	23	89	37,313	22
2nd Quarter	29	109	70,383	25
3rd Quarter	9	49	14,678	19
4th Quarter	37	112	30,681	30
Total	98	359	153,055	96

CONVENTION CENTER EXPENSES	
OPERATING COSTS	**$517,148.00** ***Hail Storm Damages additional $338,567.18 added to Operating Costs reimbursable by insurance.**
PERSONNEL	**$772,391.41**
Total Capital Expenditures	**$27,131.88**
Total Convention Center Expenditures	***$1,655,238.47***

Fort Smith Convention Center

All references and totals are based on 2008 figures.

***Within any booking there can be multiple events going on at the same time.

TYPE OF EVENT	NUMBER OF EVENTS	TOTAL REVENUE
Large Center Programs(Events utilizing 30,000 square feet or more)	26	$159,667.96
Exhibits/Tradeshows	45	$171,631.81
State Conventions/Meetings/Events	24	$34,414.50
Regional/National Conventions/Meetings/Events	27	$51,474.95
Local Area Banquets/Meetings/Events	59	$68,117.00
Theatre Events	50	$144,854.74
Total Number Events & Revenue for 2008	*231*	***$630,160.96***

ADDITIONAL REVENUE GENERATED	
10% Commissions on Catered Events	**$26,040.77**
Concessions	**$650.51**
Vending	**$987.11**
Misc. Income (Washer/Dryer/Fax/Copies)	**$82.00**
Total Additional Revenue Generated	***$27,760.39***

	TOTAL MOVE-IN/MOVE-OUT DAYS	TOTAL EVENT DAYS	TOTAL ATTENDEES	TOTAL CATERED EVENTS
1st Quarter	45	59	46,914	22
2nd Quarter	51	64	28,683	36
3rd Quarter	17	43	15,697	18
4th Quarter	30	65	28,229	30
Total	143	231	119,532	106

CONVENTION CENTER EXPENSES	
OPERATING COSTS	**$643,660.54**
PERSONNEL	**$757,042.31**
Total Capital Expenditures	**$90,923.96**
Total Convention Center Expenditures	***$1,491,626.81***

Fort Smith Co. .ntion Center

All references and totals are based on 2007 figures.
***Within any booking there can be multiple events going on at the same time.

TYPE OF EVENT	NUMBER OF EVENTS	TOTAL REVENUE
Large Center Programs(Events utilizing 30,000 square feet or more)	58	$187,378.85
Exhibits/Tradeshows	59	$106,457.50
State Conventions/Meetings/Events	34	$36,594.00
Regional/National Conventions/Meetings/Events	29	$24,166.00
Local Area Banquets/Meetings/Events	149	$130,862.20
Theatre Events	103	$130,413.09
Total Number Events & Revenue for 2007	*432*	***$615,871.64***

ADDITIONAL REVENUE GENERATED	
10% Commissions on Catered Events	**$35,583.97**
Concessions	**$2,068.71**
Vending	**$1,260.44**
Misc. Income (Washer/Dryer/Fax/Copies)	**$110.00**
Total Additional Revenue Generated	***$39,023.12***

	TOTAL MOVE-IN/MOVE-OUT DAYS	TOTAL EVENT DAYS	TOTAL ATTENDEES	TOTAL CATERED EVENTS
1st Quarter	26	116	42,354	25
2nd Quarter	27	143	33,388	39
3rd Quarter	12	59	15,731	17
4th Quarter	27	213	39,287	31
Total	92	531	130,760	112

CONVENTION CENTER EXPENSES	
OPERATING COSTS	**$569,693.21 + $200,000 that City paid to County**
PERSONNEL	**$704,596.71**
Total Capital Expenditures	**$404,666.40**
Total Convention Center Expenditures	***$1,878,956.32***

Fort Smith Convention Center

All references and totals are based on 2006 figures.

