Mayor – Sandy Sanders

City Administrator – Carl Geffken

City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith Lau
Ward 2 – Andre' Good
Ward 3 – Mike Lorenz
Ward 4 – George Catsavis
At Large Position 5 – Tracy Pennartz
At Large Position 6 – Kevin Settle
At Large Position 7 – Don Hutchings

AGENDA

Fort Smith Board of Directors

STUDY SESSION

September 27, 2016 ~ 12:00 Noon

Fort Smith Public Library Community Room

3201 Rogers Avenue

CALL TO ORDER

1. Review departmental service objectives for *2017 ~ Deferred at the September 13, 2016 study session ~*

2. Presentation of proposed 5-Year Capital Improvement Programs (2017-2021):

   A. Engineering Department - Streets, Bridges and Associated Drainage
   B. Utility Department - Water, Wastewater and Maintenance & Improvement
   C. Parks and Recreation Department - 1/8% Sales and Use Tax

3. Review proposed amendment to the Education Reimbursement Policy

4. Review preliminary agenda for the October 4, 2016 regular meeting

ADJOURN

SS1

MEMORANDUM

September 23, 2016

TO: Jennifer Walker, Director of Finance

FROM : Christy Deuster, Office & Budget Coordinator

SUBJECT: 2017 Departmental Service Objectives

Attached for review are the 2017 service objectives submitted to Finance as required during the annual budget cycle. These service objectives and applicable key performance indicators provide insight to the board and adminstration on departmental priorities for the coming year.

Should you have any questions or require more information, please let me know.

2017 CITY-WIDE BUDGET GOALS

- Incorporate the implementation of the Future Fort Smith Comprehensive Plan and vision statement into the City's operating and capital budgets.

- Provide additional recreation through use of Parks Capital Improvement funds to continue improvements to Riverfront Drive propertiesand continue construction of trails according to priorities identified in the updated Trails & Greenways Master Plan. (FFS Goals NCR-1; TI-3)

- Continue economic growth strategies to increase the job market with higher paying jobs as well as support the construction of Interstate 49, the regional intermodal freight facilities, and improvements/ maintenance of the Arkansas River navigation system in order to capitalize on the City's strategic position at the crossroads of highways, rail, and navigable waterways. (FFS Goals ED-1; TI-2)

- Support riverfront development and the revitalization of downtown into a multipurpose activity center. (FFS Goals FLU-2; FLU-3)

- Preserve, protect, and revitalize the City's neighborhoods with continued proactive code enforcement, community beautification, improving public sidewalks, and planting parkway trees. (FFS Goal HN-1)

- Continue compliance with the consent decree for wet weather sanitary sewer system improvements in order to alleviate the occurrence of backups and overflows.

- Educate the community, legislators, and other stakeholders on the funding obligations for police and fire pensions.

- Continue converting portions of the city's fleet to alternatively-fueled vehicles. (FFS Goal NCR-2)

- *Proposed:* Supporting tourism initiatives in the City of Fort Smith by partnering with local organizations as tourism partners. (FFS Goals FLU-2; FLU-3; NCR-3)

Updated after Board Review on August 23, 2016

Memo

To: Carl Geffken, City Administrator

From: Jeff Dingman, Deputy City Administrator

CC: FY2017 Budget file

Date: 9/9/2016

Re: FY2017City Administration Service Objectives

The following are the Service Objectives as built into the FY2017 city budget for Program 4102, City Administrator. These service objectives are intended to outline and justify the work effort associated with the appropriation of the program's budget.

FY2017 Service Objectives: City Administrator Program

1. **Service Objective:** *Continue to improve transparent communication with the Board of Directors and the public on all matters, especially regarding the status of ongoing projects or initiatives.* The focus of this effort for 2017 will be to improve public relations from the city in general, and the city administrator's office in particular. It is anticipated that this will result in some level of contracted services. In addition, we need to encourage all departments to evaluate the ways in which they communicate with the public, focusing on two-way communication and the use of social media. Technology improvements such as updating the city's website format and content, and unifying social media efforts should help reach a broader cross-section of the public.

2. **Service Objective:** *Continue reporting on the status of implementation of the Future Fort Smith comprehensive plan, and actively participate in efforts to expand the details of such plan.* The first example of such expansion of the plan is a joint effort of private and public agencies to evaluate potential re-development opportunities downtown and at the riverfrontin response to the Future Fort Smith plan. Propelling Downtown Forward is underway, and the participation of city administration and planning departments are key in that process, as well as other economic development initiatives at Chaffee Crossing and throughout the community.

3. **Service Objective:** *Continue to identify efficiency of city services and facilities, including identifying where "green" initiatives make sense for city facilities or services.* Evaluate existing city facilities, especially large ones such as the Fort Smith Convention Center, for potential energy efficiency projects. Similarly, evaluate all city facilities for efficiency of providing service to the public and develop a plan for the future regarding where and how city services are delivered.

4. **Service Objective:** *Continue to refine performance measurement budgeting; including better definitions of departmental performance measures and associated benchmarks.* Participate in the further development, implementation, and measuring of performance benchmarks in all departments, which will help in determining areas for improvement and efficiency. Focus on customer service feedback initiatives in order to monitor the public's perception of the delivery of city services.

5. **Service Objective:** *Improve administrative efficiency within the entire organization by supporting the implementation of an Enterprise Resource Plan to modernize the city's business processes.* A modern ERP system is required to replace the obsolete management software, and streamline future upgrades when required. This process is just starting in 2016 with the selection of an ERP

system vendor, but will require steadfast commitment of the board, administration, and all city departments (particularly Finance, ITS, and Utilities) to make its implementation successful over a period of 18 to 24 months.

6. **Service Objective:** *Improve and strengthen relationships between city administration and local agencies, businesses, organizations and political representation to ensure that the City of Fort Smith provides appropriate support to all who strive to improve our region and community.* The outreach and involvement of city administration in community efforts, both large and small, to advance and promote Fort Smith by all means possible shall continue to be the focus of the city administrator's office.

POLICY/ADMINISTRATION 2017 SERVICE OBJECTIVES

Mayor:

1. Continue economic development efforts. Work with Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission to work with existing businesses and industries to retain existing jobs, and support efforts to attract new jobs.
2. Continue to encourage expansion of regional development by working with area city and county governments, and organizations such as Western Arkansas Planning & Development District (WAPDD), Frontier Metropolitan Planning Organization and Sebastian County Regional Solid Waste Management District.
3. Fully support tourism efforts through leadership of the Advertising and Promotion Commission.
4. Maintain close working relationships with local, state and federal elected officials and staff members.
5. Promote Fort Smith to residents, businesses and visitors, and professionally represent the City at appropriate events and activities.
6. Maintain effective working relationships with agencies impacting Fort Smith, including the U.S. Army Corps of Engineers, Federal Highway Administration, Federal Aviation Administration, the Arkansas Highway and Transportation Department and the Arkansas Waterways Commission.
7. Continue emphasis on City-wide cleanup and beautification.
8. Continue to lead the committee of citizens planning for the celebration of the 200th anniversary of the founding of Fort Smith.

2017 DISTRICT COURT SERVICE OBJECTIVES

1. Cross training of the court's support personnel to ensure efficient and high quality service to the patrons of the court. The Court will continue to emphasize education and the development of its personnel in areas of procedure, professional skills and statutory basis for the Court's operations. The court staff will also work toward certification through state training, the Arkansas District Court Clerks Association and through the National Center for State Courts.

2. Increase court revenues by utilizing resources available to the Court to reduce expenditures and through aggressive collection procedures/programs.

3. Review and update the Court's Procedural Manual to implement legislative changes.

4. Increase technology and automation through the implementation of a new case management software program.

5. Continue to identify further measures to improve court services and performance by implementing the following measures: 1) Establish data collection methods and reporting of the court's administrative functions to clarify performance measures. 2) Case processing clearance rate - % of cases set for trial 3) Contempt warrant clearance rate - % of warrant for failing to pay fines 4) Accounts receivable clearance rate - assess how much is owed to the court and what % is past due.

2016 DISTRICT COURT SERVICE OBJECTIVES AND OUTCOMES

1. ***Service Objective:*** *Continue cross training of the Court's support personnel.*
   Outcome: Cross Training: 8 employees were required to learn a new position. (Rotations were kept to a minimum to allow employees to be seasoned in their positions for testing and implementation of the new computer software program. Succession Planning: All employees are cross-trained in each position within the department. Employees are required to rotate into a new position annually. The key positions within the department are the Financial Administrator, Senior Deputy and Clerk of the Court. 2 of the 3 employees holding these positions have been cross-trained in all 3 positions. Other employees were trained on various tasks that are assigned to these key positions. Certification: 87% (13 out of 15) of the Court's core personnel has earned certification through the Arkansas District Court Clerks Association. 9 clerks received updates to their certifications in 2016. The Court Clerk is working on a National Certification through the National Center for State Courts (Graduating 8/29/2016).
2. ***Service Objective:*** *Increase revenue.*
   Outcome: <u>On-line & Credit Card Payments Program</u>: Utilization and collection through the court's payment services continues to increase. (Jan-Aug 2016 = $251,560)
   <u>Jail Billing and Jail Population</u>: Continued auditing jail billing on a daily and monthly basis and continued holding additional sessions of prisoner arraignments to help with jail population and to reduce the number of days an inmate stays in jail. Other efforts include reduced jail sentences, court ordered community service in lieu of jail, signature bonds, meritorious good time jail credit and electronic monitoring. Savings from these efforts are

recognized in the Police Department budget (4702-219).

Community Service Program: The Court's program provided 23,940 labor hours to the community (Jan-Aug 2016), which is the equivalent of 12 full time employees.

Collection Efforts: 11% of the Court's collections were derived from methods such as the State Tax Intercept Program, commissary account withholdings, credit card payments and bond forfeitures (2012=18%, 2013=19%, 2014= 20%). Collections are not immune to economic conditions and therefore have declined, lack of jail space has also worked against the court's aggressive collection efforts.

Warrants: Jan-Aug 2016 = 68% of the warrants issued have been resolved with 54% of those being handled by the District Court staff without involving law enforcement or the use of the detention center.

Revenue: An increase in fine revenue is expected in 2016, due to the discount for using a a seat belt has been repealled. The City and County's share of revenue derived from court collections in 2015 exceeded expenditures by $1,280,124 for the City and $813,354 for the County.

(Generating revenues in excess of expenditures provides for a self funded court.)

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

   Outcome: The Court is implementing a new case management software program and therefore causing the need to rewrite all procedures and processes for the court. Configuration and Training continues with an implementation and "Go-Live" scheduled for late 2016. The project deadline keeps getting pushed out, due to the complexity of the program trying to combine practices for 10 different departments.

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

   Outcome: Procedural and Process Planning for a new case management system began in 2012, software configuration began in 2013, implementation to begin 2015. Configuration of Management System- Once the system is in use, the Court will create business rules and configure the program in a way that it increases technology and automation. Areas of focus: Accuracy of data for statistical reporting, paperless files/ warrants/dockets, reducing redundancy within processes and procedures, electronic reporting of dispositions to outside agencies, more efficient case flow, better access to court records and automating manual processes. This will be an on-going process with focus on one project at a time.

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

   Outcome: Citizen Service Surveys were conducted with an overall average of 99% satisfaction in areas of courtesy, knowledge, timeliness, communication and professionalism.

DISTRICT COURT - 4201

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

	ACTUAL FY15	PROJECTED FY16	ESTIMATED FY17
Traffic Cases			
Workload	20,425	18,250	18,700
Completed	18,117	16,750	17,000
Completion Rate	89%	92%	91%
Criminal Cases			
Workload	16,387	16,620	15,700
Completed	12,658	13,910	12,600
Completion Rate	78%	84%	81%
Civil Cases			
Workload	1,907	2,350	1,900
Completed	1,443	1,760	1,450
Completion Rate	76%	75%	77%

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

	ACTUAL FY14	ACTUAL FY15	ACTUAL YTD16
Assessed	$5,786,640	$6,403,890	$3,189,780
Collected	$4,159,190	$5,824,670	$2,837,200

Note: Collections include monetary payments as well as jail/community service credits on fines assessed in previous years, therefore, collections can at times appear to exceed assessments.Both assessments and collections remain consistent. A fluctuation can be attributed to the number of fiilngs, which directly impacts assessments, which directly impacts the amount eligible for collection.

Revenue in Excess of Expenses: 2015 Actual= City $1,280,124 County $813,354

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

	ACTUAL FY15	PROJECTED FY16	ESTIMATED FY17
Warrants Issued by Court	11,747	12,200	11,600
Warrants Resolved	8,924	9,100	9,000
Warrants Unserved	2,823	3,100	2,600
Warrants Resolved	76%	75%	78%
Warrants left Outstanding	24%	25%	22%
Resolved by the Court	49%	51%	50%
Served by Law Enforcement	51%	49%	50%

CITY PROSECUTOR

2017 Goals:

1. Continue to pro-actively review cases appealed to Circuit Court from District Court for the purpose of disposition prior to setting on trial docket.
2. Continue accessibility to other city agencies for consultation and advice.
3. To continue to provide legal training, advice, and assistance for law enforcement officers.
4. To become able to efficiently apply and operate new technology, particularly the new Case Management System to be set in place through the Courts.

Internal Audit Overview:

The purpose of this program, 4405, is to help the City and its Departments accomplish it objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Internal Audit also reviews internal control procedures, operating procedures, and compliance procedures. Additionally, to assist with the annual external audit examination when deemed necessary.

Internal Audit 2017 Service Objectives

1. Assist all city departments with internal processes to help be more effective and efficient.
2. Perform risk assessment with Administration, Department Heads, Audit Committee Members, and Board Directors. The risk assessment is continuous throughout the year.
3. Prepare audit plan and submit to the Audit Committee for approval. The audit plan has been approved. The audits are performed throughout the year.
4. Conduct audits based upon audit plan, special request audits, surprise audits, and any audit deemed necessary during the year.
5. Write Audit Department manual. The Audit Department manual is currently in progress.
6. Continue key performance measures in the internal audit department.

Department 2017 Service Objectives

In support of the City of Fort Smith Mission Statement, 2017City WideGoals and the City of Fort Smith Comprehensive Plan the human resources department established the following service objectives for 2017:

1. Maintain and administer a fair and competitive wage &compensation system.
2. Manage the medical insurance benefit program to provide quality health care at an affordable cost.
3. Manage a cost-effective workers' compensation program.
4. Continue customer service & social media training for targeted positions.
5. Review the possible alternatives for implementing an electronic performance appraisal system.
6. Go paperless by imaging all documents.

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual**	**FY 2017 Target**
Human Resources 4104	FTE	944.83	944.83	975	975
Human Resources 4104	Applications	3000	3000	4400	4400
Human Resources 4104	Civil Service Tests	4	4	6	4
Human Resources 4104	Civil Service Meetings	2	2	6	4
Human Resources 4104	PSC Processed	1250	1250	1250	1250

City Clerk 2017 Service Objectives

1. Provide educational opportunities to staff to ensure knowledge and skills are increased to benefit both staff and citizens.

2. Provide prompt processing of official documents, legal publications and codification of ordinances.

3. Provide various administrative services to the public, mayor, board of directors, administration and staff. *(Comprehensive Plan PFS-1)*

4. Provide up to date information on the department web page. *(Comprehensive Plan PFS-1)*

5. Ensure quality programming of the Government Access Channel 214, including live telecast and rebroadcast of regular meetings of the Board of Directors. *(Comprehensive Plan PFS-2)*

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual ***	**FY 2017 Target**
Program #4105 City Clerk	Board meetings attended (voting sessions) / Sets of Board minutes	29	28	21	28
Program #4105 City Clerk	Agenda's prepared	55	55	32	55
Program #4105 City Clerk	Ordinances & Resolutions adopted	326	300	175	300
Program #4105 City Clerk	Oak Cemetery Interments / Inurnments	74	70	52	70
Program #4105 City Clerk	Oak Cemetery deeds issued	58	65	28	65
Program #4105 City Clerk	Average Government Access Channel advertisements	267	275	267	275

Finance Department 2017 Service Objectives

1. Support the City's Technology Plan by driving the Enterprise Resource Planning (ERP) system project planning and implementation. (Comprehensive Plan: Goal CCD-3.1)
2. Analyze and improve budget management process for all departments. (Comprehensive Plan: Goal CCD-3)
3. Enhance Accessibility of Financial Data for all City Management, citizens, vendors, and customers.(Comprehensive Plan: GoalCCD-3.1)
4. Enhance accountability across all departments by refining and communicating financial and administrative policies to all employees. (Comprehensive Plan: Goal CCD-3)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual**	**FY 2017 Target**
Program # 4301 Finance	Number of days to close the year/ month. Target: 10th day of following month; Feb 5 year end.	98%	100%	83%	100%
Program # 4301 Finance	Bond Rating	A-	A-	A-	A-
Program # 4301 Finance	A/P Days outstanding 30 days or less	94%	95%	90%	95%
Program # 4301 Finance	Quick Ratio (~cash / liabilities) Target: 85% liquidity	Total 381% (Gen – 810%; Street – 1129%; W/S – 556%; San – 1753%)	90%	---	90%

2017 Service Objectives
Department of Information and Technology Services (ITS) - 4401

1. Continue implementation of Strategic Technology Plan and IT Governance Policy. Pursuant to direction from the Board of Directors, ITS will continue in 2017 to audit and evaluate the deployment of software, technology and services throughout each department in an effort to ensure the most efficient and beneficial use of technology and identify potential cost savings. Systems and services to be evaluated may include, but not limited to: consolidation of access and physical security systems for all City facilities, consolidation of fueling systems for City vehicles, feasibility of managed print services, and identification of existing third-party applications/services that may be replicated or performed internally.

2. Continue to provide Project Management leadership for the ongoing ERP project through 2017 and 2018. Q4 of 2016 should see selection of ERP vendor and procurement of multi-year implementation contract. Of significant importance to the success of the project will be the conversion of nearly 30-years of legacy data from the existing financial system to the newly-selected ERP system. ITS will play a critical role in aligning this process to the formatting and loading into new ERP database as well as serving as the principle liaison between the ERP vendor and the various City departments.

3. Continue to work with the Internal Auditor to implement and expand comprehensive asset tracking for technology equipment and perform quarterly and yearly audits throughout each City department.

4. Continue to provide timely and effective support of personal computers, related peripherals and communication technology to the Administration and staff of the City of Fort Smith.

5. Continue to develop, implement and load data for the City's Open Data Portal (ODP). When fully-implemented, the ODP will leverage information from various City sources, including the ERP, foster transparency and provide direct public access to certain City data.

6. Develop policies, guidelines and electronic communications plan to promote and expand how the City communications via social media and other forms of digital media.

7. Provide technical assistance, leadership and, when requested, project management services to those departments wishing to implement new technologies to enhance their business processes.

8. Continue to work with the Utilities Department and associated contractors to assist with fulfillment of the Wastewater Consent Decree program. This work will include ensuring availability of critical network, web and data storage services, providing access to the City's enterprise GIS, developing and maintaining GIS web services for project management, developing focused

web-based GIS applications, and providing focused end-user support for technology devices and peripherals.

9. ITS will finalize implementation of the Cox Communications Data and Voice services contract. These services include higher capacity and more scalable Wide-Area-Network (WAN), Internet and voice technologies.

10. Continue to provide GIS support to the Fort Chaffee Redevelopment Authority (FCRA) and Fort Smith Regional Chamber of Commerce. This support will enhance the FCRA's and Chamber's ability to pursue their economic development and management goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Chaffee Crossing GIS Portal and preparation of maps and information for site selectors representing potential business development with the region.

11. City ITS and GIS staff will continue to expand utilization of cloud-based services for related applications and data. In 2016, ITS began utilizing the Amazon AWS and Esri ArcGIS Online cloud services for storage of selected datasets and apps. In 2017, ITS will continue to evaluate and, where appropriate, expand this effort.

12. Expand the use of advanced GIS analysis to provide greater insight into business processes and delivery of services. City GIS staff will work with City departments such as Transit, Sanitation, Streets/Operations, and Fire to study and improve vehicle routing through the use of network analytics. GIS staff will also develop and promote tools for identifying spatial patterns or statistical clustering of City services and/or service requests for departments such as Neighborhood Services, Code Enforcement, Police/Fire, etc.

13. Continue to expand the wireless network coverage to include more public sites. This will provide users conducting business with the City seamless access to business services in a variety of locations from a variety of devices.

14. Continue to convert numerous site links to wireless backhaul technology that will be managed internally. This will allow the City to move away from expensive monthly fees currently being assessed by third-party providers. The goal is to continue to realize direct cost savings.

Department 2017 Service Objectives

1. Support the livability of neighborhoods by constructing street overlays/reconstruction projects, street improvement projects, and by alleviating drainage problems, all as identified in the 2017 Capital Improvement Program. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

2. Implement special projects which evolve during the year. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

3. Implement key performance indicators as outlined below. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual**	**FY 2017 Target**
Program # 4103 Engineering	Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by October 31.	10/20/15	10/31/16	10/18/16	10/31/17
Program # 4103 Engineering	Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1.	05/26/15	05/31/16	05/26/16	06/01/17
Program # 4103 Engineering	Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%	100%	100%	100%
Program # 4103 Engineering	Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	100%	100%	100%	100%

DEVELOPMENT SERVICES DEPARTMENT
2017 SERVICE OBJECTIVES

1. Continue implementation of the goals identified for the development services department through the Comprehensive Plan update.

2. Continue to review, edit and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, ETJ, planning area, annexation plans and other development maps.

3. Improve the quality of place and life by strengthening customer services and communication with citizens. Continue to monitor department performance via electronic customer service surveys.

4. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs and creating a more proactive program in the neighborhood services division. The staff is implementing the Housing Assistance Program which was CDBG funded for $231,801.00 for PY 2016 and HOME funds in the amount of $202,485.00 for new affordable housing on infill lots with designs sensitive to the surrounding neighborhoods. The CDBG and HOME budgets were slightly increased for PY 2016. The staff is anticipating that the CDBG and HOME Programs funding will remain level for PY 2017.

5. Collaborate with IT to improve the department's presence online by updating the Development Services website in order to make the experience more user friendly for the customer.

2017 Goals and Objectives for the Fort Smith Police Department

Administration

The Department's Administration Division will support continued economic growth and help to protect the City's neighborhoods through:

- Coordinating efforts of all Police Divisions in the continuation of the implementation of Intelligence-led Policing.
- Coordinating with all Police Divisions in efforts to recruit, train and hire new officers to reduce the significant staffing shortage the Department is currently experiencing.

Support Services

Training Unit:As evidenced by the recent rise of attacks on officers across the country, the need for additional training time on officer safety issues is imperative. By the end of 2017, additional training will have been provided to all officers on officer safety topics. This training will be in addition to the recurring mandatory training already provided.

The goal of increasing diversity within the department will continue in 2017. As more and more organizations and task forces are being assembled to address minority hiring within the city, the FSPD Recruiter will continue to participate in or provide information to those groups in an effort to further our minority hiring efforts. All attempts will be made to partner with these groups to foster a better working relationship with the minority communities.

The goal of completing construction of a small arms firing range on the Fort Smith Sanitation property will continue into 2017. By the end of 2017, pending financial resource availability, the training unit will make all reasonable efforts to have the dirt work for the firing range completed. Total completion of the range will be a multi-year project, primarily due to funding restrictions. Completion of the dirt work alone will provide for better training opportunities, thereby increasing training efficiency and officer safety.

Central Records: Support Services will continue to work toward implementing full electronic entry of police records in support of the Crime Intelligence Analyst as the Department continues towards the Intelligence Led Policing.

The State of Arkansas has moved to the "E-crash" electronic accident reporting system for the reporting of vehicle collisions.Before the end of the first quarter of 2017, Support Services will strive to assist the patrol division with the department wide training and transition to the "E-crash" system.

Network Team: The department needs to replace servers, increase storage capacity, and implement specialized security controls.The FSPD Network Team will research and look at solutions to offset technology security risks to comply with FBI CJIS security policies. Improvements in this area are also required to mitigate the exposure of malware and loss of public safety data. Current technology is reaching end-of-life and has created limitations in pushing out new technology such as desktop virtualization, and in-car video uploads.Department will look to implement speeds up to 40GB bandwidth in portions of the network.

We will also look to design and ascertain cost to building out a new network, and wireless infrastructure to increase performance and the available storage space for virtualization, client/server deployment, and data storage. Virtualization, and continued data growth are placing demands for the improvements. Additionally, the current storage is reaching an end of product life and needs to be replaced.

Key servers and storage in the Digital Forensics Lab have reached nine years of being in service. This equipment is no longer supported by the vendor and poses a significant risk to criminal investigations.

Communications Center: The communications unit will attempt to increase customer service and overall efficiency of the unit to include ensuring an adequate number of telecommunicators are on duty during each shift. To this end, a review of the existing work schedule will occur. This review will attempt to identify ways to reduce overtime usage, increase staffing during critical times, and reduce or eliminate the current shift overlaps to increase efficiency. Three dispatching console positions will be outfitted with an additional monitor to compensate for the addition of L3 Patrol Scout AVL. Day-to-day operations within the communications unit will be streamlined in order to increase efficiency. Quality assurance checks will be work flowed electronically to reduce the use of paper and to increase efficiency. If budgeting allows, we will request that one additional telecommunicator will be added to increase the total number of dispatchers from 24 to 25.

Criminal Investigation Division

The Criminal Investigation Division will increase customer service to our community by restoring a Senior Clerk Position in Narcotics. This will enable citizens to call in a complaint regarding drug activity, graffiti, prostitution, gambling, and other vice related crimes, and be able to speak with a trained individual who will be able to take the complaint, anonymously made or otherwise, and route the information to the most logical source, rather than having to leave information on voice mail. They will also be able to take offense reports over the telephone. This position will also fulfill other duties, ultimately making for a more efficient and safer working environment for our officers.

Patrol

The Patrol Division needs to replace fifteen ~~ten~~ of the older, more heavily-worn fleet units with new vehicles and equipment. This replacement will improve the reliability of the necessary patrol response units and save additional repair costs associated with overuse of aging equipment.

The Patrol Division needs to provide a K-9 handler with K-9 Supervisor training as part of the department's commitment to succession planning.

Radio Communications

The State of Arkansas AWIN System is scheduled for a system level upgrade in early 2017. Radio Maintenance personnel will be involved with the Motorola Support Team to accomplish this upgrade for our system.

In order to maintain technical expertise in the Radio Communications Division we need to obtain training for the Radio Technician position. This will include online classes as well as instructor led classroom training and will involve travel and lodging. The Radio Maintenance Supervisor/Manager will attempt to find and schedule needed training.

Police Department 2017Service Objectives

1. Deliver high quality services to all stakeholders.
2. Maintain the highest ethics, values, and standards.
3. Monitor cost of police services.
4. Improve the accountability and performance measurement of our budget by including key performance indicators for the Department as outlined below. (Comprehensive Plan: Goal PFS-2)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual***	**FY 2017 Target**
Police Department Program # 4701 - 4705	Maintain or reduce response times for Priority 1 Calls for Service to 5 minutes or less	4 through July, 2015	5	4.48	5
Police Department Program # 4701 - 4705	Respectful dealing with citizens – number of sustained citizen complaints per sworn officer	2.28%	<= 4%	3.47%	<=4%
Police Department Program # 4701 - 4705	Cost of police services – Dollar cost of police department per person	$190.27	<=$376	$177.74	<=$376

* - As of August 2016.

Fort Smith Fire Department
2017 Service Objectives

1. Land has been acquired for a future fire station in south Fort Smith to support infrastructure requirements necessary for future growth. (Comprehensive Plan: FLU - 1.3.2; FLU - 1.4.1)
2. Continue to follow the guidelines of the Insurance Services Office (ISO) and National Fire Protection Association (NFPA) service and response requirements for future expansion and growth. (Comprehensive Plan: ED – 4.1)
3. Evaluate all possible design and construction methods to ensure future fire department facilities are cost effective and efficient. (Comprehensive Plan: HN – 1.2)
4. Continue to support housing and neighborhood development through proper application and monitoring of current building and safety codes. (Comprehensive Plan: HN – 2.3.1; HN – 3.2; HN – 4.1; HN – 4.2; HN – 4.3)
5. Protect residential neighborhoods from excessive through traffic by assisting other city departments in monitoring and developing traffic calming techniques. (Comprehensive Plan: TI – 1.4)
6. Promote a business-friendly and citizen friendly government by maintaining fair and transparent fire codes and apply equally to all customers. (Compressive Plan: PFS – 1.1; PFS – 1.1.2)
7. Maintain open communication between the City, the business community, and residents through participation in public programs such as Citizens Fire Academy, attending all neighborhood ward meetings, and delivering public safety education sessions to residents, school children, and businesses. (Comprehensive Plan: PFS – 2.2)
8. Maximize taxpayer dollars by seeking opportunities to co-locate future facilities to maximum efficiencies and reduce capital and operating costs by continuing to develop the Fort Smith Fire Department Training Facility located at, and partnership with, the Fort Smith Department of Sanitation. (Comprehensive Plan: PFS – 4)
9. Improve the accountability and performance measurement of our budget by including key performance indicators for the Department as outlined below. (Comprehensive Plan: Goal PFS-2

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual**	**FY 2017 Target**
Program # 4801 Fire Department	To keep casualties and property loss from fire as low as possible through education and inspections	Reached 2766 children and 1910 adults through fire education programs	To educate Children, Senior Citizens, low income, and higher risk occupancies on fire prevention	Thru 8/15/2016 – Reached 1439 children and 854 adults through fire education programs	To educate Children, Senior Citizens, low income, and higher risk occupancies on fire prevention
Program # 4801-4802 Fire Department	To keep property fire insurance rates as low as possible / Public Protection Class 2 or better	Class 2 with a score of 80.28 out of 100	Public Protection Class 2 or better	Currently receiving an ISO review. Data will should be available by year end.	Public Protection Class 2 or better
Program # 4802 & 4803 Fire Department	To strive to keep property loss from fires or other incidents to a minimum / To keep property loss to less than 10%	Value of property responded to: **$58.90 Million** Total Percent Lost: **6.38%** Total Percent Saved: **93.62%**	To keep property loss to less than 10%	Thru 8/15/2016 - Value of property responded to: **$72.47 Million** Total Percent Lost: **2.20%** Total Percent Saved: **97.80%**	To keep property loss to less than 10%
Program # 4802 & 4803 Fire Department	To meet NFPA and ISO Response Time Standards / To be on scene in 4 minutes or less after receipt of alarm	3 minutes 27 seconds	To be on scene in 4 minutes or less after receipt of alarm	Average response time city wide for all call types is 3 minutes 35 seconds	To be on scene in 4 minutes or less after receipt of alarm
Program # 4804 Fire Department	To increase safety and efficiency through training / Achieve 30,066 total training hours for individual and company training	58,284 individual & company training hours completed for the year	Achieve a minimum of 30,066 total training hours for individual and company training	31,092 combined hours of training as of 8/15/2016	Achieve a minimum of 30,066 total training hours for individual and company training

STREETS AND TRAFFIC CONTROL DEPARTMENT 2017 SERVICE OBJECTIVES

1. Continue to respondto citizen's request for service in a timely, effective and efficient manner. (Comprehensive Plan: Goal PFS-1 and 2)
2. Continue to lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches, channels and drainage structures. (Comprehensive Plan: Goal HN-1 and CCD-1)
3. Continue to preserve the appearance of public property by mowing detention ponds, levees,City owned right-of-way and drainage easements. (Comprehensive Plan: Goal HN-1 and CCD-1)
4. Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.). (Comprehensive Plan: Goal TI-1, TI-3)
5. Improve the downtown traffic flow, pedestrian and vehicular, by implementing a coordinated plan for the downtown traffic signals. (Comprehensive Plan: Goal TI-1)
6. Further develop a long range plan for sidewalk repair and continue to implement the year to year plan. (Comprehensive Plan: Goal TI-3)

KEY PERFORMANCE INDICATORS

DEPARTMENT	PERFORMANCE MEASURE	FY 2015 Target	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target	FY 2017 Actual
Traffic Control (5401 and 5405)	% of traffic light repairs completed within 4 hours	100%	98%	100%	98%	100%	
Street Maintenance (5304)	% of repairs (utility cuts, driveway cuts and sidewalks) within 4 days	100%	90%	100%	94%	100%	
Drainage Department (5303)	Regrade major creeks (12 locations) annually	100%	65%	100%	75%	100%	
Street Construction (5302)	Complete construction of drainage projects and street overlays	100%	85%	100%	90%	100%	
Sidewalk Construction (5305)	Complete 6 miles of sidewalk repair	100%	100%	100%	110%	100%	
Street Maintenance (5304) Street Construction (5302) Drainage Department (5303)	Equip trucks with snow plows. Implement liquid deicing program.	100%	95%	100%	100%	100%	

WATER AND SEWER DEPARTMENT 2017 SERVICE OBJECTIVES

1. Use innovation and develop processes and technology to improve efficient use of resources for serving the community.
    - Continue planning, design and construction practices that assure reliability and lower operations costs.
    - Engage subject matter specialists to enhance basis of knowledge and continuous improvement.
    - Continue the development and integration of strategic management planning and benchmarking.
2. Efficient performance of the Wastewater Management Plan to meet EPA required schedules for wastewater treatment and collection system improvements.
    - Integrate recommendations of the Wastewater Management Plan into wastewater projects and management strategies to reduce sanitary sewer overflows (SSOs).
    - Design, repair, and replace collection system lines with defects identified in the 2015 Sanitary Sewer Assessment (SSA) study.
    - Design, repair, and replace sanitary sewer interceptor lines for improving capacity for the goal of eliminating SSOs that are capacity related and enhancing service reliability.
    - Replace Riverlyn Sewer Pump Station for the goal of eliminating SSOs that are pumping related and enhancing service reliability in the sub-basin service areas.
    - Complete construction of Mill Creek pump station improvements for the goal of eliminating SSOs that are pumping related and enhancing service reliability in the sub-basin service areas.
    - Implement improved Capacity Management, Operations, and Maintenance (CMOM) programs as required by the Consent Decree to improve ongoing management, operation and maintenance of the sanitary sewer collection system.
3. Improve water and wastewater systems to support growth and better serve City customers and the public.
    - Complete construction of Phase 1 and design of Phase 2 of the 48-inch water transmission line from the Lake Fort Smith water treatment plant.
    - Continue to improve water service and upgraded fire protection through water line replacement projects within older residential areas and service areas subject to diminishing water quality or service capabilities.
    - Continue water meter change out program to reduce unaccounted water and improved customer billing accuracy.

WATER AND SEWER DEPARTMENT
WORKLOAD/DEMAND STATISTICS

Performance Measure	FY 2015 Actual	FY 2016 Estimated	FY 2017 Target
Water Service Line Installations	241	250	250
Sewer Service Line Installations	35	55	55
Sewer Service Line Replacements	187	190	190
Sewer Line Replacement	728 L.F.	1800 L.F.	1800 L.F.
Sewer Line Cleaning	114,843 L.F.	125,000 L.F	125,000 L.F
Sewer Lines TV Inspected	52,939 L.F.	60,000 L.F.	60,000 L.F.
Water Line Leaks Repaired	1152	1000	1000
Locate Tickets Completed	8569	9,000	9,000
Water System Work Orders	22,052	24,000	
Sewer System Work Orders	3243	4200	4200

Parks 2017 Service Objectives

1. Expand the role of parks by developing a healthy living campaign to commence mid year 2018. (Comprehensive Plan: Goal NCR-4)

2. Continue to meet the goals of the Capital Improvement Plan through dedicated funding of the sales and use tax. (Comprehensive Plan: NCR-1)

3. Promote Riverfront development by constructing a soccer complex on the Riverfront Drive property. (Comprehensive Plan: FLU-2.3)

4. Continue to develop a continuous and connective trail system throughout the community. (Comprehensive Plan: FLU-3.2.3)

5. Maintain open communication between the City, the CBID, the Parks Commission, and residents through participation in public programs. (Comprehensive Plan: PFS-2.2)

6. Improve accountability and performance measurement of our budget by including key performance indicators for the Parks Department as outlined below. (Comprehensive Plan: Goal PFS-2)

Key Performance Indicators					
Program	Performance Measure	FY 2015 Actual	FY 2016 Target	FY 2016 Actual	FY 2017 Target
6201 Parks Maintenance	Mow each park on a seven-day turnaround during the mowing season (approx. 24 weeks).	New Indicator	17		17
6202 Oak Cemetery	Mow the cemetery weekly during the mowing season (approx. 24 weeks).	24	24		24
6204 Community Centers	Maintain the same number of hours reserved.	4,496 Hours	5,084 Hours		5,084 Hours
6205 Aquatics	Maintain the same revenue to expense ratio.	33%	45%		45%
6206 Riverfront/Downtown	Increase the number of hours reserved by 3%.	4,228 Hours	3,944 Hours		4,062 Hours
6207 The Park at West End	Maintain the same level of revenue.	21,765	22,575		22,575

Fort Smith Convention Center 2017 Service Goals &Objectives:

I. Attract new clients and retain the current client base by emphasizing excellent customer service. The Center team will continually seek opportunities to ensure that our customers receive the best value and service for their money.

- Make 40 contacts per week with local, state, regional or national organizations. Prospect at least 15 new organizations per week to qualify potential future meetings and events business.
- Conduct a minimum of 22 site tours each month.
- Hold a pre and post conference meetings with all key client meeting planners to determine customer satisfaction and to maintain current client base.

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

- Follow an annually revised/updated ongoing facility and equipment maintenance procedures manual.
- Completing all critical facility repairs within 12 hours and all other repairs within 72 hours.
- Resolve all facility cleanliness issues immediately when possible, or within 24 hours.

III. Continue to capitalize on working relationship with the Convention and Visitors Bureau with regards to integrated marketing of the Convention Center. The partnership allows The Fort Smith Convention Center to be better poised to achieve brand recognition, credibility and greater market share. We will continue to emphasize this partnership in our marketing strategies to maximize our customers' understanding of the benefits and opportunities this partnership creates.

- Maximize advertising dollars by co-advertising and tradeshow participations with the Fort Smith Convention and Visitors Bureau by exhibiting in at least five annual convention tradeshows per year to secure leads. Conventions to attend: CMCA (Christian Meetings & Conventions Association), ASAE (Arkansas Society of Association Executives),Meetings Quest, Small Marketsand National Guard of Arkansas Association convention.
- Track and follow up with leads from various tradeshows to ensure lead quality level and gain business for the Convention Center.
- Co-advertising in industry publications with the Fort Smith Convention and Visitors Bureau.

IV. The Fort Smith Convention Center will create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. The result will be thousands of meeting/event attendees spending their money in our immediate area. A thriving Convention Center increases business for the local hospitality, service and restaurant sectors capturing revenue that would not be there otherwise.

V. The Fort Smith Convention Center will maximize revenue to allow for future growth by controlling costs, adding additional services, increasing utilization and creating a price schedule that properly reflects market and economic realities to maximize bookings and regain customers who might have chosen an alternate venue based upon affordability.

- Continue to offer promotional, reusable spill resistant/proof souvenir cups through concessions and beverage operations at public events to encourage beverage revenue growth and to promote the Convention Center.

VI. Continue administering the client survey 'report card' program designed to gather feedback about Convention Center service levels and quality of facilities from our clients. Achieve minimally a 25% client response rate; meaning that we receive a report card completed by the client for at least 25% of our events. Maintain an overall score showing that the Convention Center 'meets or exceeds' expectations 95% of the time in all areas of the sales & planning process and operations areas.

VII. In conjunction with the CVB staff, the Convention Center Sales staff will populate the Event Impact Calculator with appropriate event details within three months following the event's conclusion. This objective will ensure the A and P Commission's goal of producing/publishing measurable local/regional economic impact data in a timely fashion periodically annually.

❖ 2017Strategies:

- Achieve goal of prospecting and qualifying at least 15 new potential clients each week.
- Maintain membership with several industry related organizations such as Arkansas Society of Association Executives (ASAE), Collinson Media's Connect Marketplace and Rejuvenate Marketplace, Meetings Quest, Small Markets and the National Guard of Arkansas Association.
- Drive short-term booking revenue and increase awareness of the Fort Smith Convention Center by developing new client lists through referrals, social networking, the internet, magazines and newspapers.Generate repeat bookings and new local short-term business by maintaining communication with active client leads.
- Provide timely and precise follow-up on all sales and event-related inquiries. Every inquiry is a potential client. Files and communication records shall be created for all inquiries, regardless of the booking outcome.
- Provide our clients with quality sales collateral to include facility portfolio, meeting space diagrams, hotel and local business and attraction information in conjunction with the Fort Smith Convention and Visitor's Bureau.
- Market in conjunction with the Fort Smith Convention and Visitor's Bureau to have a broader reach not only locally, but regionally and nationally.
- Work with Fort Smith Convention and Visitor's Bureau to provide walk-through tours, brochures, and facility collateral to all potential client and site selection committees.
- Work with the Fort Smith Convention and Visitor's Bureau/ A & P Commission to extend incentives for conventions through the co-operative program currently in place. Groups must meet specific criteria (i.e. minimum attendance numbers, event days, meeting room rentals) to be considered for funding assistance from sleeping rooms that can help cover The Fort Smith Convention Center rental costs.
- Participate in industry Trade Shows to develop a high level of awareness of the Fort Smith Convention Center as a meeting and convention destination through participation in industry trade shows with colleagues from the Fort Smith Convention and Visitor's Bureau as well as networking at local events.
- Maintain memberships in organizations that promote local development and growth, such asChamber of Commerce, Business By Referral, Western Arkansas Mountain Frontier (WAMF), International Association of Venue Managers and Arkansas Hospitality Association (AHA).
- Remain abreast of industry information to discover new event/booking trends that could be successful in the Fort Smith/ River Valley area.
- Maintain continuous assessment of the facilities, schedule regular servicing of equipment, provide ongoing preventative maintenance and seek out energy efficiency opportunities.
- Establish and maintain relationships with convention center sales/operations staff at facilities in Hot Springs, Little Rock and other regional cities to expose show routing opportunities previously not explored.
- Regularly and periodically attend Chamber sponsored networking events, First Friday Breakfast meetings and business after hours activities; all of which will provide opportunity for Sales staff to make meaningful business connections and gain business for the Convention Center.