***Within any booking there can be multiple events going on at the same time.

TYPE OF EVENT	NUMBER OF EVENTS	TOTAL REVENUE
Large Center Programs(Events utilizing 30,000 square feet or more)	48	$156,265.84
Exhibits/Tradeshows	55	$97,749.15
State Conventions/Meetings/Events	42	$39,506.35
Regional/National Conventions/Meetings/Events	42	$27,643.63
Local Area Banquets/Meetings/Events	168	$144,828.07
Theatre Events	80	$121,981.52
Total Number Events & Revenue for 2006	*435*	***$587,974.56***

ADDITIONAL REVENUE GENERATED	
10% Commissions on Catered Events	**$24,089.34**
Concessions	**$1,998.96**
Vending	**$333.94**
Misc. Income (Washer/Dryer/Fax/Copies)	**$353.92**
Total Additional Revenue Generated	***$26,776.16***

	TOTAL MOVE-IN/MOVE-OUT DAYS	TOTAL EVENT DAYS	TOTAL ATTENDEES	TOTAL CATERED EVENTS
1st Quarter	33	156	61,007	26
2nd Quarter	20	87	24,205	26
3rd Quarter	8	75	15,886	33
4th Quarter	28	117	37,598	31
Total	89	435	138,696	116

CONVENTION CENTER EXPENSES	
OPERATING COSTS	**$530,839.83**
PERSONNEL	**$652,178.73**
Total Capital Expenditures	**$282,708.81**
Total Convention Center Expenditures	***$1,465,727.37***

2009 Percentage of Utilization

January 1, 2009 - December 31, 2009

Location: EXHIBIT HALLS

	Total Used Days	Total Events	Total Revenue	Utilization
Totals:	**252**	**186**	**$403,304.00**	**69.04%**

Location: MEETING ROOM, PRE-FUNCTION LOBBY, ROTUNDAS, COURTYARD/AMPHITHEATER

	Total Used Days	Total Events	Total Revenue	Utilization
Totals:	**43**	**42**	**$12,989.00**	**11.78%**

Location: AR BEST PERFORMING ARTS CENTER, BOX OFFICE, LOBBY

	Total Used Days	Total Events	Total Revenue	Utilization
Totals:	113	111	$155,973.52	30.96%

Location: ANNEX 1ST FLOOR, ANNEX 2ND FLOOR

	Total Used Days	Total Events	Total Revenue	Utilization
Totals:	**29**	**20**	**$18,074.00**	**7.95%**

Maximum Total Revenue Capability

Exhibit Hall Maximum Total Revenue $13,000 x 61 = 793,000.00*

** Average of event revenue from actual invoiced events with a total average revenue of **$13,000** multiplied by **61 Events** with an event average of 6 days per event (3 Days Set up/Move In/Tear Down & 3 Day Event).*

Meeting Room Maximum Total Revenue $160.00 x 182 x 8 = $232,960.00*

** Average of event revenue from actual invoiced events with a total average revenue of **$160.00** per room multiplied by **182 Events** with an event average of 2 days per event (1 Days Set up/Move In/Tear Down & 1 Day Event) multiplied by **8** Meeting Rooms.*

Theater Maximum Total Revenue $4100.00 x 121= 496,100.00*

** Average of event revenue from actual invoiced events with a total average revenue of **$4,100** multiplied by **121 Events** with an event average of 3 days per event (2 Days Set up/Move In/Tear Down & 1 Day Event).*

Center Maximum Total Revenue

$1,522,060.00

In regards to the usage of the Exhibit Hall and Theater type events. 80% of requests for events days are Friday, Saturday and Sunday requests. Being that there is 52 Weekends a year limits the availbility of Maximum Total Revenue.

A & P Survey 1/9/2008

*Note: all collections are reflected for 10 months (January - October, 2007)

City/A&P	AACVB Member	2008 Budget	2007 Budget	2007 Hotel %	2007 Restaurant %	2007 Gift Shop %	2007 Attractions %	*2007 Hotel $	*2007 Restaurant $	*2007 Gift Shop $	*2007 Attractions $	Total $
Alma				1	1							
Benton	Y	$793,196.00	$747,425.00	1.5	1.5			$39,212.00	$666,688.00	$0.00	$0.00	$751,636.00
Bentonville	Y	$1,260,000.00	$1,206,000.00	2	1	0	0	$460,000.00	$733,000.00	$0.00		$1,220,000.00
Blytheville	Y			1	0							
Brinkley				2	2							
Cabot	Y	N/A	N/A	1.5	1.5	0	0	$11,457.00	$493,507.25	$0.00	$0.00	$504,964.25
Camden	Y	$277,600.00	$280,100.00	3	1	0	0	$65,351.00	$135,486.00	$0.00	$0.00	$200,838.00
Clarksville				1	1							
Conway*****	Y	$803,000.00	$490,000.00	2	2	0	0	$234,916.00	$1,902,664.00	$0.00	$0.00	$2,137,580.00
***** Allocation 1 3/4% of restaurant tax goes to parks and 1/4% goes to A & P budget. 2% of lodging tax goes to A & P budget.												
Dumas				2	2							
El Dorado	Y			3	0							
Eureka Springs**	Y	$1,140,000.00	$1,075,000.00	3	3	0	2	$488,357.00	$395,818.00	$155,970.00	$17,203.00	$1,057,348.00
**Eureka Springs changed amounts collected on hotel and restaurants from 2% to 3% in July, 2007. They dropped the 2% gift shop tax at that same time. They added a 2% attractions tax that previous didn't exist.												
Fairfield Bay				3	0							
Fayetteville***	Y	$2,164,463.00	$2,154,912.79	2	2	0	0	$229,838.52	$1,707,785.82	$0.00	$0.00	$2,030,913.00
***Fayetteville collects a one percent hotel and restaurant for Parks as well as the one percent on hotels and restaurants for A & P. That amount is not included in the money numbers but the total percentages are reflected.												
Forrest City				1	1							
Fort Smith	Y	$901,888.00	$780,690.00	3	0	0	0	$605,132.00	$0.00	$0.00		$605,132.00
Greenwood				0	1							
Harrison	Y	$498,000.00	$498,000.00	3	1	0	0	$140,000.00	$358,000.00	$0.00		$498,000.00
Heber Springs				2	0							
Helena/West Helena				2	2							
Hope	Y			1	1							
Hot Springs	Y	$6,896,055.00	$6,832,760.00	3	3	0	0	$950,224.00	$2,930,927.00	$0.00		$3,921,587.00
Jacksonville	Y	$619,900.00	$87,250.00	2	2	0	0	$61,913.00	$59,840.00	$0.00	$0.00	$121,753.00
Jonesboro	Y			3	0							
Little Rock	Y			2	2							$9,800,000.00
Lonoke				2	2							
Mena	Y			4	1							
North Little Rock****	Y	$813,000.00	$787,700.00	3	3	0	0	$462,539.00	$3,935,648.00	$0.00		$4,398,187.00
****North Little Rock collects 2% on hotel AND restaurant for A & P and 1% on both for Parks. The money is the total of all 3% for both hotel and restaurant.												
Ozark				1	1							
Pine Bluff	Y			3	2							
Rogers	Y	$705,000.00	$55,000.00	2	0	0	0	$501,000.00	$0.00	$0.00		$501,000.00
Russellville	Y			3	0							
Sherwood	Y			2	2							
Siloam Springs				2	0							
Springdale	Y	$295,000.00	$308,000.00	1.5	0	0	0	$265,000.00	$0.00	$0.00	$0.00	$265,000.00
Texarkana	Y			3	1							
Van Buren	Y	$489,019.00	$478,941.00	1	1	0	0	$49,770.00	$336,037.00	$0.00	$0.00	$385,807.00
West Memphis	Y			2	2							