2017REVENUE GOALS

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

36	Large Center Programs/Concerts	$ 129,000.00
14	Exhibits and/or Tradeshows	$ 97,000.00
9	State Conventions/Meetings/Events	$ 53,000.00
9	Regional/National/Conventions/Meetings/Events	$ 44,000.00
75	Local Events	$ 147,500.00
57	Theater Events	$ 129,500.00
200	Events	**$ 600,000.00**
Catering/Concessions/Vending/Beverages		$ 87,000.00
		$ 687,000.00

Department 2017 Service Objectives

1. Complete a formal Sanitation Rate Study for staffing requirements, equipment replacement schedule, proposed CIP's and rates for collections and gate rates.
2. Upgrade heavy landfill equipment through leasing and/or purchasing.
3. Promote residential, commercial, industrial, and regional sanitary landfill services through various media outlets including television and radio advertisements.(Comprehensive Plan: Goal CCD-3)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2016 Target**	**FY 2016 Actual**	**FY 2017 Target**	**FY 2017 Actual**
6302 Sanitation	Cubic Yards of Residential Recyclables Diverted from the Landfill	20667	21000	21420	
6302 Sanitation	Cubic Yards of Residential Yard Waste Diverted from the Landfill	60667 *unsure where this number was pulled from	23500 *this is an accurate number from the Paradigm data system	30500	
6302 Sanitation	Residential Collections Serviced by the Trouble Shooter Per Day	225	230	237	
6303 Sanitation	Cubic Yards of Commercial Recyclables Diverted from the Landfill	7800	8500	9265	
6302, 6303, 6307 Sanitation	Gallons of Diesel Fuel Consumed per 1,000 Customers (Residential, Commercial, Industrial Collections"	750	695	820	
6302 Sanitation	Residential Accounts	27100	27409	27957	
6302 Sanitation	Requests for Dial-A-Truck	4100	4300	4515	
6302 Sanitation	Tons of Residential Refuse Collected Per Year	28580	24000	29000	
6303 Sanitation	Commercial Tons Collected Per Week	360	380	403	
6303 Sanitation	Commercial Tons Collected Per Year	19610	19800	20000	
6307 Sanitation	Industrial Roll-Off Tons Collected Per Week	927	775	927	
6307 Sanitation	Industrial Roll-Off Tons Collected Per Week	48220	40300	48220	
6305 Sanitation	Landfill Tons of Refuse Disposed of At Landfill Per Year	257550	230000	260000	
6305 Sanitation	Tons of Yard Waste Diverted from Landfill	9100	7000	9500	

Transit Department's 2017 Service Objectives

1. Convert two new replacement buses to bi-fuel (unleaded & CNG) bringing the department's operating fleet to 100% CNG capable, excluding the downtown trolley and 50% of the department's back-up buses will be bi-fuel as well. (Comprehensive Plan: Goal NCR-2.3.1)

2. Work with the Transit Advisory Commission and Fort Smith Bus Coalition to increase awareness about public transportation benefits. (Comprehensive Plan: Goals TI-4.1 and TI-4.2)

3. Enhance passenger amenities by providing additional bus stop shelters along fixed route corridors. (Comprehensive Plan: Goal PFS-4.2 and TI-4.2)

4. Improve the accountability and performance measurement of our budget by including key performance indicators for the Department as outlined below. (Comprehensive Plan: Goal PFS-2)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2015 Actual**	**FY 2016 Target**	**FY 2016 Actual Jan-June**	**FY 2017 Target**
6550 - Transit	Total Ridership	194,869	210,000	94,963	210,000
6550 – Transit	Cost Per Passenger	11.03	10.58	10.03	10.25
6550 – Transit	Cost Per Hour	72.64	72.04	66.86	70.00
6550 - Transit	Demand Response on Time Performance – Appointments	99.64	100.00	99.69	100.00
6550 – Transit	Demand Response on Time Performance – Non Appt. (Late only)	96.20	100.0	95.97	100.00

CONVENTION AND VISITORS BUREAU 2017 SERVICE OBJECTIVES

1. Continue to maximize transient guest tax receipts through aggressively marketing the Fort Smith area's hospitality, facilities and attractions to convention/event, corporate and leisure travel markets, utilizing our "History" brand whenever appropriate.
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 local tax base and thus quality of life for area citizens.
3. Continue to build upon cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality industry.
4. Ensure a positive guest experience by connecting the guest with quality products or services provided by our Fort Smith area business partners.
5. Take a leading role in the Fort Smith economic development efforts through interface with those involved in development efforts, particularly on a regional level in surrounding counties in both Arkansas and Oklahoma.
6. Educate local and area business leaders and state/regional event planners as to the Fort Smith Bureau's role in assisting with attracting and servicing events in Fort Smith.
7. Take an active role in "destination development" efforts to add tourist attractions to the Fort Smith area. Continue to take a leading role in development of the United States Marshals Service Museum and National Learning Center in Fort Smith. In light of the hiring of a new President/CEO, stay abreast of museum developments in order to update customers as to status with much more confidence. Continue planning to adjust our marketing efforts to feature all above referenced features as primary attractions in the region as they develop, relying on our "History" brand whenever appropriate. 2017 messages should include the number of newly renovated rooms (new Doubletree brand), and the addition of one hotel (Fairfield Bay) in 2018.
8. Ongoing refinement of the communications program to maximize Fort Smith's exposure to all target audiences through standard marketing practices in print and relying more heavily on the worldwide web, utilizing on our "History" brand whenever appropriate.
9. Continue to grow our presence in all versions of internet social media vehicles. Take maximum advantage of newly designed web and mobile sites to deliver our messages.
10. Place top priority on responding the economic conditions in the local market by adjusting marketing plans based on funding. Grow the reserve A & P Fund account as much as possible.
11. Continue to take as active a role as possible in guaranteeing the continued availability of quality meeting and exhibit space and service at the Fort Smith Convention Center, the Kay Rodgers Park Expo facility, Temple Live and any other quality function space that may be developed.
12. Place an increased emphasis on the rebooking of successful events, particularly those that comprise a two state region of attendees of Arkansas and Oklahoma memberships, taking full advantage of our geographic location as a "border" destination.

13. Capture, on a regular basis, post event statistics for use in the Event Impact Calculator to maximize our knowledge of the economic value of hosted events.
14. Continue to expand our direct sales methods to sell to the sporting events market now that expanded facilities are available.
15. Continue to pursue educational travel groups in anticipation of the US Marshals Service National Museum and National Learning Center.

MEMORANDUM

To: Carl Geffken, City Administrator

From: Stan Snodgrass, P.E., Director of Engineering

Subject: Five Year Capital Improvement Program (2017-2021)
Streets, Bridges and Associated Drainage Sales Tax Funds

Date: September 22, 2016

Attached is the Five Year Capital Improvement Plan for the streets, bridges and associated drainage sales tax program. This is transmitted for review and discussion with the Board of Directors at the September 27th study session prior to submittal to the Board for approval.

The proposed program was reviewed and unanimously approved by all seven members of the Streets, Bridges and Associated Drainage Capital Improvement Plan (CIP) Advisory Committee at their August 25th meeting. The funding for this program is provided by the one-cent sales tax. Federal and state grants along with private cost sharing participation are anticipated to assist in the overall program. Determination of projects is based on numerous factors including pavement ratings of streets, interdepartmental requests, economic development, citizen input and requests from the CIP Committee and Board of Directors.

The proposed program includes a combination of neighborhood street improvements, major street projects, local and basin wide drainage improvements, and traffic signal improvements. The program totals $43.6 million for the year 2017 and $137 million for the five year period from 2017 to 2021.

The attached spreadsheet outlines the anticipated revenues and expenditures for the various projects. A narrative description of projects and exhibits are also included.

Attachments

The City of Fort Smith Arkansas
Engineering Department
623 Garrison Avenue • P.O. Box 1908
Fort Smith, Arkansas 72902
Phone: 479-784-2225 • Fax: 479-784-2245

CITY OF FORT SMITH

8/18/16

Five-Year Capital Improvement Program for Streets, Bridges and Drainage (2017-2021)

		2016	2017	2018	2019	2020	2021
	Beginning Balance	30,648,893	29,307,778	8,880,838	5,628,810	8,062,345	3,193,802
	Current Year Revenues						
	Sales Tax	20,887,000	20,887,000	21,095,870	21,306,829	21,519,897	21,735,096
	Grants/Other Participation	5,105,594	2,165,429	0	0	0	0
	Interest	99,542	89,833	36,184	34,143	28,070	11,455
	Total - Current Year Revenues	26,092,136	23,142,262	21,132,054	21,340,971	21,547,967	21,746,551
	Total Funds Available	**56,741,029**	**52,450,040**	**30,012,892**	**26,969,781**	**29,610,312**	**24,940,353**
1	Street Overlays & Reconstruction	9,040,729	4,840,733	8,114,780	8,500,000	8,500,000	8,500,000
2	Neighborhood Drainage Improvements	4,048,570	10,049,469	3,591,057	2,000,000	2,000,000	2,000,000
3	Town Branch / Carnall Drainage	913,329	0	0	0	0	0
4	North B Truck Route	0	1,044,000	700,000	0	0	0
5	Intersection and Signal Improvements	899,751	580,000	400,000	400,000	400,000	400,000
6	Spradling Extension at Riverfront Drive	8,931	1,300,000	0	0	0	0
7	Kelley Highway Extension to Riverfront Drive	186,178	200,000	178,995	400,000	600,000	5,000,000
8	Jenny Lind Road - Zero to Cavanaugh	7,419,986	17,610,000	4,030,650	15,000	0	0
9	Geren Road Reconstruction	468,912	2,500,000	3,000,000	0	0	0
10	Zero Street (Hwy 255) Widening	0	800,000	0	0	4,000,000	0
11	May Branch Drainage Project	29,400	200,000	800,000	4,000,000	4,000,000	4,000,000
12	FCRA Development	1,459,829	500,000	500,000	500,000	500,000	500,000
13	Hwy 45 widening - Zero St to Hwy 71	0	700,000	0	0	3,300,000	0
14	Railroad Crossing Panels	27,042	280,000	160,000	160,000	160,000	160,000
15	Traffic Studies	51,500	25,000	25,000	25,000	25,000	25,000
16	Overlays/Drainage by Street Department	301,514	300,000	300,000	300,000	300,000	300,000
17	Engineering Dept. and Other Depts.	2,360,000	2,360,000	2,383,600	2,407,436	2,431,510	2,455,825
18	Contingency	217,580	280,000	200,000	200,000	200,000	200,000
	TOTAL	**27,433,251**	**43,569,202**	**24,384,082**	**18,907,436**	**26,416,510**	**23,540,825**
	Ending Balance	**29,307,778**	**8,880,838**	**5,628,810**	**8,062,345**	**3,193,802**	**1,399,527**

Grants/Other Participation

Jenny Lind Road - Zero to Cavanaugh	4,000,000	2,165,429	0	0	0	0
Streetscape - Towson	190,641	0	0	0	0	0
FCRA	914,953	0	0	0	0	0
TOTAL	**5,105,594**	**2,165,429**	**0**	**0**	**0**	**0**

Five Year Capital Improvement Program (2017-2021)
Streets, Bridges and Drainage Sales Tax Funds

Descriptions of Selected Projects
August 17, 2016

1. <u>Street Overlays and Reconstruction.</u> The proposed 2017 projects are shown on the attached list and exhibits. The total length of streets to be improved is approximately 4.8 miles. It should be noted that several of the streets in the 2017 program are very wide and/or multi-lane streets which include portions of Old Greenwood Road, Grand Avenue, Jenny Lind Road and Roberts Boulevard. The estimated cost for the 2017 street overlays and reconstruction projects totals $8.1 million, with an estimated $1.0 mil expended in 2017 and $7.1 mil expended in 2018. The total cost shown in 2017 is $4.8 million which includes $3.8 million in remaining construction for the 2016 projects. (See pages 4-10)

2. <u>Neighborhood Drainage Improvements.</u> The 2017 drainage program includes improvements to address flooding concerns in the area of Ramsey Junior High School and the Fort Smith School Service Center. Severe flooding has occurred around the drop off areas and parking lot at Ramsey Junior High and several administration offices were flooded at the School Service Center. The proposed improvements will consist of large channel improvements along the perimeter of the school property and extension of a closed storm drainage system across the school property. The CIP Committee recommend acceleration of this 2017 project and the engineering design agreement was approved by the Board of Directors at the May 17, 2016 meeting. Construction is estimated to start in late 2017 and continue into 2018. The total estimated cost for this project is approximately $3.2 million, with an estimated $150,000 expended in 2016, $1,050,000 in 2017 and $2,000,000 in 2018. The total cost shown in 2017 is $10.1 million which includes $9.1 million in remaining work for ongoing drainage projects. (See page 11)

3. <u>Town Branch - Carnall Drainage.</u> This project is to reduce the frequency of flooding that occurs in the downtown area and areas just north of downtown. Construction is currently ongoing with completion later this year to improve the upstream outfall beginning at the South G Street/Towson intersection and extending to the west. This outfall is restricted which is contributing to the flooding in the downstream areas. The Town Branch area is a subbasin to the May Branch watershed. (See page 12)

4. <u>North B Street Truck Route.</u> This project is the modification of North B Street from 5th Street west to Riverfront Drive to accommodate two way truck traffic. This is in lieu of the current one way split that exists along this section of North A and B Streets. The project is based on the concept of closing a section of North A Street and Belle Point Place to add more green space. The project includes necessary radius improvements at North 5th and B Streets and reconstruction/resurfacing of the remaining sections of North A Street which are being removed

from the truck route. This project is currently on hold pending completion of a study of the Garrison Avenue / Riverfront area to ensure that adequate access for various modes of transportation (vehicular, trucks, pedestrian and bicycles) are accommodated throughout the entire downtown area. (See page 13)

5. <u>Intersection and Signal Improvements.</u> This project includes replacement of traffic signals at the following two intersections: Midland Avenue at North 50th Street and Dodson Avenue at Lexington Avenue. The total estimated cost for this work is $400,000 with an estimated $40,000 expended in 2017 and $360,000 expended in 2018. The total cost shown in 2017 is $580,000 which includes $540,000 in remaining work for ongoing traffic signal projects. (See page 14)

6. <u>Spradling Avenue Extension at Riverfront Drive.</u> This project includes the new construction of Spradling Avenue eastward from Riverfront Drive approximately 1700 feet. This street will serve the proposed sports fields on the City's 51 acre tract. Plans are complete and the street construction is being scheduled to coincide with the construction of the sports fields which are planned for construction in 2017. (See page 15)

7. <u>Kelley Highway Extension to Riverfront Drive.</u> This project is for the reconstruction and widening of Kelley Highway to a three lane section from Midland Boulevard to Riverfront Drive. This extension of Kelley Highway will provide a direct route between I-540 and the riverfront area. The engineering design is approximately 50% complete. At the direction of the CIP Committee, the construction of the project has been pushed out to begin in 2021. The design will be completed in 2018, with ROW acquisition and utility relocation following in 2019 and 2020. (See page 15)

8. <u>Jenny Lind Road - Zero to Cavanaugh Road.</u> This project includes improvements to Jenny Lind Road between Zero and Cavanaugh Road. It also includes improvements to Ingersoll Avenue from U.S. Hwy 271 to Jenny Lind and the extension of Ingersoll Avenue from Jenny Lind to U.S. Highway 71B. The project is under construction with scheduled completion in spring 2018. (See page 16)

9. <u>Geren Road Reconstruction.</u> This project is for the reconstruction and widening of Geren Road between Highway 45 and 58th Street. Final engineering is underway and appraisals for the right of way acquisition are ongoing. This project has significant utility adjustments which include a major electric transmission line along the south, a high pressure gas line along the north side and fiber optic lines throughout the corridor. Relocation of the franchise utilities is expected to begin later this year pending acquisition of the necessary easements. Road construction is scheduled to begin in 2017 and extend into 2018. (See page 17)

10. <u>Zero Street (Hwy 255) Improvements.</u> This project is the widening and realignment of Zero Street (Hwy 255) from just west of Massard Road to its new alignment with Frontier Road.

The project is being cost shared with the Arkansas Highway and Transportation Department, City of Barling, Fort Chaffee Redevelopment and City of Fort Smith. Construction is expected to begin in 2020. (See page 18)

11. <u>May Branch Drainage Project.</u> This project is to reduce flooding along May Branch from the Arkansas River to Park Avenue. The proposed design by the Corps of Engineers (COE) consists of constructing a drainage channel to replace the existing undersized concrete storm drain pipe. The intent was to construct the most downstream section of the project (from approximately N. 7th Street to the river) entirely with City funds with an agreement that the City's cost would be credited towards the future cost sharing on the project when federal funds become available. However, the COE has advised that their revised estimated cost for this lower reach is over $32 million and it is very unlikely that the City would receive any federal credit as the cost to benefit ratio is not greater than one. The COE also notes that extrapolating this lower reach cost estimate to the total project cost results in a total revised estimated cost of $65 million which is more than double the $30.85 million authorized for the project. For 2017 we are proposing to revisit in detail the COE design to look for possible significant cost reductions and also to review alternative methods to reduce the flooding including potential stormwater detention ponds and/or purchasing of repetitive flooding properties. (See page 12)

12. <u>FCRA (Fort Chaffee Redevelopment Authority) Development.</u> The $500,000 budgeted annually for 2017-2021 will be utilized for public street and/or drainage work identified in association with the FCRA for economic development. This amount has been reduced as requested by the CIP committee.

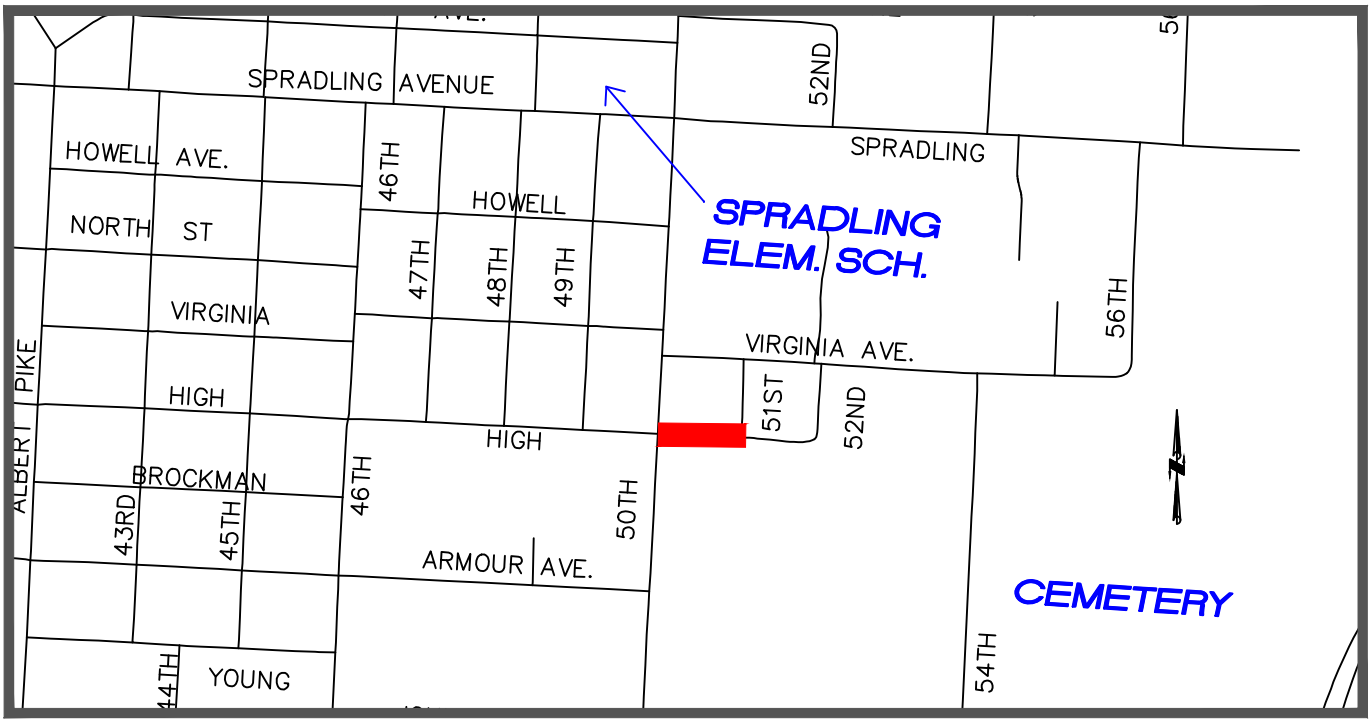
13. <u>Highway 45 widening – Hwy 255 to Hwy 71.</u> This project is the widening of Highway 45 south of Zero Street and extending to Highway 71. The project is proposed to be cost shared with the Arkansas Highway and Transportation Department contributing $10 million and a local match of $5 million. The $5 million local match is proposed to be split 80:20 with Sebastian County. The City's share will be $4.0 million. Construction is expected to begin in 2020. (See page 19)