4D

COMPARISONS OF OTHER CONVENTION CENTERS - FISCAL YEAR ENDING DECEMBER 31, 2009

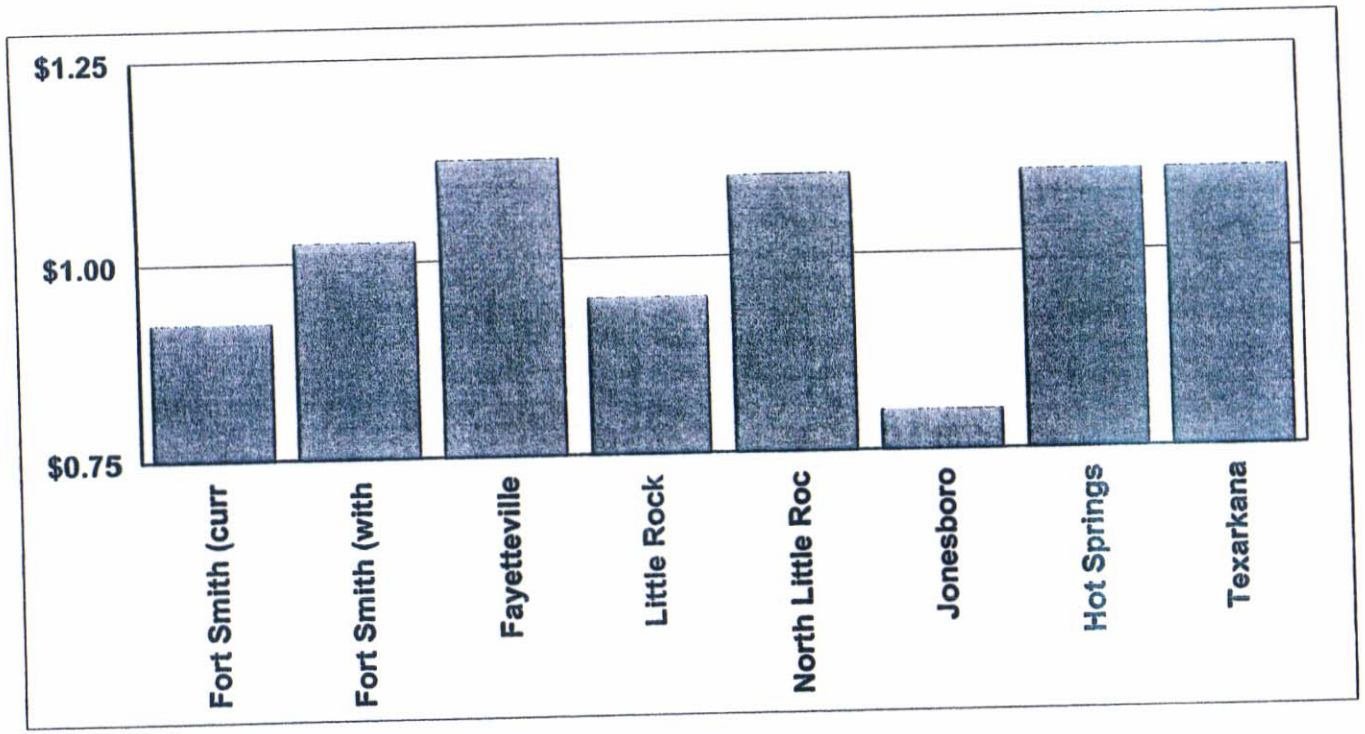
REVENUES:	HOT SPRINGS	FAYETTEVILLE	PINE BLUFF	WEST MEMPHIS	EUREKA SPRINGS
Rental Revenue:	1,124,494	397,407	130,994	31,000	
EXPENDITURES:					
Personnel	1,881,903	176,378	756,660	289,412	
Operating	1,352,838	230,072	728,578	75,588	
Capital			80,000	43,000	
TOTAL EXPENDITURES:	3,234,741	406,450	1,565,238	408,000	
Deficiency of Revenues	**(2,110,247)**	**(9,043)**	**(1,434,244)**	**(377,000)**	**(145,000)***

* Eureka Springs was only willing to share their deficit.