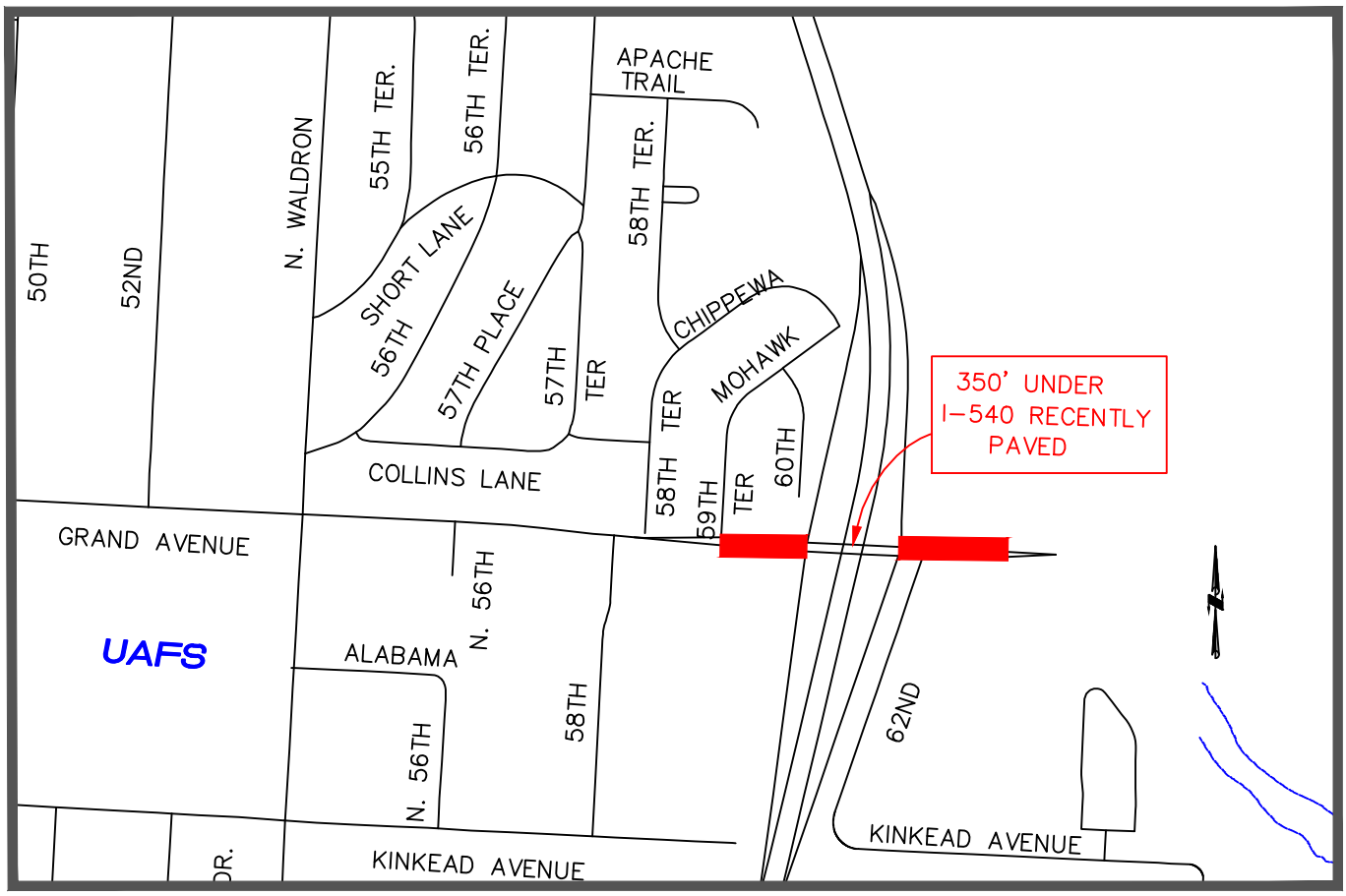
14. <u>Railroad Crossing Panels.</u> This project improves street crossings at railroads through the installation of concrete railroad crossing panels. This past year we cost shared with A&M railroad for the replacement of their crossing on North B Street just to the east of Riverfront Drive. We also expect to cost share with A&M to replace their similar crossing on North A Street later this year. We are in discussions with Fort Smith Railroad to get their crossings on North A and North B streets replaced in 2017 by means of a similar cost share agreement. (See page 20)

2017 CAPITAL IMPROVEMENTS PROGRAM
STREET OVERLAYS/RECONSTRUCTION

STREET	FROM	TO	LENGTH	COST
GRAND AVE.	59TH TER.	580' East of I-540	1125	$626,946
HIGH ST.	50TH ST.	51ST ST.	320	$54,400
SOUTH U ST.	STATE LIND RD.	7TH ST.	1197	$237,405
FRESNO ST.	70TH ST.	END OF ROAD	100	$25,500
ROBERTS BLVD.	CHAD COLLEY BLVD.	I-49 Right of Way	2151	$690,710
MOODY RD.	MASSARD RD.	92ND ST.	3100	$644,111
JENNY LIND RD.	SAVANNAH ST.	530' North of PHOENIX AVE	1245	$429,463
JENNY LIND RD.	HOUSTON ST.	DALLAS ST.	1784	$792,540
OLD GREENWOOD RD.	CLIFF DR.	COUNTRY CLUB AVE.	4494	$2,291,940
JENNY LIND RD.	MARKET TRACE	HARVARD AVE.	1490	$562,889
JACKSON ST.	TOWSON AVE.	JENNY LIND RD.	2634	$497,533
46TH ST.	ROGERS AVE.	FREE FERRY RD.	2382	$539,920
56TH ST.	SOUTH X ST.	ROGERS AVE.	1062	$180,540
TEXAS RD.	CAVANAUGH RD.	NORTH HILLSIDE DR.	2490	$540,883
		TOTAL LENGTH (FT)	25574	

TOTAL FOR 2017 STREET OVERLAYS/RECONSTRUCTION PROGRAM $8,114,780





2017 CAPITAL IMPROVEMENTS PROGRAM

STREET OVERLAYS/RECONSTRUCTION

The City of Fort Smith ARKANSAS

Date:	AUGUST 2016
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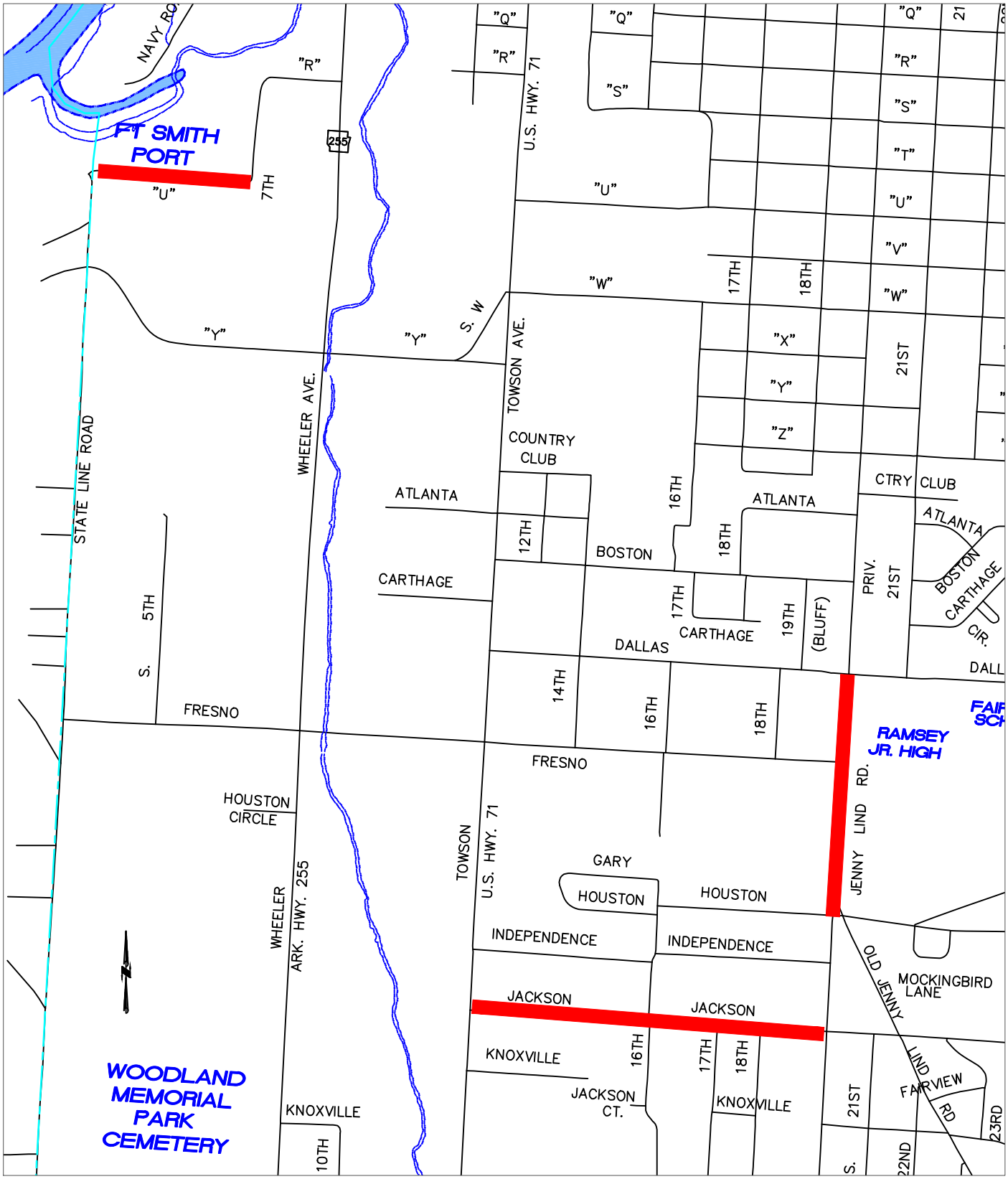

2017 CAPITAL IMPROVEMENTS PROGRAM

STREET OVERLAYS/RECONSTRUCTION

The City of Fort Smith ARKANSAS

Date:	AUGUST 2016
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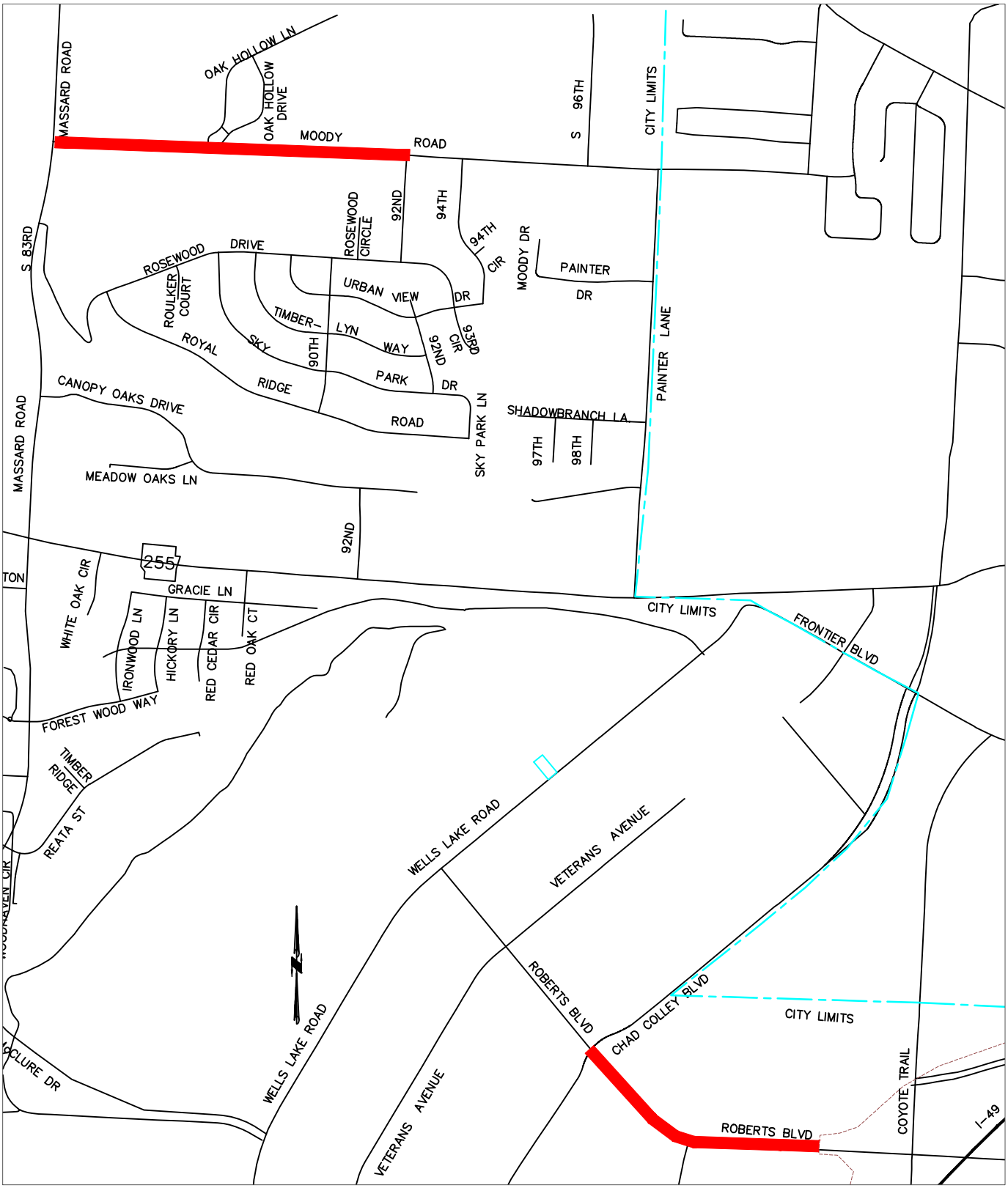

2017 CAPITAL IMPROVEMENTS PROGRAM

STREET OVERLAYS/RECONSTRUCTION

The City of Fort Smith ARKANSAS

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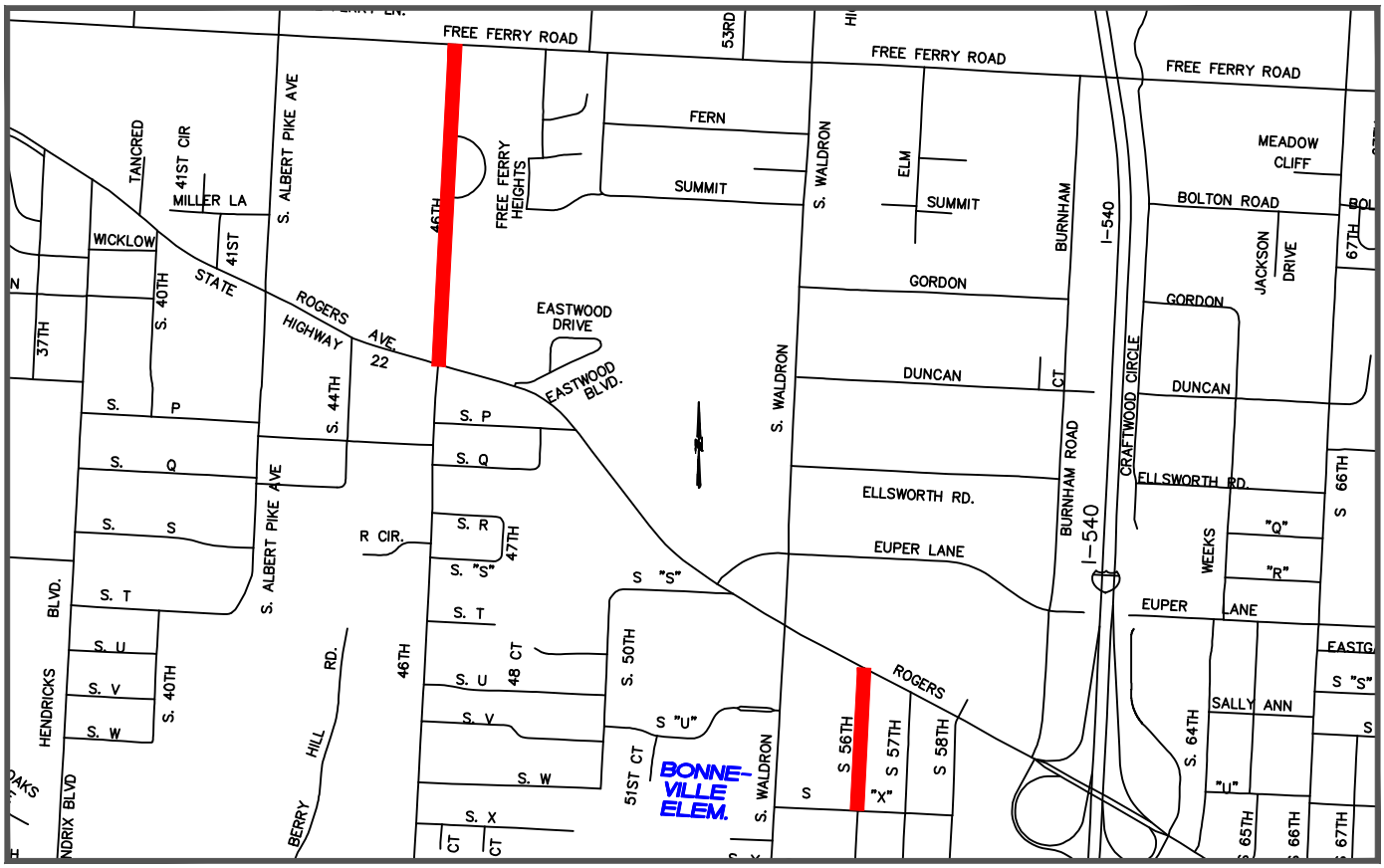

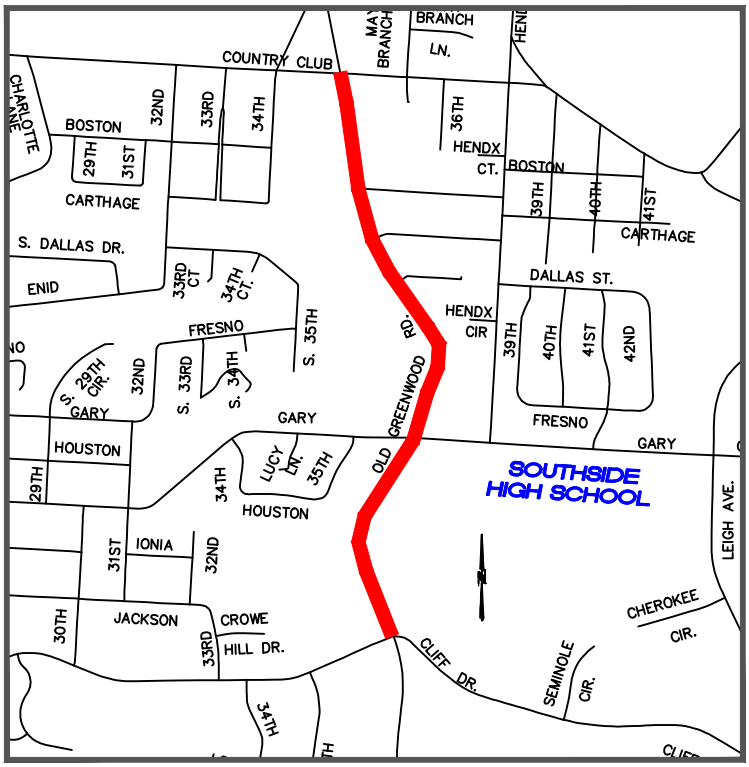

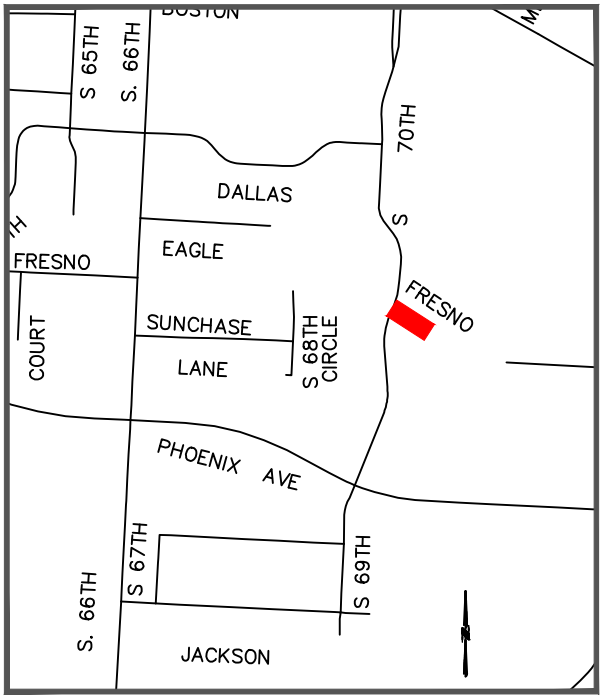

2017 CAPITAL IMPROVEMENTS PROGRAM

STREET OVERLAYS/RECONSTRUCTION

The City of Fort Smith ARKANSAS

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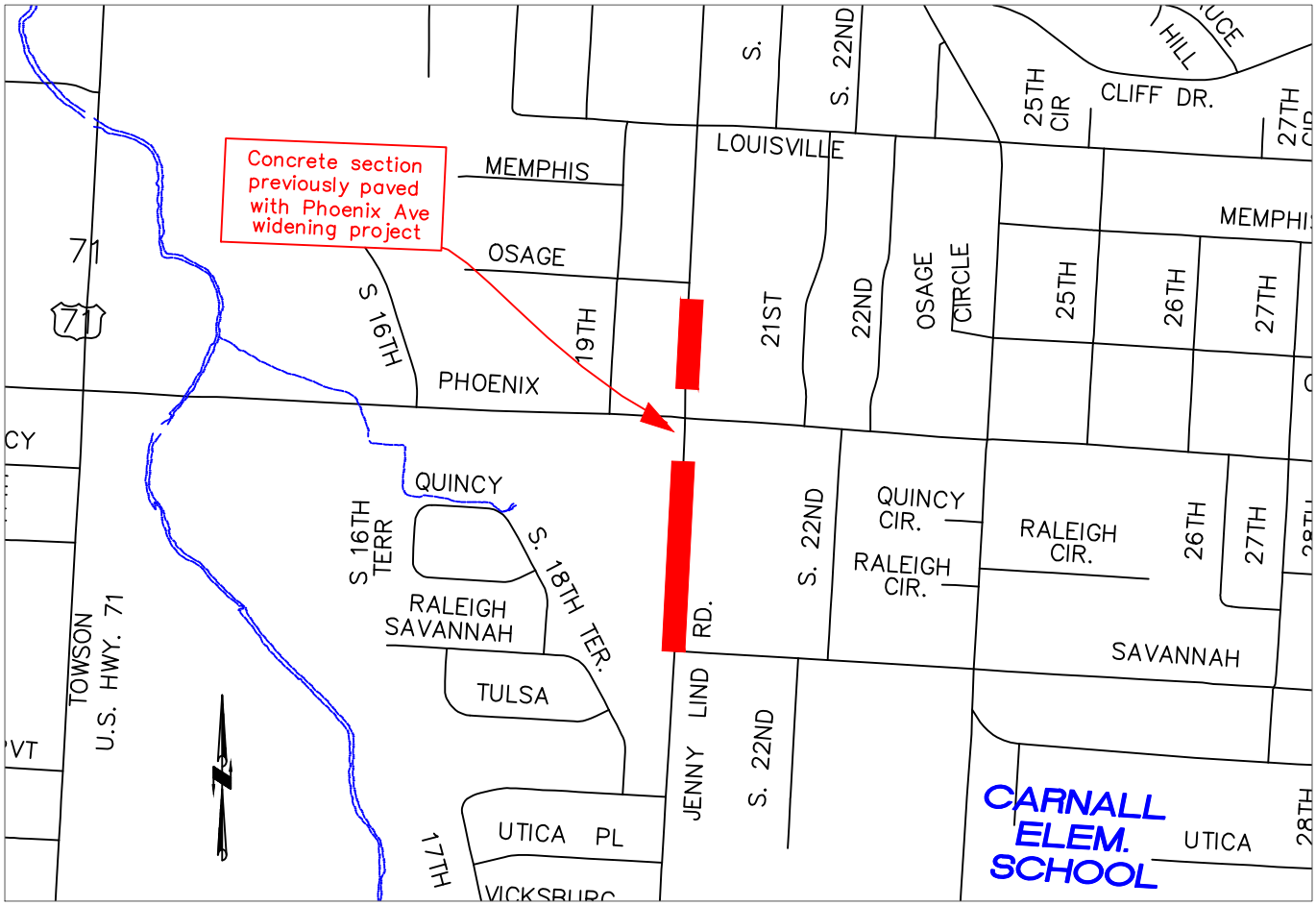

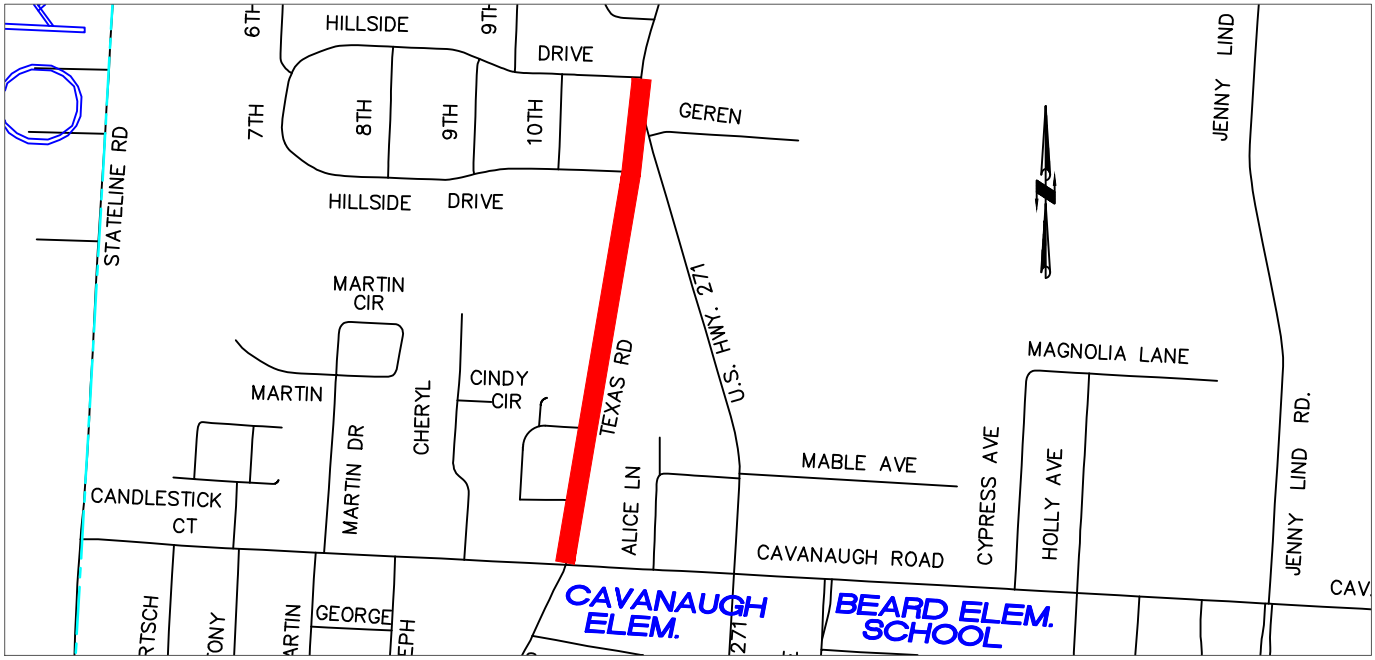

2017 CAPITAL IMPROVEMENTS PROGRAM

STREET OVERLAYS/RECONSTRUCTION

The City of Fort Smith ARKANSAS

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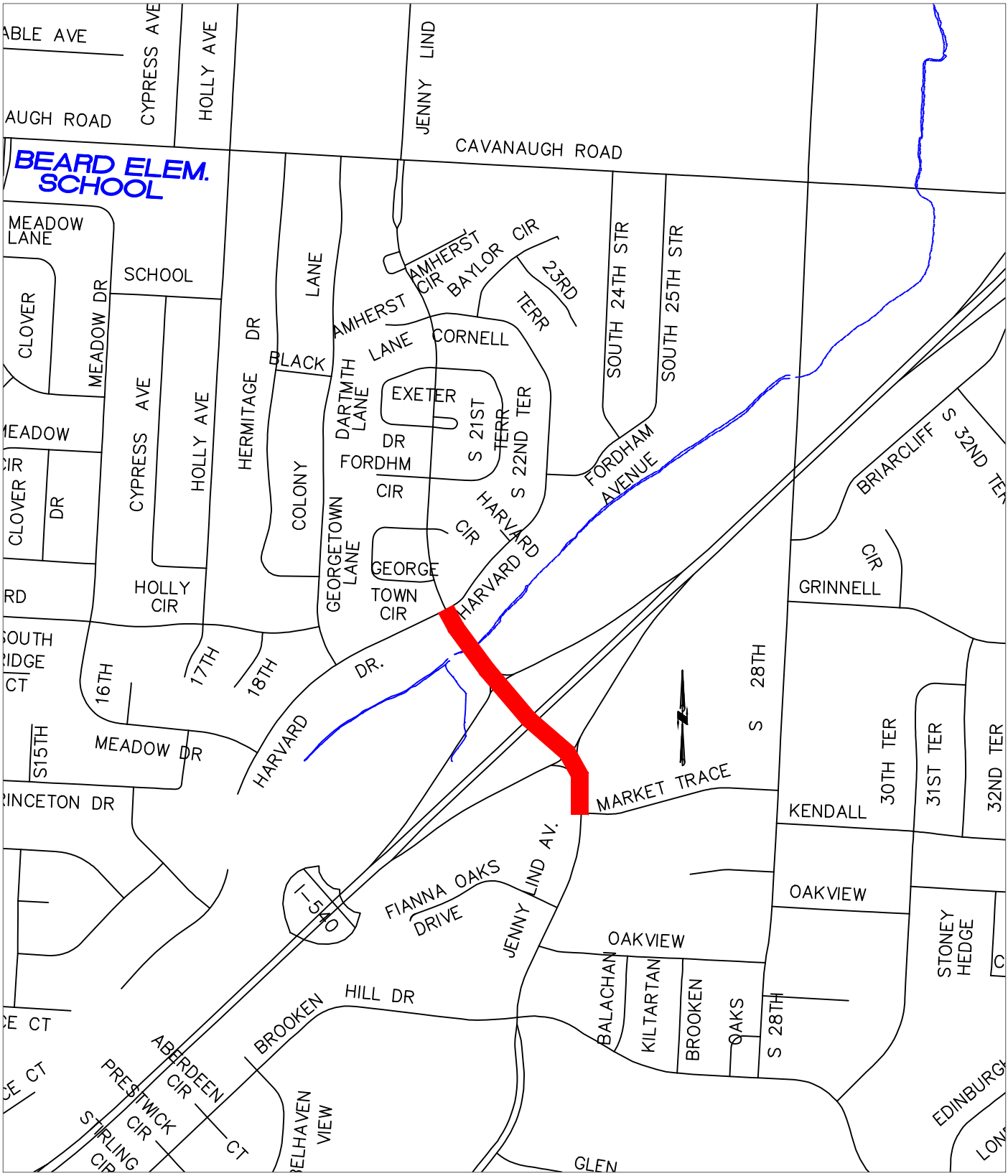

2017 CAPITAL IMPROVEMENTS PROGRAM

STREET OVERLAYS/RECONSTRUCTION

The City of Fort Smith ARKANSAS

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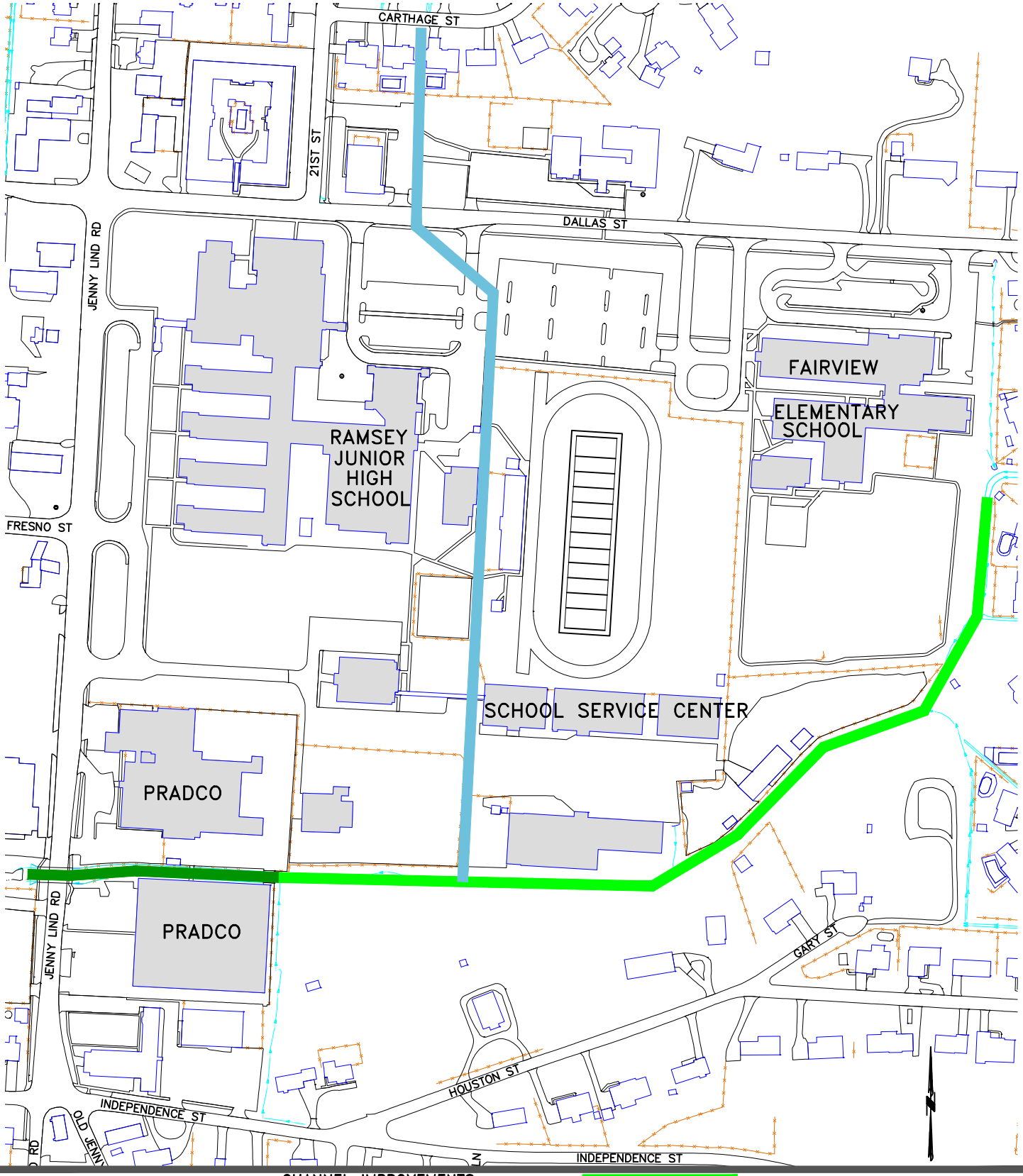

LEGEND:
- CHANNEL IMPROVEMENTS
- STORM DRAIN SYSTEM IMPROVEMENTS
- 2016 DRAINAGE IMPROVEMENTS

2017 CAPITAL IMPROVEMENTS PROGRAM

DRAINAGE IMPROVEMENTS

The City of Fort Smith ARKANSAS

Project:	17-06-A
Date:	AUGUST 2016
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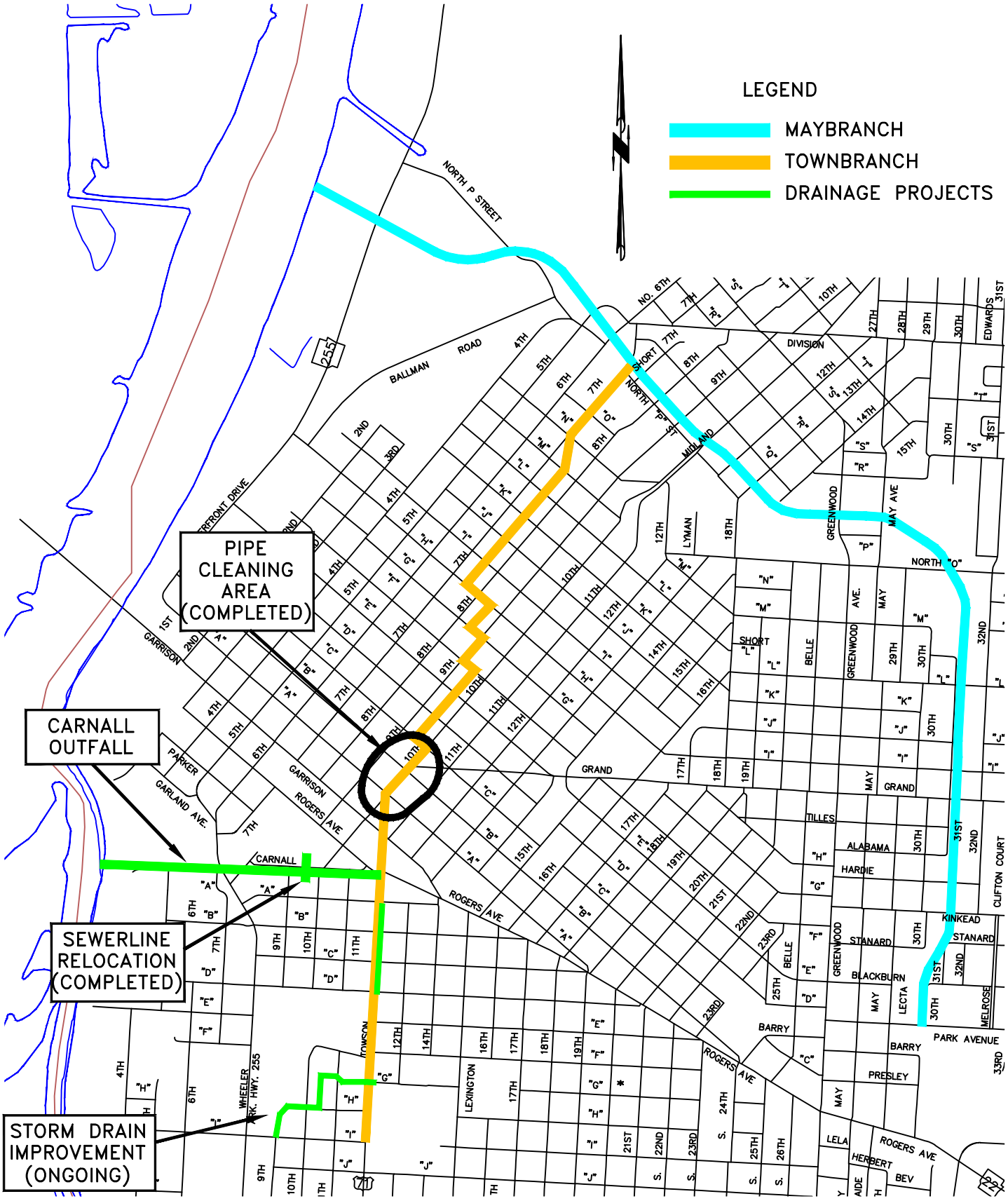

2017 CAPITAL IMPROVEMENTS PROGRAM
TOWN BRANCH & MAYBRANCH
DRAINAGE IMPROVEMENTS

The City of Fort Smith ARKANSAS

Project:	
Date:	AUGUST 2016
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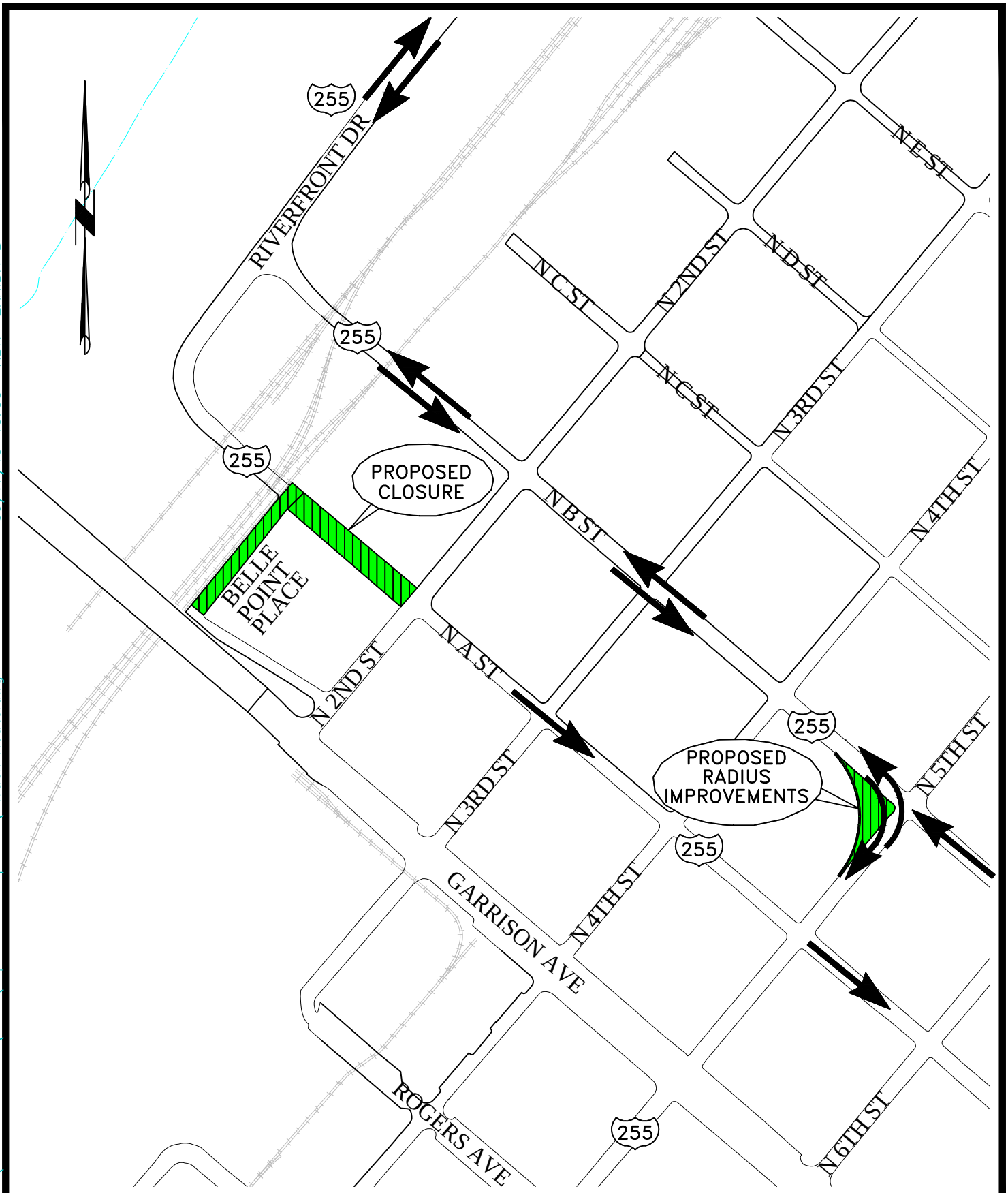

2017 CAPITAL IMPROVEMENT PROGRAM

NORTH B TRUCK ROUTE

FORT SMITH, ARKANSAS

The City of Fort Smith ARKANSAS

Project:	
Date:	AUGUST 2016
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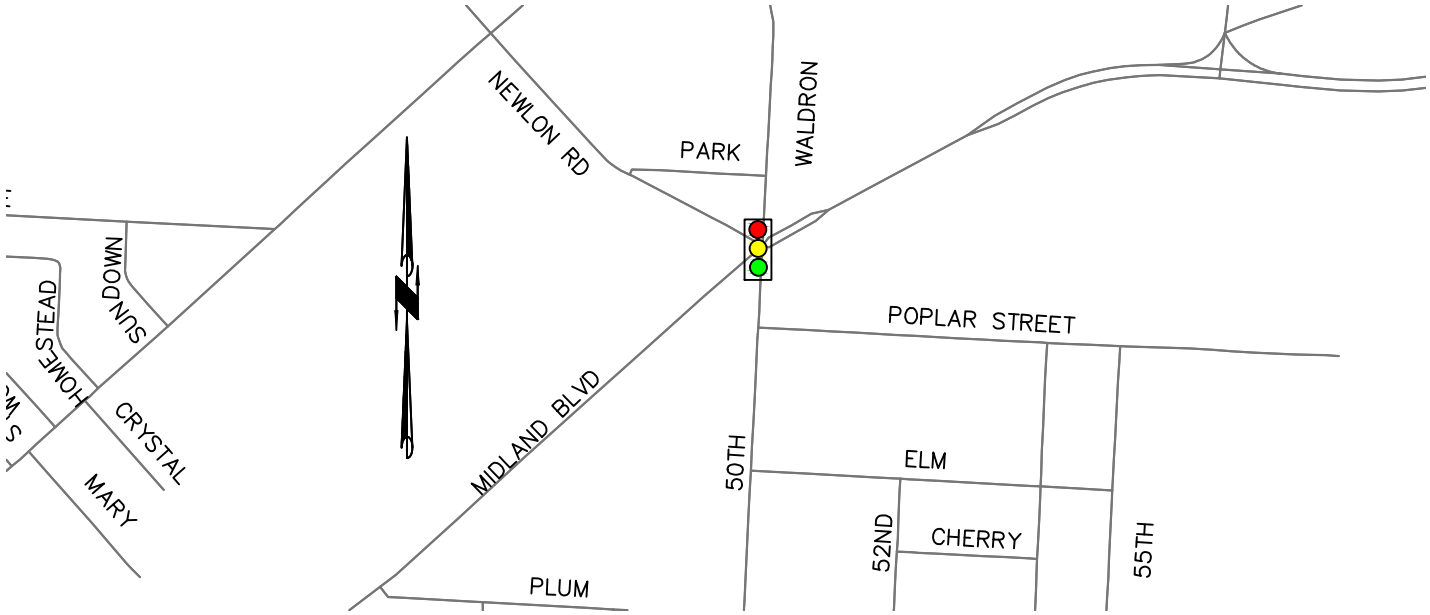