TAXES ON MEALS IN ARKANSAS CITIES

Assumes a $10.00 Meal

City	*Sales Tax*	*Restaurant Tax*	*Total Taxes*
Fort Smith (current)	$0.93	$0.00	$0.93
Fort Smith (with 1-cent restaurant tax)	$0.93	$0.10	$1.03
Fayetteville	$0.93	$0.20	$1.13
Little Rock	$0.75	$0.20	$0.95
North Little Rock	$0.80	$0.30	$1.10
Jonesboro	$0.80	$0.00	$0.80
Hot Springs	$0.80	$0.30	$1.10
Texarkana	$1.00	$0.10	$1.10



2B

Fort Smith
ARKANSAS

TO: Dennis Kelly, Administrator
City of Fort Smith

FROM: Claude Legris
Executive Director
Fort Smith Advertising & Promotion (A & P) Commission

COPY: Advertising and Promotion Commission Members
Ray Gosack, Deputy Administrator
Frankie Hamilton, Convention Center Director

DATE: April 28, 2010

REGARDING: Operating Procedures—Hot Springs/Pine Bluff/Fort Smith

You will recall that A & P Chairman Mayor Ray Baker established a Task Force last August to develop information in order to explore the possibility of the A & P assuming operation of the Fort Smith Convention Center. The recommendations of that Task Force (delivered to the City Directors in January of this year), were reached after consideration of an in depth study of both the Convention & Visitor Bureau and Convention Center operations in Hot Springs, Pine Bluff and Fort Smith.

At your request for use by the current Ad Hoc Committee, is a summary of the primary findings of the research referenced above. Additional results and numerous attachments can be made available at request of the Committee.

The Advertising and Promotion Commission executives from both of these destinations have indicated that they would be happy to attend any future meeting in Fort Smith to provide further guidance and answer any questions the Committee members might have.

I hope these findings are useful as the Ad Hoc Committee continues their work and I would be happy to arrange for visits by my colleagues.

Thank you.

Attachment

Fort Smith Convention & Visitors Bureau
2 North B Street • Fort Smith, Arkansas 72901
479-783-8888 • 1-800-637-1477 • Fax 479-784-2421
E-Mail: tourism@fortsmith.org • URL: http://www.fortsmith.org

SUMMARY COMPARISON OF CVB/CONVENTION CENTER OPERATIONS IN PINE BLUFF, HOT SPRINGS & FORT SMITH

Data compiled by the Fort Smith Convention Center & Convention & Visitors Bureau Merger Task Force, 2009

Additional attachments and expanded reports available by request.

Destination	Population
Pine Bluff	55,000
Hot Springs	37,000 (80,000 MSA)
Fort Smith	85,000 (300,000+ MSA)

BACKGROUND

Year A&P Established	
Pine Bluff	1979
Hot Springs	1965
Fort Smith	1989
What were the circumstances surrounding the establishment of your A&P Commission?	
Pine Bluff	3 year old building – Source to fund operations – 1% vote on both.
Hot Springs	'65, '76, '81 1% all through referendum independent of city
Fort Smith	2% lodging to market destination
Successes of campaign?	
Pine Bluff	Referendum – Strong educational campaign
Hot Springs	½ cent citywide to build and then expand. Each was "sunsetted"
Fort Smith	Establishment and increase to 3% all by ordinance, no challenge.
When the funding source was put into place, was it by ordinance or referendum?	
Pine Bluff	Referendum
Hot Springs	One attempt that was challenged to referendum & approved
Fort Smith	Referendum
What was the initial distribution of your tax funding?	
Pine Bluff	Majority for Convention Center operations
Hot Springs	Advertise & promote city. Need Convention Center operations too.
Fort Smith	Advertise & promote city