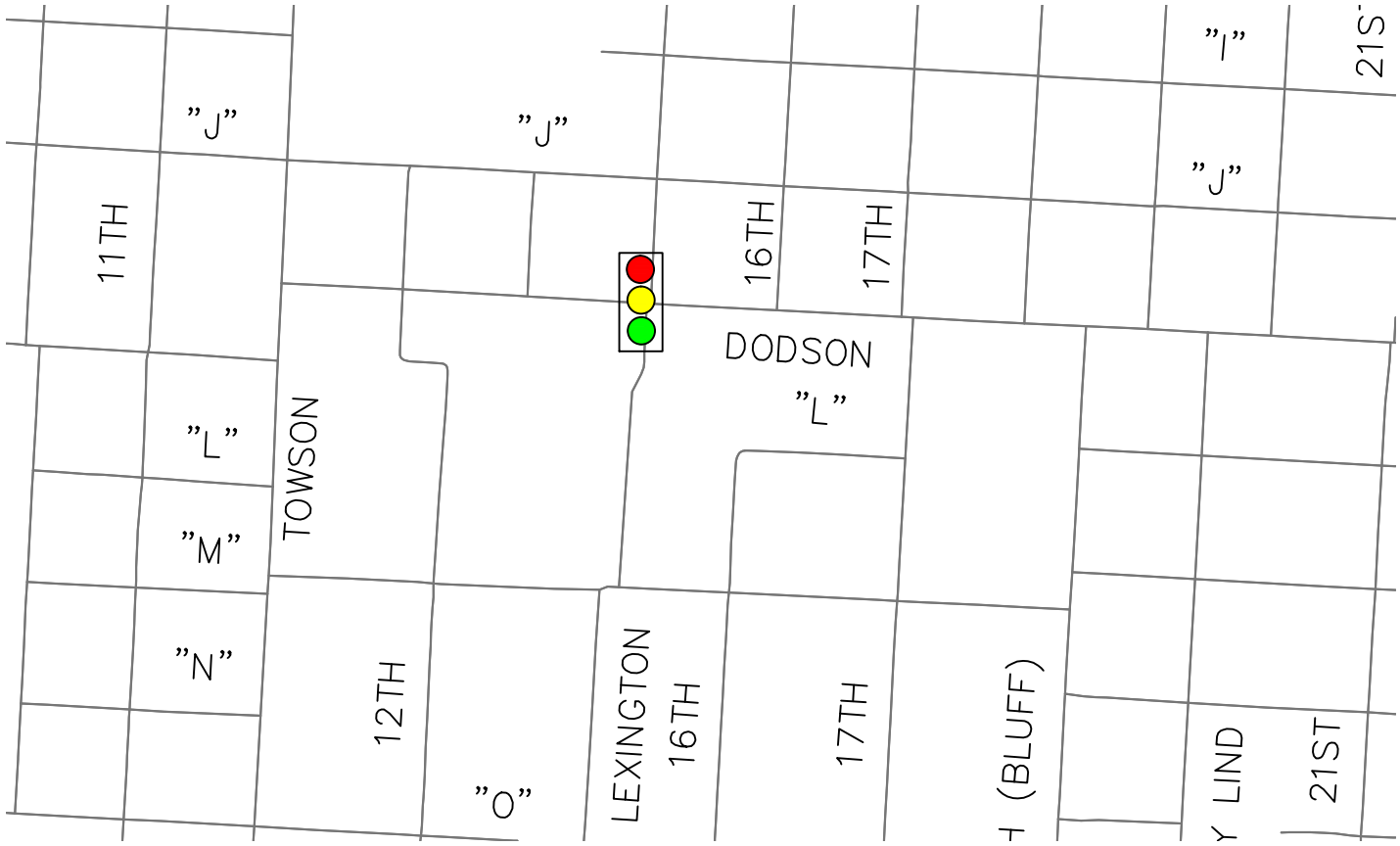

2017 CAPITAL IMPROVEMENTS PROGRAM

SIGNAL IMPROVEMENTS

The City of Fort Smith ARKANSAS

Project:	
Date:	AUGUST 2016
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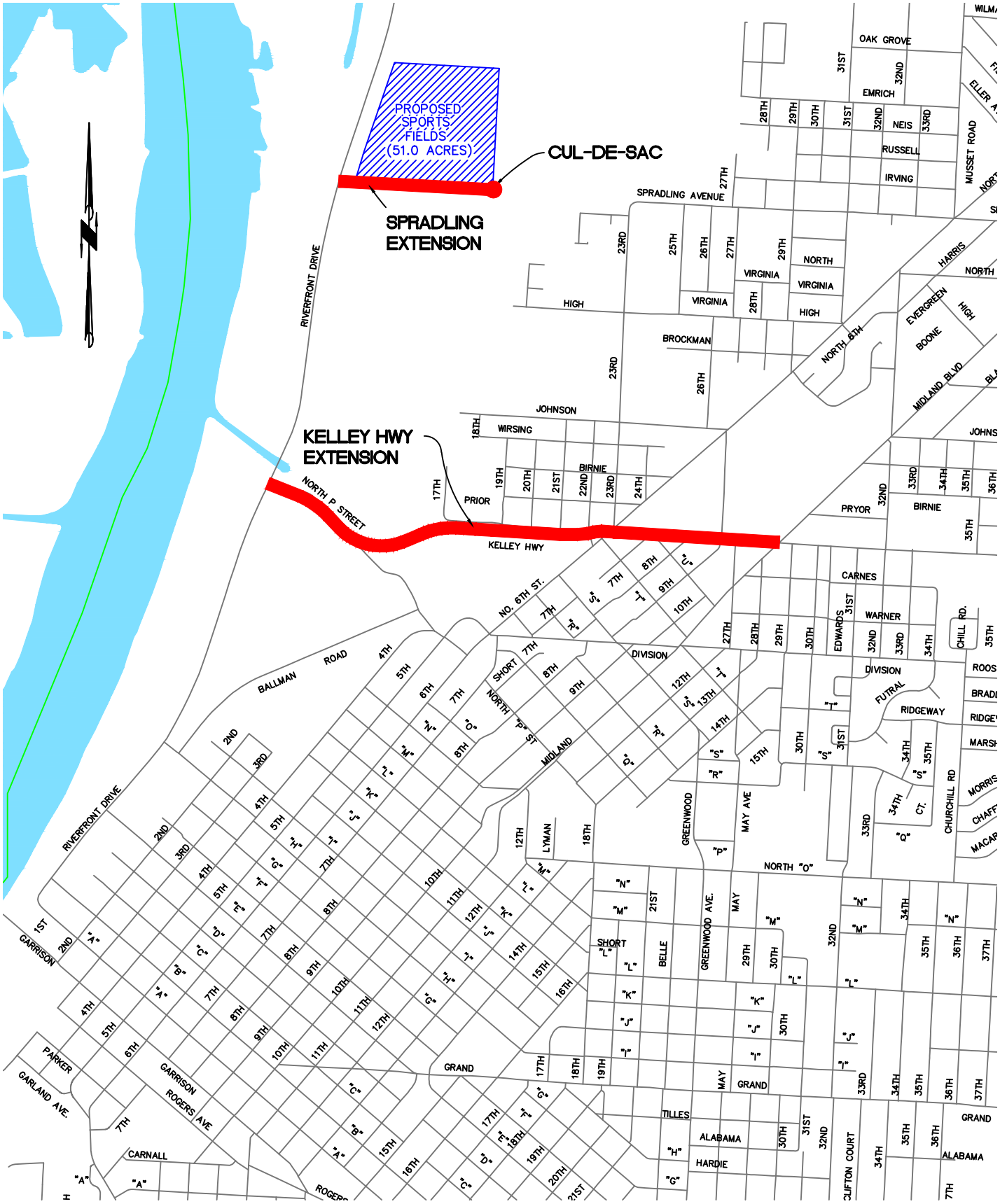

2017 CAPITAL IMPROVEMENTS PROGRAM
SPRADLING AVENUE AND
KELLEY HWY EXTENSIONS

The City of Fort Smith ARKANSAS

Project:	
Date:	AUGUST 2016
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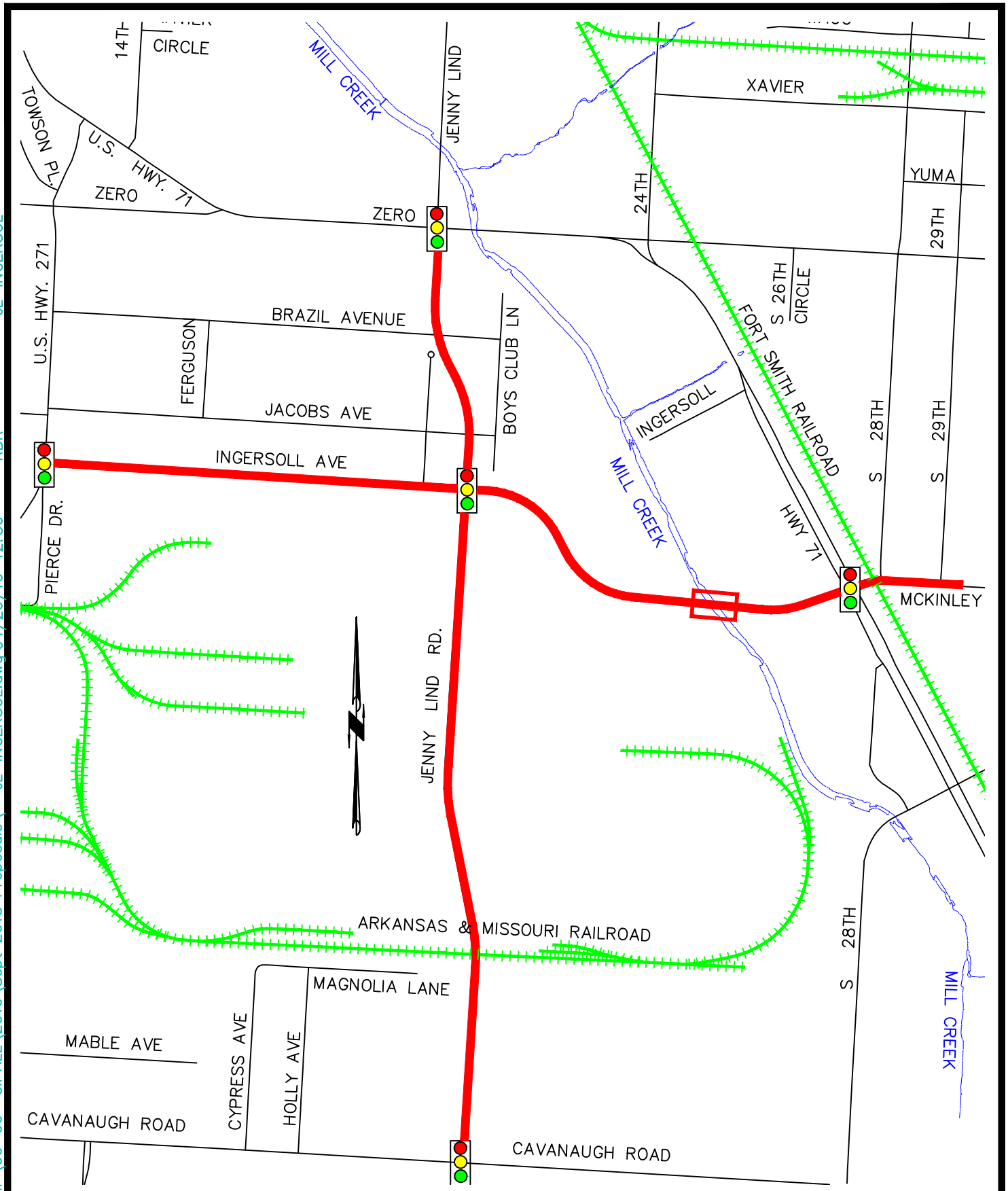

2017 CAPITAL IMPROVEMENTS PROGRAM

JENNY LIND – INGERSOLL

ZERO STREET TO CAVANAUGH ROAD

The City of Fort Smith ARKANSAS

Project:	
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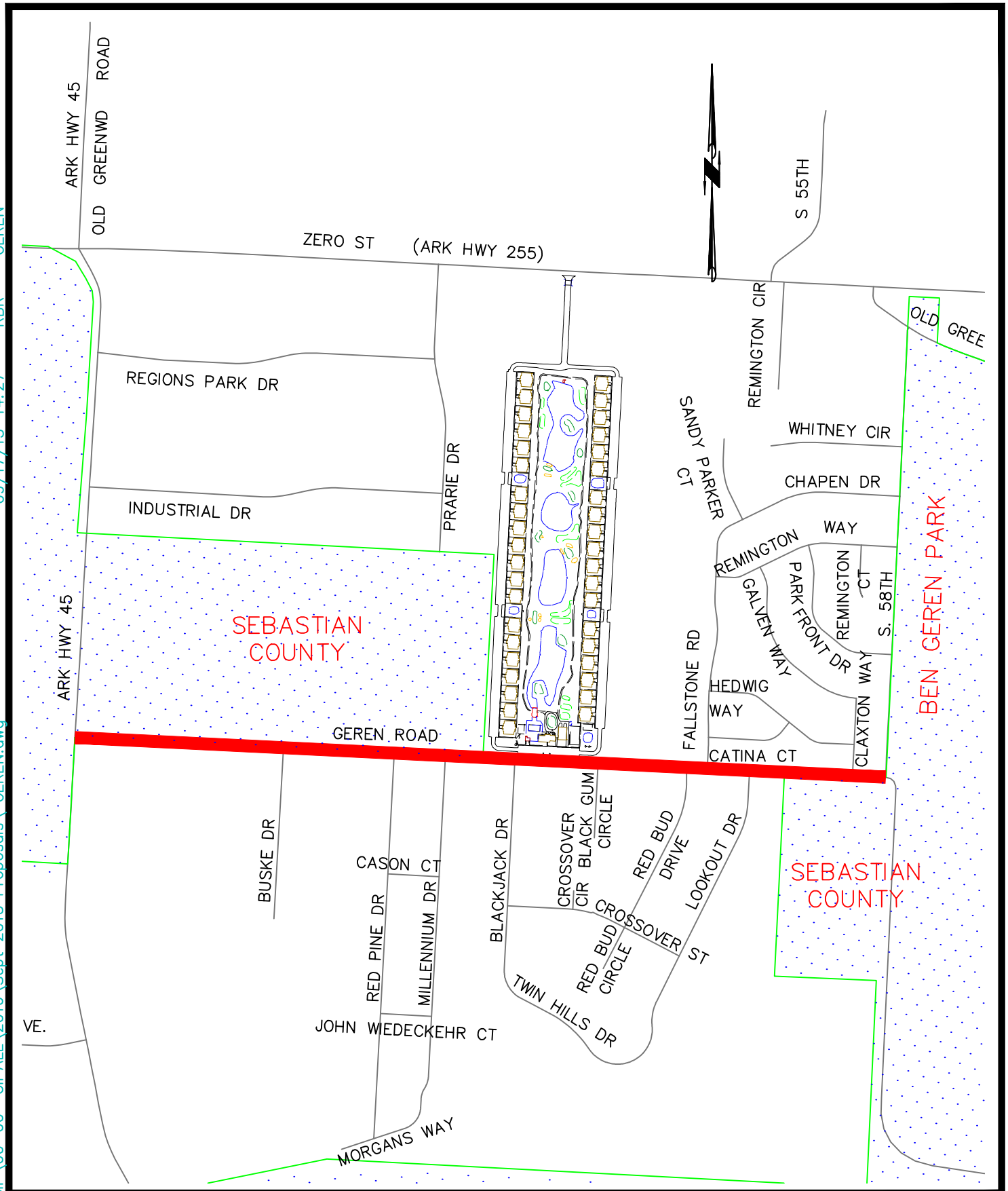

2017 CAPITAL IMPROVEMENTS PROGRAM

GEREN RD RECONSTRUCTION

The City of Fort Smith ARKANSAS

Project:	
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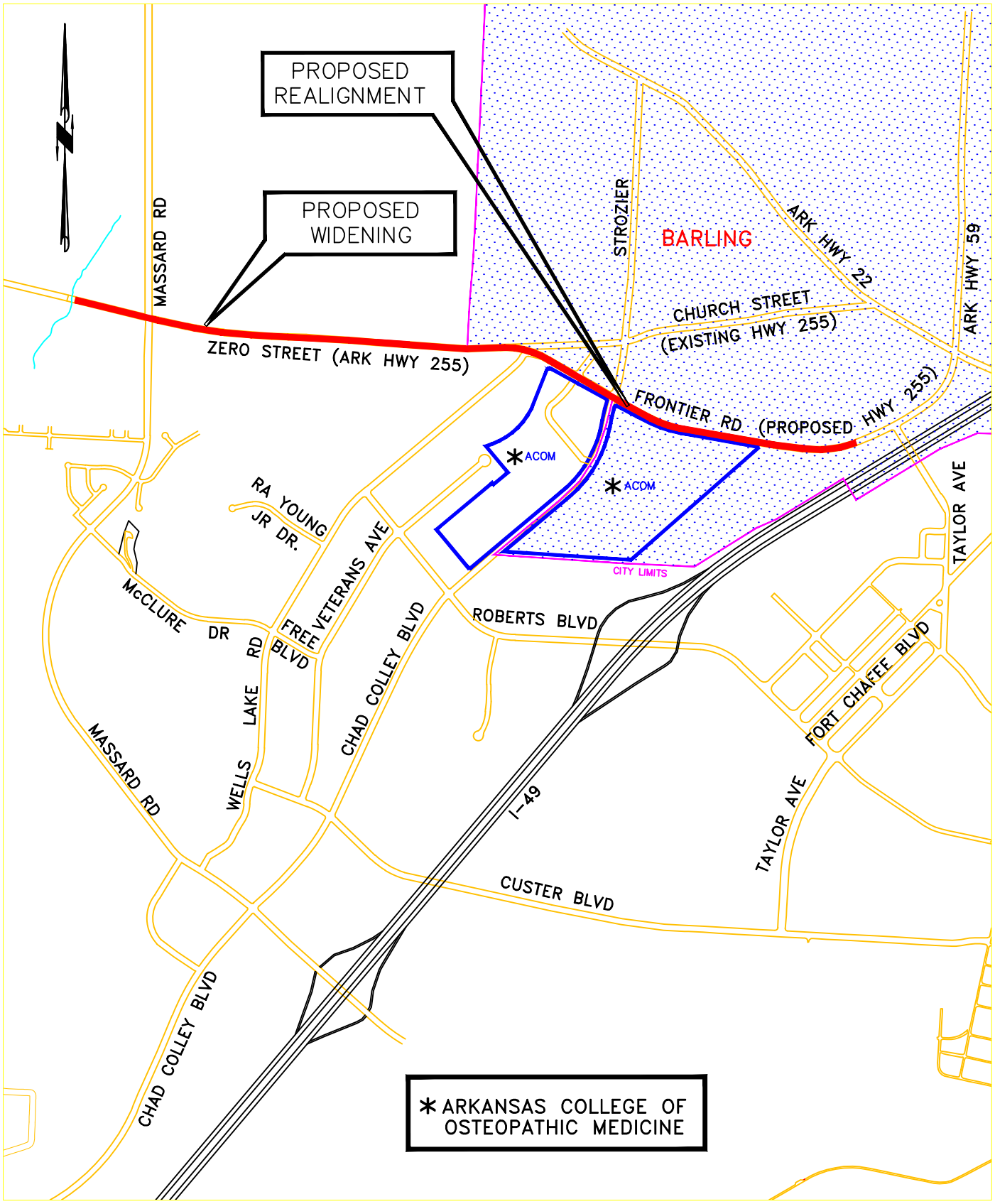

2017 CAPITAL IMPROVEMENTS PROGRAM

ZERO STREET (ARK HWY 255) WIDENING

The City of Fort Smith ARKANSAS

Project:	
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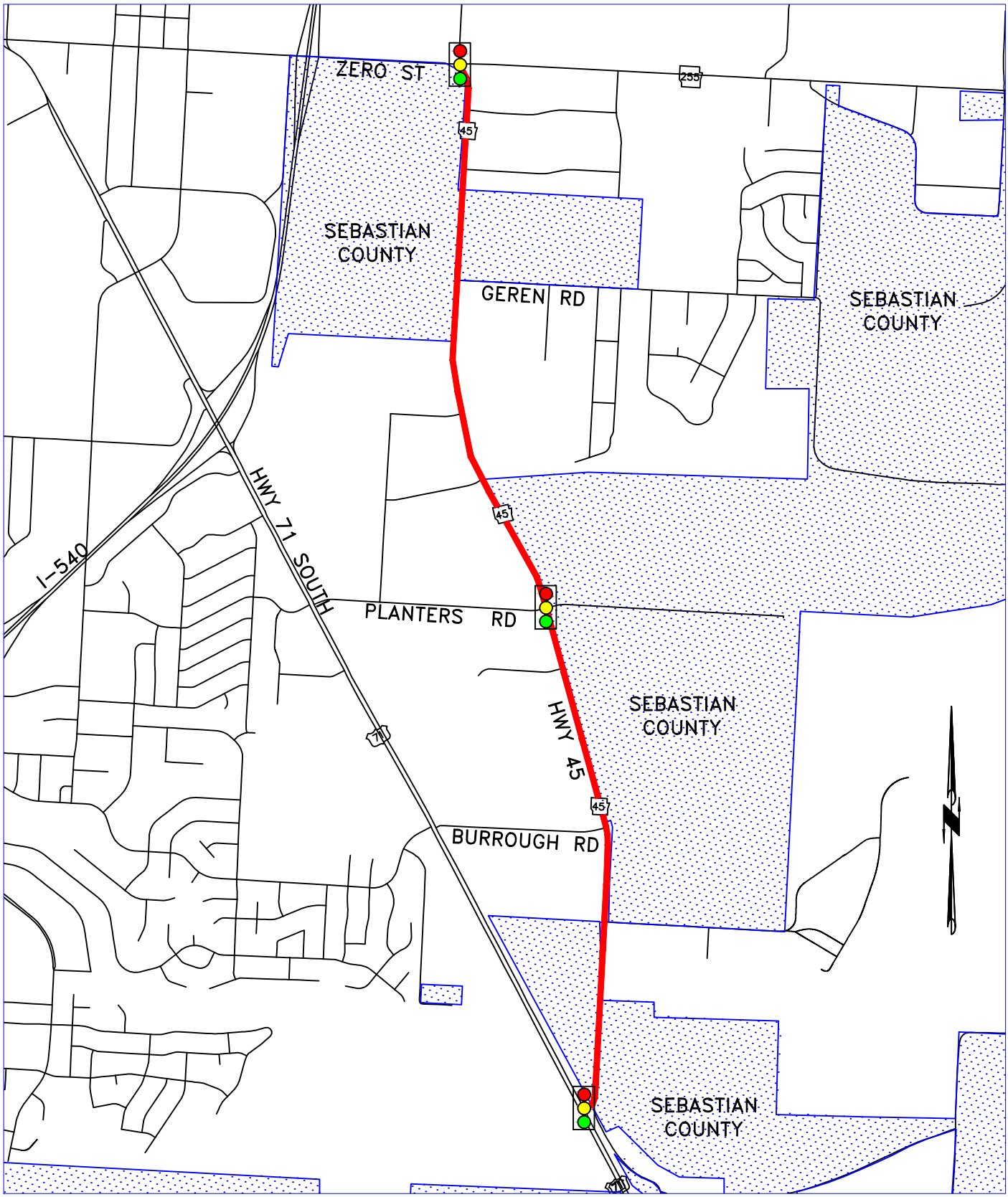

2017 CAPITAL IMPROVEMENTS PROGRAM

ARK HWY 45 WIDENING

The City of Fort Smith ARKANSAS

Project:	
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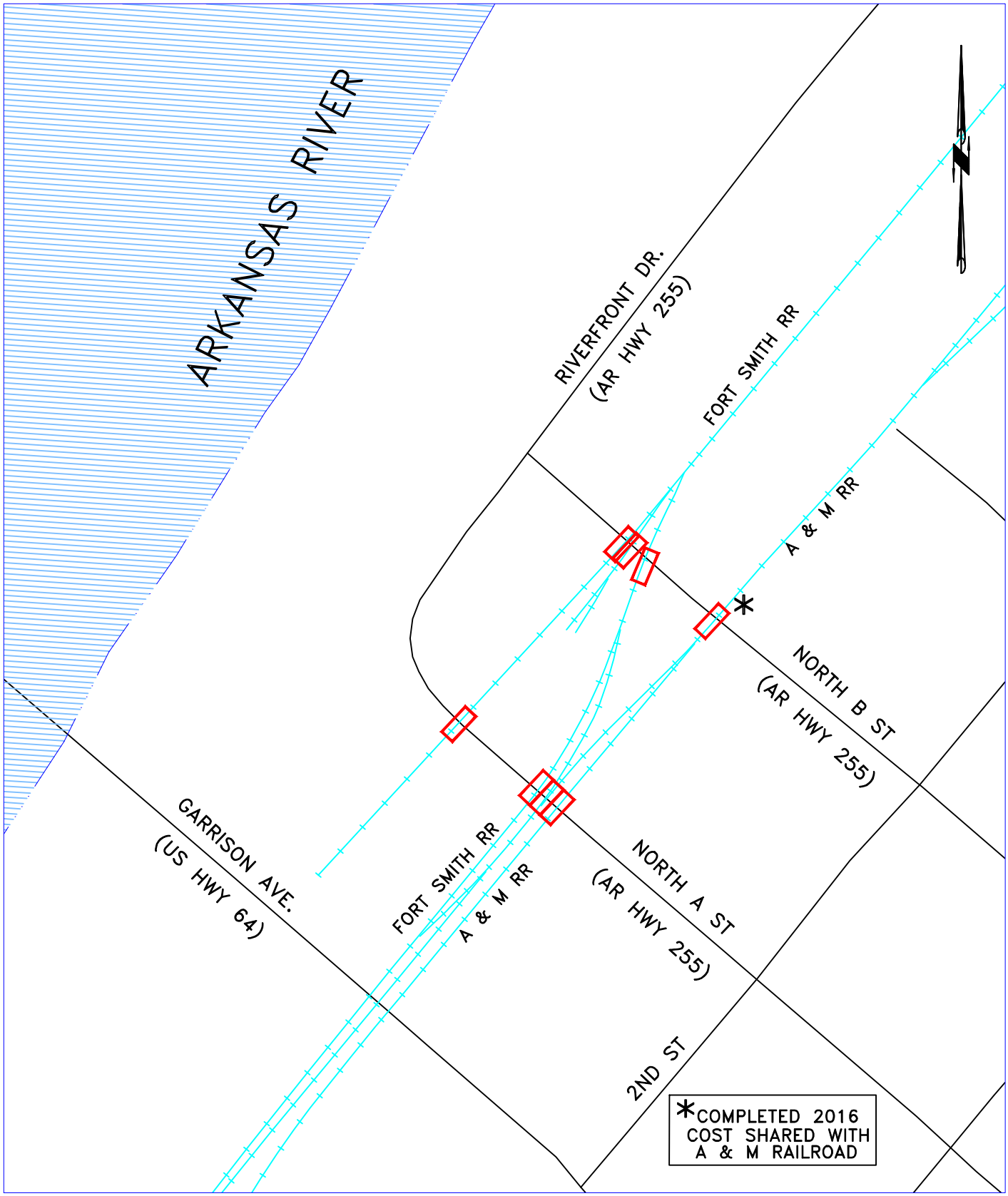

2017 CAPITAL IMPROVEMENTS PROGRAM

RAILROAD CROSSING IMPROVEMENTS

The City of Fort Smith ARKANSAS

Project:	
Date:	AUGUST 2016
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INTER-OFFICE MEMO 2 B

TO: Carl Geffken, City Administrator DATE: September 22, 2016

FROM: Robert Roddy, Interim Director of Utilities

SUBJECT: Draft 2017-2021 Capital Budget

The proposed budget is divided into two major sections. The first is the wastewater (Attachment A) and then the water (Attachment B) budget. Within each of those sections the utility is further divided into functional systems within the respective utility. The document submitted is the combined effort of the utility managers. A team effort was used to develop the program and it represents the anticipated priorities of the Utility Department. A project description sheet was developed for specific projects in order to define the scope of the project. An example of those project sheets is found in Attachment C.

Listed below are the major comments regarding the different function areas of the wastewater and water utility:

Attachment A – Wastewater

Line 3:	Funds the construction repair activities of the Fort Smith collection system maintenance.
Line 4:	Funds the new information system required as part of the Consent Order.
Line 5:	Funds equipment in 5603 Sewer Treatment, 5625 Environmental Quality and 5626 Fleet, Building, Station & Environmental Maintenance.
Lines 8 to 20:	Are a response to the Consent Order to improve the sewer systems ability to transport a larger volume of water. These projects are specifically listed in the Consent Order.
Line 9:	Involves enlarging pipes through Tilles Park northward to “P” Street interceptor. The project is over a two year period.
Line 10:	Involves the major sewer that takes water to P Street Treatment Plant. Currently the treatment plant has capacity to treat a larger peak flow but the system cannot hydraulically deliver a higher flow.
Lines 22 to 31:	Covers the facilities capital expenses anticipated. All projects are Consent Order related. Many of the projects involve pump stations.

Line 27:	In 2016 a number of pump station improvements were initiated. In 2017, the Riverlyn pump station will be replaced with a new pump station.
Line 30:	Involves potential expenses at Massard treatment plant. We know that the plant is marginal with the trickling filters. In addition the State may alter nutrient treatment. The numbers listed in line 37 are subject to year by year review.
Line 33 to 40:	Will be yearly expenses to pay collection system pipe repairs over the next decade. As we review the 50 miles a year, it will generate system repair needs of $15,000,000. to $20,000,000. a year.
Line 43 to 49:	Are not directly related to Consent Order but do cover needed repairs.
Line 47:	Is for Vicksburg Interceptor which is Zero Street pump station outfall. This sewer extends under Interstate 540 to Highway 45.

Attachment B covers the capital program for water.

Line 2:	These are anticipated expenses due to urgent repairs in the water utility. Line 2 represents funds to pay for those expenses.
Line 10:	This project would build a new standpipe at the Jack Freeze Reservoir to serve a portion of the Fianna Hill Elevated Tank service area. The existing Fianna tank is under sized. This will require construction of a new pump station, the standpipe and 8,000 feet of 12-inch line.
Lines 16 to 28:	Involves the replacement of the 27-inch water line that extends from Lake Fort Smith Treatment plant to the city. The line is over 80 years old and is about 27 miles long. The water line is way past its useful life. The pipe is simply rusting away. Over the years we have lost count as to how many repairs were needed.
Line 25:	Provides a 24-inch line from North M Street to Towson and South I Street to provide water to Haven Hill Reservoir. This will allow a portion of the downtown water system, which has experienced multi pipe failures to be served by a pressure reducing station.

As part of this proposed budget, staff is in the process of updating its financial planning. An update of that financial forecast will be available for discussions later this year.

Should you or members of the Board have any questions or desire additional information, please let me know.

attachment

pc: Jeff Dingman

Attachment A

Fort Smith Utility Department
DRAFT Capital Sewer Cost Summary 2017-2021
September 22, 2016

Line	Sewer Capital Funds	Consent Decree	Project	2017	2018	2019	2020	2021
1	**Consent Decree:**							
2	**Program**							
3	Program 5612 Construction	Art. 2	n/a	1,022,100	1,071,400	1,125,000	1,181,000	1,240,000
4	Information and Communication Systems Start Up	Art. 7	n/a	500,000	-	-	-	-
5	Equipment Maintenance	Art. 7	n/a	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
6	**Program Total**			**$ 3,022,100**	**$ 2,571,400**	**$ 2,625,000**	**$ 2,681,000**	**$ 2,740,000**
7								
8	**Capacity Improvements**							
9	Sub-Basin P007 Capacity Improvements	Appx. E2	16-09	1,100,000	1,100,000	-	-	-
10	Sub-Basins P002 & P003 Capacity Improvements	Appx. E2	16-03	4,500,000	4,500,000	1,000,000	-	-
11	Basin 10 & 14 Capacity Improvements	Appx. E2	16-08	-	1,500,000	3,583,000	4,167,000	4,167,000
12	Basin W001 Capacity Improvements	Appx. E2	New	500,000	1,666,700	1,667,000	1,667,000	-
13	Basin FL01 Capacity Improvements	Appx. E2	16-12	-	400,000	1,333,000	1,333,000	1,333,000
14	Basin FL02 Capacity Improvements	Appx. E2	New	-	250,000	833,000	833,000	833,000
15	Skyline Estates Capacity Improvements	Appx. E2	New	-	-	-	321,000	600,000
16	Phoenix Ave Capacity Improvements	Appx. E2	New	-	-	100,000	500,000	500,000
17	Basin 12 Capacity Improvements	Appx. E2	12-14	-	-	300,000	1,200,000	1,667,000
18	Sub-Basin P004 Capacity Improvements	Appx. E2	16-11	-	-	-	-	200,000
19	Basin 13 Capacity Improvements	Appx. E2	New	-	-	-	-	180,000
20	**Capacity Improvements Total**			**$ 6,100,000**	**$ 9,416,700**	**$ 8,816,000**	**$ 10,021,000**	**$ 9,480,000**
21								
22	**Facilities**							
23	Pump Station 5 Interceptor Easement Road Construction & Inspection	Appx. E2	13-07	295,000	-	-	-	-
24	Pump Station 5 Rehabilitation/Replacement	Appx. E2	13-07	93,200	931,500	1,035,000	-	-
25	Pump Station 6 (Riverfront) Rehabilitation/Replacement	Appx. E2	New	-	-	93,000	932,000	1,035,000
26	Facility Construction and Rehabilitation	Art. 7	15-11	1,000,000	-	-	5,000,000	-
27	Riverlyn Wastewater Pump Station 8 Replacement	Appx. B	15-22	1,800,000	-	-	-	-
28	Pump Station 6 (Riverfront) Interceptor Road Construction & Inspection	Appx. E2	New	400,000	-	-	-	-
29	Massard Wastewater Treatment Plant Alerternative Power	Appx. B		1,000,000	-	-	-	-
30	Massard Wastewater Treatment Plant Long-Term Improvements	Appx. E2	New	1,500	1,000,000	5,000,000	33,333,000	33,333,000
31	**Facilities Total**			**$ 4,589,700**	**$ 1,931,500**	**$ 6,128,000**	**$ 39,265,000**	**$ 34,368,000**

Fort Smith Utility Department
DRAFT Capital Sewer Cost Summary 2017-2021
September 22, 2016

Line	Sewer Capital Funds	Consent Decree	Project	2017	2018	2019	2020	2021
32								
33	**Remediation**							
34	Basin 12 Collection System Defect Remediation	Art. 2	16-19	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
35	2015 SSA Collection System Defect Remediation	Art. 2	10-16	7,069,400	10,783,700	3,714,000	-	-
36	2016 SSA Collection System Defect Remediation	Art. 1 & 2	New	1,800,000	6,666,700	6,667,000	6,667,000	-
37	2017 SSA Collection System Defect Remediation	Art. 1 & 2	New	1,600,000	1,200,000	3,333,000	3,333,000	3,333,000
38	2018 SSA Collection System Defect Remediation	Art. 1 & 2	New	-	1,600,000	1,200,000	3,333,000	3,333,000
39	2019 SSA Collection System Defect Remediation	Art. 1 & 2	New	-	-	1,600,000	1,200,000	3,333,000
40	Annual Sewer Collection System Improvements	Art. 2	n/a	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
41	**Remediation Total**			**$ 13,469,400**	**$ 23,250,400**	**$ 19,514,000**	**$ 17,533,000**	**$ 12,999,000**
42	**Consent Decree Total**			**$ 27,181,200**	**$ 37,170,000**	**$ 37,083,000**	**$ 69,500,000**	**$ 59,587,000**
43								
44	**Non-Consent Decree:**							
45	Pump Station 5 Interceptor East (Walnut Street to Musset Road)	n/a	New	113,500	-	-	-	-
46	P Street Wastewater Treatment Plant Screening, Scum & Grease Removal	n/a	14-12	1,178,800	1,178,800	-	-	-
47	Riverfront Soccer Complex Sewer Extension	n/a	New	50,000	-	-	-	-
48	Vicksburg Interceptor Defect Remediation	n/a	16-03	1,000,000	2,000,000	-	-	-
49	Annual Sewer Plant Improvements	n/a	New	250,000	250,000	250,000	250,000	250,000
50	**Non-Consent Decree Total**			**$ 2,592,300**	**$ 3,428,800**	**$ 250,000**	**$ 250,000**	**$ 250,000**
51	**Sewer Capital Total**			**$ 29,773,500**	**$ 40,598,800**	**$ 37,333,000**	**$ 69,750,000**	**$ 59,837,000**

Attachment B

Fort Smith Utility Department
DRAFT Capital Water Cost Summary 2017-2021
September 22, 2016

Line	Water Capital Funds	Project	2017	2018	2019	2020	2021
1	**Program**						
2	Distribution System Repair, Rehabilitation, Replacement, Improvement	n/a	2,000,000	2,000,000	2,000,000	9,462,000	9,462,000
3	Watershed Property Acquisition Lake Fort Smith	99-01	650,000	650,000	650,000	650,000	650,000
4	Equipment Maintenance	n/a	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
5	Program 5627 Water System Construction		340,700	357,300	375,000	394,000	414,000
6	**Program Total**		**$ 4,490,700**	**$ 4,507,300**	**$ 4,525,000**	**$ 12,006,000**	**$ 12,026,000**
7							
8	**Facilities**						
9	5th Part 12 Inspection Report Lee Creek Dam	16-15	50,000	-	-	-	-
10	Jack Freeze Standpipe and Brooken Hill Waterline	New	130,800	2,324,700	1,725,000	-	-
11	Lake Ft. Smith East Side Slide	16-05	250,000	-	-	-	-
12	Annual Water Plant and Supply Improvements	New	250,000	250,000	250,000	250,000	250,000
13	Lee Creek Lagoon Repairs	New	825,000	-	-	-	-
14	**Facilities Total**		**$ 1,505,800**	**$ 2,574,700**	**$ 1,975,000**	**$ 250,000**	**$ 250,000**
15							
16	**Transmission/Distribution**						
17	Lake Fort Smith 48-inch Transmission Line Phase 1	08-07	5,500,000	-	-	-	-
18	Lake Fort Smith 48-inch Transmission Line Phase 2	New	1,500,000	12,500,000	12,500,000	-	-
19	Lake Fort Smith 48-inch Transmission Line Phase 3	New	-	-	1,925,000	1,925,000	12,833,000
20	North M Street to Towson & South I Street 24-inch Transmission Line Extension	New	468,000	3,129,800	3,130,000	-	-
21	Watershed Stream Bank Stabilization	New	75,000	300,000	260,000	50,000	50,000
22	North N Street 24-inch Transmission Line Replacement	New	216,000	2,889,000	-	-	-
23	Tennessee Road 12-inch Water Line	New	-	245,200	1,640,000	1,640,000	-
24	Chaffee Crossing 18-inch Transmission Line Relocation (5,100 ft)	New	-	-	140,000	1,860,000	-
25	North 6 Street 12-inch Water Line Replacement	New	750,000	-	-	-	-
26	Howard Hill Ground Storage Reservior & Transmission Line Extension	New	-	-	800,000	53,500,000	53,500,000
27	Downtown pressure reducing valves	New	-	-	200,000	2,000,000	-
28	**Transmisson/Distribution Total**		**$ 8,509,000**	**$ 19,064,000**	**$ 20,595,000**	**$ 60,975,000**	**$ 66,383,000**
29	**Water Capital Total**		**$ 14,505,500**	**$ 26,146,000**	**$ 27,095,000**	**$ 73,231,000**	**$ 78,659,000**

Attachment C

CAPITAL MAINTENANCE AND IMPROVEMENT PROGRAM - DATA ENTRY FORM

TYPE (CHOOSE ONE):

- ☐ Equipment
- ☑ Project

DEPARTMENT:	Fort Smith Utility Department	**DIVISION:**	Wastewater
CONTACT NAME:	Jimmie Johnson	**PHONE:**	
PROJECT#:	6505-8300-019	**PROJECT RANKING:**	
PROJECT TITLE:	Lift Station 15, 16, 17 and 23 Rehabilitation and Replacement		

STATUS (CHOOSE ONE):

- ☐ New Project
- ☐ Existing Project Requires Increase
- ☑ Replacement/Upgrade Equ
- ☐ Program Enhancement

PROBLEM IDENTIFICATION OR JUSTIFICATION:

Pump Stations 15, 16 and 17 were all installed in 1973 Pump Station 23 was installed in 1980 All are obsolete and in need of repair or replacement In Appendix B of the Consent Decree, replacement of pump stations 15 17 and 23 is called out. Pump Station 16 is required to be eliminated with flow diverted to Pump Station 23 This work is required to be completed by December 31, 2016

ORIGIN (CHOOSE ALL THAT APPLY):

- ☐ Citizen Request
- ☐ Board Request
- ☐ FS Staff Request
- ☐ Federal/State Mandate
- ☑ Consent Order

PROJECT DESCRIPTION OR EQUIPMENT USE:

This project reconstructs as well as provides the required standby power for stations 15,17 and 23 It also allows for the decommissioning of pump station 16

BUDGETED (CHOOSE ALL THAT APPLY):

- ☐ Right of Way (ROW)
- ☐ Design Fees
- ☑ Capital/Construction Fees
- ☑ Inspection Fees

FINANCING AND APPROPRIATIONS BY YEAR

	Funding Sourc	Fund	Div	Prog	Obj Code	2016	2017	2018	2019	2020	2021	6-Year Total	Prior Approp.	Funding After 6th Year	TOTAL COST
1)	Revenue Bond					$1,705,605						$1,705,605			$1,705,605
2)												$0			
3)												$0			
4)												$0			
5)												$0			
	TOTAL					**$1,705,605**	**$0**	**$0**	**$0**	**$0**	**$0**	**$1,705,605**	**$0**	**$0**	**$1,705,605**

ADDITIONAL COMMENTS:

*Actual contract amounts

2C

PARKS RECREATION
FORT SMITH

Memo:

September 23th, 2016

To: Carl Geffken, City Administrator
From: Doug Reinert, Director of Parks and Recreation DSR
Re: Parks and Recreation 5 year CIP

Attached are two five year capital improvement plans for your review. You will notice in both plans, operational costs continue to increase. This is due to the maintenance of completed, ongoing, and future projects.