CURRENT A&P ORGANIZATION

What is your current CVB staffing level?	
Pine Bluff	4 including two sales
Hot Springs	15 including 3 building sales
Fort Smith	5 including 2 sales
What percentage of A&P funding is utilized for your CVB function?	
Pine Bluff	30% - $440,000
Hot Springs	41% - $1,841,310
Fort Smith	89% - 781,476

What is your current Convention Center staffing level?	
Pine Bluff	13
Hot Springs	34
Fort Smith	14
What percentage of A&P funding is utilized for your Convention Center function?	
Pine Bluff	70% - 1.1 million
Hot Springs	59% - 2.6 million
Fort Smith	11.3% for event rentals are 100,000 + annual

CURRENT FUNDING

What is the current makeup of your A&P revenues and how much from which sources?	
Pine Bluff	$1.5 million – 2% food (83% of total), 2% lodging (17% of total)
Hot Springs	$4.4 million – 3% food & lodging (65% of total), Convention Center (24% of total), Tower (11% of total)
Fort Smith	3% lodging (100%)
How is your A&P revenue utilized?	
Pine Bluff	20% for CVB & 80% for Convention Center
Hot Springs	23% for CVB & 77% for Convention Center
Fort Smith	89% for CVB & 11% for Convention Center rental

MARKET ANALYSIS

How many total hotel rooms are in your market?	
Pine Bluff	1,500
Hot Springs	3,574
Fort Smith	2,631
Approximate number of restaurants in the metro market?	
Pine Bluff	180
Hot Springs	229 collect food tax
Fort Smith	204

CONVENTION CENTER OPERATION

What are your facility funding sources (i.e. rental, utilities, food/beverage) and their % of your revenue mix?	
Pine Bluff	Rental 130,000; Food & Beverage 8,000
Hot Springs	Rental 56%; Equipment rental 11%; Food & Beverage 25%; Electric 6%; Signs 2%
Fort Smith	Rental 83%; Food & Beverage 4%; Utility 6%; Staffing 7%
How are your capital improvements funded?	
Pine Bluff	Emergency basis
Hot Springs	Savings account from turnback funding. $4 million balance
Fort Smith	State turnback since 2004

Have there been major changes in either your funding or expense mix in the past three years?	
Pine Bluff	Turnback rolled out 2004
Hot Springs	None
Fort Smith	None
Structure of compensation?	
Pine Bluff	Flat salary
Hot Springs	Flat plus bonus on review
Fort Smith	Flat plus 5% on sales gross vs. prior fiscal year

CONVENTION BUREAU OPERATION

What are your bureau funding sources and their % of your revenue mix (i.e. membership, A&P funds)?	
Pine Bluff	100% from 2% food and 3% lodging
Hot Springs	100% A&P. 76% prepared food 24% lodging
Fort Smith	100% from 3% room tax
What are your bureau expense classifications and their % of your expense mix (i.e. personnel, facilities, advertising, public relations, travel, etc.)?	
Pine Bluff	Personnel 37.5%; Marketing 43%; Center support 19.5%
Hot Springs	Personnel 57%; Marketing 21.8%; Administration 21.2%
Fort Smith	Personnel 33.6%; Marketing 52.6%; Operations/Administration 13.8%

FACILITY DISCOUNTING

Do you have an established policy/procedure for the discounting of Convention Center rental?	
Pine Bluff	No official policy, discretion of sales professionals
Hot Springs	Based on A&P tax impact; negotiated and absorbed
Fort Smith	Grant program at A&P based on trackable economic impact
The high points of that policy/procedure:	
Pine Bluff	Based on A&P tax impact – substantiated in advance
Hot Springs	See previous. Not following comp trends in FS & LR
Fort Smith	Based on impact, must be substantiated by client following event.

MISCELLANEOUS ITEMS

How frequently do you hold hard and fast to "top of card?"	
Pine Bluff	Not for political, for profit, ticketed
Hot Springs	50% of time
Fort Smith	65% of time
How often do you revisit your rental rates?	
Pine Bluff	Annually
Hot Springs	Annually based on market conditions
Fort Smith	Semi-annually

What is the methodology utilized for these rate study considerations?	
Pine Bluff	Cost of Living and inflation
Hot Springs	Charge per square foot
Fort Smith	Price point comparison with competitive set
Discuss your Food/Beverage arrangement and its importance to your bottom line.	
Pine Bluff	Preferred list with discretion of Executive Director
Hot Springs	Exclusive with Turf catering – 25% of revenue, full kitchen
Fort Smith	Approved list – Catering kitchen only
Discuss your ticketing arrangement and its importance to your bottom line.	
Pine Bluff	TicketMaster
Hot Springs	TicketMaster
Fort Smith	None. In-house soon?

AGENDA

FORT SMITH BOARD OF DIRECTORS
SPECIAL MEETING & STUDY SESSION

JANUARY 11, 2011 ~ 12:00 NOON

FORT SMITH PUBLIC LIBRARY
COMMUNITY ROOM
3201 ROGERS AVENUE

SPECIAL MEETING

ROLL CALL

1. Resolution confirming appointment and employment of Ray Gosack as City Administrator and authorizing execution of At-Will Employment Agreement
   Approved 7 in favor, 0 opposed / Resolution No. R-6-11

ADJOURN

STUDY SESSION

1. Presentation by Ivy Owen, Executive Director of the Fort Chaffee Redevelopment Authority
   Presentation only ~ No action taken

2. Review initial proposal for consolidation of Fort Smith Convention Center with Fort Smith Advertising and Promotion Commission ~ *Requested at the January 4, 2011 regular meeting* ~
   The Board requested preparation of an agreement with the Advertising and Promotion Commission for operation of the convention center, and scheduled review of said agreement for the January 25, 2011 study session

3. Review preliminary agenda for January 18, 2011 regular meeting.

MINUTES OF BOARD OF DIRECTORS SPECIAL MEETING

TUESDAY ~ JANUARY 11, 2011 ~ 12:00 NOON

FORT SMITH PUBLIC LIBRARY COMMUNITY ROOM

The special meeting was called by the Board of Directors at the January 4, 2011 regular meeting (to immediately precede the regularly scheduled study session) to consider the following item:

- Resolution confirming the appointment and employment of Ray Gosack as City Administrator and authorizing the execution of at-will employment agreement

The special meeting was called to order by Mayor Sandy Sanders, presiding. On roll call the following members of the Board were present: Directors Steve Tyler, Andre' Good, Don Hutchings, George Catsavis, Pam Weber, Kevin Settle and Philip Merry. The Mayor declared a quorum present.

Mayor Sanders briefed the Board on the item advising such confirms the action taken at the January 4, 2011 regular meeting to appoint Ray Gosack as City Administrator and authorizes execution of an at-will employment agreement.

Good, seconded by Merry, moved approval of the resolution. The members all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given No. R-6-11.

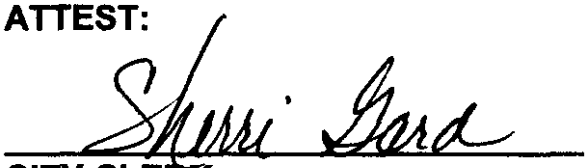
Administrator Gosack simply conveyed much appreciation for the appointment and noted his intent to work closely with the Mayor, Board and City staff.

There being no further business to come before the Board, Settle moved that the meeting adjourn. The motion was seconded by Tyler, and the members all voting aye, the Mayor declared the motion carried, and the special meeting stood adjourned.

APPROVED:

MAYOR

ATTEST:



CITY CLERK