The first is the 5-year CIP recommended by the Parks Commission at their August meeting. This version of the plan is referred to as "Initial Proposal" in the accompanying documents. This plan proposes an allocation of $2,000,000 for capital projects. After the presentation of a future plan for the Farmers Market by a citizen, a motion was made to include the construction of a restroom facility for the Farmers Market, located in the Garrison Avenue parking lot. The motion was made to allocate an additional $100,000 into the CIP for fiscal year 2017, bringing the total to $2,100,000 for capital expenses. This motion was contingent on Administration's decision as to whether or not the construction of the restrooms falls in alignment with the use of these monies. It should be noted the additional $100,000 in capital pushes the FY 2017 Budget above the projected revenue allocation. The spreadsheet provides further explanation regarding this.

The second CIP is identified as "Administration's Recommendation" in the attached documents. You will notice three changes to capital projects:

1. Following the meeting, the Parks Department reviewed the request and guidelines for these dedicated funds. Although the Farmers Market and the Parking Lot fall under the management of the Parks and Recreation Department, Administration determined the project does not meet the criteria of the dedicated sales and use tax. Therefore, the $100,000 allocation for the Farmers Market restroom has been removed from the CIP.

2. The addition of an annual allocation of $50,000 for the acquisition of land adjacent to the parking lot at the River Park Events Building (Westphal Property). This allocation will continue through to 2022 (6 years), making the total purchase price of the property $300,000. An appraisal of the property is included in the supporting documents. This is a prime piece of property, as it lies between the River Park Events Building and the future sight of the Marshalls Museum. This property will allow the department space to build more amenities, expand operations, and assist in the development of the Downtown area.

3. The Matching Funds line-item for FY17 has been reduced by $50,000 to allow for the year's allocation of $50,000 toward the purchase of the Westphal Property. This adjustment brings the total capital projects to $2,000,000.

No formal action has been taken by the Parks Commission to recommend this version to the Board. However, the Commission was sent an email identifying the adjustments to their recommended plan, why these adjustments were made, and the revised version of the CIP. This email is included in the supporting documents. We did not receive any opposition to the amended plan from any Commissioners.

Below is a comparison table that identifies the percentage of funds used for capital versus operating expenditures. The Initial Proposal is the top row for each year, and Administration's Recommendation is the bottom, shaded row for each year.

Year	Capital Expenses	Operating Expenses
2017	78.42%	21.58%
	77.58%	22.42%
2018	75.30%	24.70%
	75.79%	24.21%
2019	72.74%	27.26%
	72.74%	27.26%
2020	74.70%	25.30%
	75.17%	24.83%
2021	70.76%	29.24%
	71.36%	28.64%

It is important to note that in the 2017 budget, we will request an additional Maintenance Person be added to Program 6208 (1/8 cent sales and use tax) to help reduce the workload demand and continue to keep service delivery efficient. We feel this is vital to keeping our newly developed projects maintained in a way to make Fort Smith proud.

Should you have any questions or need additional information please feel free to contact me.

attachments

Parks & Recreation 1/8% Sales and Use Tax Program - Actual Expenses

Note: Fiscal year 2016 is based on the Board approved CIP and Budget.

Project	2012		2013		2014		2015		2016	
	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital	Operating
Riverfront Drive - 51 acres	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,658.21	700,000	0
Belle Grove Center	0.00	0.00	122,705.00	2,225.42	14,900.00	1,114.02	0.00	1,033.12	0	0
Ben Geren Softball Fields	0.00	0.00	556,859.63	0.00	918,581.70	1,327.90	0.00	5,368.23	0	0
Blue Lion Bikeway*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,255.00	0	0
Cisterna Park Improvements	0.00	0.00	7,401.96	0.00	41,324.31	0.00	0.00	0.00	0	0
Compass Park Splash Pad	0.00	0.00	0.00	0.00	10,930.00	0.00	326,711.71	1,798.92	0	0
Fort Smith Park Fishing Pavilion	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,304.00	200,000	0
Glass Pavilion Addition	0.00	0.00	0.00	0.00	0.00	0.00	126,092.26	3,024.33	0	0
Greg Smith River Trail	0.00	0.00	4,580.00	81.21	118,090.00	281.83	1,753,526.00	36.79	0	0
Grizzly Field at MLK	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,651.80	0	0
Imani Park	0.00	0.00	0.00	0.00	83,980.32	0.00	48,976.14	0.00	100,000	0
Mill Creek Trail*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0
Parrot Island Water Park	0.00	0.00	0.00	0.00	25.00	13,583.33	1,450,641.81	45,136.68	0	0
Rice Carden Levee Trail *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0
River Valley Sports Complex	0.00	0.00	23.60	1,116.50	100,000.00	141.78	450,000.00	262.57	0	0
Stagecoach Park	0.00	0.00	0.00	0.00	0.00	0.00	164,271.00	0.00	0	0
Tennis Courts Resurfacing	0.00	0.00	0.00	0.00	0.00	0.00	4,913.78	0.00	0	0
Trails & Greenways	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000	0
Matching Funds per R-158-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000	0
	0.00	0.00	691,570.19	3,423.13	1,287,831.33	16,448.86	4,325,132.70	91,529.65	2,050,000	0
Total Project Cost	**0.00**		**694,993.32**		**1,304,280.19**		**4,416,662.35**		**2,050,000**	
Personnel		0.00		71,593.43		135,963.65		158,342.27		324,453
Operating (not dedicated to project)		0		3,797.35		2,825.77		1,551.75		289,470
Total		**0.00**		**75,390.78**		**138,789.42**		**159,894.02**		**613,923**
Total Expenses	**0.00**		**770,384.10**		**1,443,069.61**		**4,576,556.37**		**2,663,923**	

Parks and Recreation CIP - Initial Proposal

Annually, the Parks Department presents recommendations to the Parks and Recreation Commission for approval of a five year capital improvement program. The following is the five year plan for 2017-2021. Funding will be provided by the Parks 1/8% sales and use tax.

Park Project	2017	2018	2019	2020	2021
Conversion of Tilles Wading Pool into Splash Pad	-	200,000	-	-	-
Conversion of Woodlawn Wading Pool into Splash Pad	-	200,000	-	-	-
Creekmore Park Land Acquisition and Parking	-	-	200,000	-	-
Creekmore Park Tennis Court Resurfacing	-	-	-	275,000	-
Farmers Market Restrooms	100,000	-	-	-	-
Fort Smith Park Dog Park	-	100,000	-	-	-
Fort Smith Park Fishing Pavilion and Parking	-	-	-	-	-
Fort Smith Park Playground	-	-	100,000	-	-
Kelley Stage & River Park Amphitheater	75,000	-	-	-	-
Martin Luther King Skate Park Improvements	-	-	-	400,000	-
Matching Funds	250,000	250,000	250,000	250,000	250,000
Neighborhood Parks	-	-	-	-	300,000
Riverfront Drive Property Improvements	600,000	-	-	-	750,000
Shade Structures at Creekmore Pool, Martin Luther King Splash Pad and Playground	75,000	-	-	-	-
Stagecoach Park Phase II	-	-	-	-	150,000
Trails & Greenways	1,000,000	1,100,000	1,050,000	1,050,000	250,000
Wilson Park Improvements	-	-	100,000	-	-
	2,100,000	1,850,000	1,700,000	1,975,000	1,700,000
Operations	577,920	606,816	637,157	669,015	702,465
Total Projects and Operations	2,677,920	2,456,816	2,337,157	2,644,015	2,402,465

Impact on the 2017 Operating Budget:
Many of the current year projects are expected to have a favorable impact in the economy and enhance the quality of life for citizens. The Riverfront Drive sports field will provide more recreation opportunities for youth leagues and an increase in tournaments. The Fort Smith Park Fishing Pavilion will provide more opportunities to host fishing tournaments/derbies.

Supplemental Notes:
Finance gave the directive to use the FY16 revenue estaimtes for the 1/4% sales and use tax revenue for preparing the FY17 requests. Per Ordinance No. 47-16, the revenue estimate was $5,227,000, making the Parks portion $2,613,500. As you will see, the inital propsal would put the budget over revenue estimates by $64,420. The Department will be requesting an additional Maintenance Person for this program during the budget review with the Board. This position is being requested due to the completion of projects and the ongoing construction of others. With the additional personnel added in ($34,029), the total excess in budgeted expenses would be $98,449. This proposal does not reflect the best interest in the continued development and maintenance of projects funded through these dedicated monies.

Percentage Spent Summaries - Initial Proposal

Year	Total	Capital	% Capital	Operating	% Operating
2012	0.00	0.00	0%	0.00	0%
2013	770,384.10	691,570.19	89.77%	78,813.91	10.23%
2014	1,443,069.61	1,287,831.33	89.24%	155,238.28	10.76%
2015	4,576,556.37	4,325,132.70	94.51%	251,423.67	5.49%
2016	2,663,923	2,050,000	76.95%	613,923	23.05%
2017	2,677,920	2,100,000	78.42%	577,920	21.58%
2018	2,456,816	1,850,000	75.30%	606,816	24.70%
2019	2,337,157	1,700,000	72.74%	637,157	27.26%
2020	2,644,015	1,975,000	74.70%	669,015	25.30%
2021	2,402,465	1,700,000	70.76%	702,465	29.24%
	21,972,305.89	**17,679,534.22**	**80%**	**4,292,771.67**	**20%**

Note: Fiscal years 2013-2015 include prior year encumbrances of dedicated funds for capital projects. This accounts for the higher total expenses than the coming years. As more projects come to completion, you will notice our operating expenses increase.

Parks and Recreation CIP - Administration's Recommendation

Annually, the Parks Department presents recommendations to the Parks and Recreation Commission for approval of a five year capital improvement program. The following is the five year plan for 2017-2021. Funding will be provided by the Parks 1/8% sales and use tax.

Park Project	2017	2018	2019	2020	2021
Conversion of Tilles Wading Pool into Splash Pad	-	200,000	-	-	-
Conversion of Woodlawn Wading Pool into Splash Pad	-	200,000	-	-	-
Creekmore Park Land Acquisition and Parking	-	-	200,000	-	-
Creekmore Park Tennis Court Resurfacing	-	-	-	275,000	-
Fort Smith Park Dog Park	-	100,000	-	-	-
Fort Smith Park Fishing Pavilion and Parking	-	-	-	-	-
Fort Smith Park Playground	-	-	100,000	-	-
Kelley Stage & River Park Amphitheater	75,000	-	-	-	-
Martin Luther King Skate Park Improvements	-	-	-	400,000	-
Matching Funds	200,000	250,000	250,000	250,000	250,000
Neighborhood Parks	-	-	-	-	300,000
Riverfront Drive Property Improvements	600,000	-	-	-	750,000
Shade Structures at Creekmore Pool, Martin Luther King Splash Pad and Playground	75,000	-	-	-	
Stagecoach Park Phase II	-	-	-	-	150,000
Trails & Greenways	1,000,000	1,100,000	1,050,000	1,050,000	250,000
Westphal Property Purchase	50,000	50,000	50,000	50,000	50,000
Wilson Park Improvements	-	-	100,000	-	-
Total Projects	2,000,000	1,900,000	1,750,000	2,025,000	1,750,000
Operations	577,920	606,816	637,157	669,015	702,465
Total Projects and Operations	2,577,920	2,506,816	2,387,157	2,694,015	2,452,465

Impact on the 2017 Operating Budget:

Many of the current year projects are expected to have a favorable impact in the economy and enhance the quality of life for citizens. The Riverfront Drive sports field will provide more recreation opportunities for youth leagues and an increase in tournaments. The Fort Smith Park Fishing Pavilion will provide more opportunities to host fishing tournaments/derbies.

Supplemental Notes:

Finance gave the directive to use the FY16 revenue estaimtes for the 1/4% sales and use tax revenue for preparing the FY17 requests. Per Ordinance No. 47-16, the revenue estimate was $5,227,000, making the Parks portion $2,613,500. As you will see, the Administration's propsal has projected expenses at $35,780 less than the projected revenue. The Department will be requesting an additional Maintenance Person for this program during the budget review with the Board. This position is being requested due to the completion of projects and the ongoing construction of others. With the additional personnel added in ($34,029), the total budget for this program will still come in under the revenue estaimted. The budget will be $1,551 below the estimated revenue. This proposal is in the best interest of the continued development and maintenance of projects funded through these dedicated monies.

Percentage Spent Summaries - Administration's Recommendation

Year	Total	Capital	% Capital	Operating	% Operating
2012	0.00	0.00	0%	0.00	0%
2013	770,384.10	691,570.19	89.77%	78,813.91	10.23%
2014	1,443,069.61	1,287,831.33	89.24%	155,238.28	10.76%
2015	4,576,556.37	4,325,132.70	94.51%	251,423.67	5.49%
2016	2,663,923	2,050,000	76.95%	613,923	23.05%
2017	2,577,920	2,000,000	77.58%	577,920	22.42%
2018	2,506,816	1,900,000	75.79%	606,816	24.21%
2019	2,337,157	1,700,000	72.74%	637,157	27.26%
2020	2,694,015	2,025,000	75.17%	669,015	24.83%
2021	2,452,465	1,750,000	71.36%	702,465	28.64%
	22,022,305.89	**17,729,534.22**	**81%**	**4,292,771.67**	**19%**

Note: Fiscal years 2013-2015 include prior year encumbrances of dedicated funds for capital projects. This accounts for the higher total expenses than the coming years. As more projects come to completion, you will notice our operating expenses increase.

Deuster, Sara

From: Reinert, Doug
Sent: Monday, September 12, 2016 2:18 PM
To: Lee, Aaron
Cc: Dingman, Jeff; Deuster, Sara; Woodruff, Linda
Subject: Please forward this to the Park Commission
Attachments: FY17 CIP.xlsx; Amended FY17 CIP.xlsx; Riverfront Property.pdf

Respected Park Commissioners,

Attached is the CIP voted on by the Parks and Recreation Commission recommended to the Board of Directors. After careful review of the CIP by the Administration, attached is the Amended FY 2017 CIP. Several items needed to be modified in order to correctly allocate funds and move the Department in the proper direction. A motion was made to allocate $100,000 to add restrooms to the public parking lot that hosts the Farmers Market. Although the Farmers Market and the Parking lot fall under Park Administration and Control, the allocation of 1/8 sales tax does not meet the program criteria. The 1/8 cent sales tax funds are for building, improving and maintaining parks and recreation. The Farmers Market, Cemetery and City owned parking lots fall under the departments Administration but are maintained from the General Fund.

Secondly, attached is the appraisal of the Westphall property platted along the riverfront next to the Greg Smith River Trail. This property was initially intended for the Marshals Museum, which has been moved north of that location. The City Administration recommends the Parks Department allocate $50,000 a year until 2022, to purchase and develop this property at a later date. Attached is the appraisal and the agreed purchase price is $300,000.

Lastly, you will notice a reduction of $50,000 in matching funds to offset the recommended purchase of the Riverfront "Westphall" property. The prediction of tax revenue is a little over $2 million a year. The recommended CIP allocation from the August Parks Commission Meeting over estimated those revenues by $100,000. We must remain conservative in our planning, keeping in mind the cost of maintaining what we build. Tax revenues fluctuate month to month and it is important we understand that if the income does not meet projections, projects have to be put on hold.

Respectfully,

Douglas S. Reinert
Parks and Recreation Director
City of Fort Smith, AR

"Doing the Greatest Good for the Greatest Number of People in the Long Run" Gifford Pinchot

Tommy M. Matthews, MAI SRA

Real Estate Appraiser
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August 10, 2016

Mr. Randy Canfield
Property Manager
Utilities Department
CITY OF FORT SMITH
3900 Kelley Highway
Fort Smith, AR 72904

RE: Appraisal Report of +/- 3.49 acres (of which +/- 2.30 acres are developable) located on the west side of Riverfront Drive, just north of North B Street, south of North E Street, adjacent to Fort Smith River Park and along the Arkansas River in Fort Smith, Sebastian County, Arkansas.

Mr. Canfield:

I have personally inspected the aforementioned property for the purpose of appraising the real estate in fee simple. I have inspected the tract without the property owner or the owner's agent. The property was inspected on July 27, 2016 which will be the effective date of this appraisal. The date of this report is August 10, 2016, the date the appraisal report was completed.

The subject is in the city limits of Fort Smith, Arkansas in the downtown area. The site is located along the Arkansas River and just north of the Arkansas/Oklahoma bridge. The downtown area along Garrison has been built up for many years. Some properties off Garrison have been razed with new development such as hotels, condominiums, Federal Courthouse and River Park. The US Marshals Museum is proposed for this vacant tract.

The area along the river (west side of Riverfront Drive) is primarily vacant except for a gas well is located just to the north with the remaining area to the north vacant (due to flood hazard). The area immediately south of the subject is currently improved with Fort Smith River Park (building and amphitheatre). A walking trail (River West Trail) has been developed along the river which severs the subject site but located in the Floodway. Industrial properties are located on the east side of Riverfront Drive across from the subject.

The intended use of this appraisal is for a potential donation by US Marshalls Museum, Inc. to the City of Fort Smith for City Park use. The intended user of this report is the City of Fort Smith (my client) and US Marshals Museum, Inc (owner). No others are considered intended users of this report. The scope of the appraisal (which will be discussed in detail in the appraisal) is to provide the City of Fort Smith, the client, with a narrative summary appraisal report which conforms to the Uniform Standards of Professional Appraisal Practice.

Since this is a summary report, most maps, sketches, sales data, warranty deeds of sales, legal descriptions and other supporting data have been retained in my file and not made a part of this written appraisal report. However, my file is a part of this report and is available to you, my client, upon request.

The value estimate presented in this report is a market value – what the property would bring in an open and competitive market. The value estimate is not the value as a park. US Marshals Museum, Inc. donating the tract to the City of Fort Smith was given no consideration in the market value estimate.

After an inspection and analysis of the subject tract, the subject neighborhood and relevant market data, it is my opinion that the fee simple market value of the +/- 3.49 acre site described in the attached appraisal report as of July 27, 2016 is:

$900,000

This estimated value is a Market Value Estimate based on the Highest and Best Use of the site. The value is contingent on the extraordinary assumptions discussed in the following report. The above value estimate is contingent on no environmental hazards or adverse development conditions on the site other than those stated in the appraisal report. The value takes into consideration the area in the Floodway as well as the City's River West Trail that severs the tract but located in the Floodway. The subject property is currently not on the market for sale and to my knowledge has not been on the market for sale. It appears that US Marshals Museum, Inc. obtained title to the property in 2007; however, a title search has not been provided.

Your attention is directed to the following summary appraisal report which sets forth my descriptions, analysis and conclusions as to the final value estimate.

Respectfully submitted,

Tommy M. Matthews, MAI SRA
Certified General License #CG0488

ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD
STATE CERTIFIED GENERAL CG0488
TOMMY M. MATTHEWS

APPRAISAL REPORT

of

A +/- 3.49 ACRE VACANT TRACT LOCATED ON THE WEST SIDE OF RIVERFRONT DRIVE NORTH OF NORTH B IN FORT SMITH, ARKANSAS

for

CITY OF FORT SMITH
3900 KELLEY HIGHWAY
FORT SMITH, AR 72904

by

TOMMY M. MATTHEWS, MAI, SRA
REAL ESTATE APPRAISER & CONSULTANT
P. O. BOX 552
WALNUT RIDGE, AR 72476

as of

JULY 27, 2016

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SUMMARY OF CONCLUSIONS

Property Rights Appraised:	Fee Simple	
Effective Date of Appraisal:	July 27, 2016	
Property Appraised:	3.49 acres located on the west side of Riverfront Drive, north of North B Street and along the Arkansas River in Fort Smith, Arkansas	
Total Site Area:	+/- 3.49 Ac (per survey)	
Developable Site Area:	+/- 2.30 Ac (estimated by appraiser)	
Present Zoning:	PZD – Planned Zoning District which allows commercial but with strict development guidelines	
Highest & Best Use	Restaurant, office, or condominium development	
Estimated Value:	$900,000 (3.49 Acres)	
Estimated Site Value:	Sales Comparison Analysis	$900,000
	Cost Approach	N/A
	Income Approach	N/A
	Final Value Conclusion	**$900,000**

APPRAISAL PROCESS

SCOPE OF APPRAISAL - (1) Inspected the subject property without the owner or agent (2) analyzed the market area and neighborhood, (3) analyzed the physical and legal characteristics of the site (4) made a determination/opinion of the highest and best use of the site based on a highest and best use analysis, (5) considered all three approaches to value and determined which approach or approaches are applicable to the subject property. (6) searched the subject's area for sales of similar tracts (7) selected best sales available (8) applied the comparable data to the subject property, making adjustments and/or analysis where warranted (9) estimated the fee simple market value of the real estate only and (10) presented the appraisal in a narrative format including attached photos, comparable sale summary, maps and other pertinent data. Since this is a summary report, much of the data has been retained in my file but available to the client upon request.

A description Section describing the relating data concerning the Area, the Neighborhood and Site and the Improvements is undertaken to develop the pertinent market characteristics and factual data for further processing in the valuation process. The analysis of all these characteristics is developed in an effort to establish the Highest and Best Use of the real estate being appraised*. Since this appraisal is for the City of Forth Smith (intended user and client), I have not included an Area Analysis and only a brief Neighborhood Analysis.*

The Analysis Valuation Section is then undertaken considering all pertinent market factors that relate to the subject property as recognized in the Description and Analysis Section of the report. The valuation process is typically approached through the use of three recognized valuation techniques, each based upon an underlying basic concept or premise. These three approaches are the Cost Approach, Direct Sales Comparison Approach and the Income Approach. Each of these valuation techniques develops a value indication for the subject property, falling into a pattern of reasonable limits. Then through the process of reconciliation, a final market value estimate is correlated. However, when only one approach is applicable, i.e. Sales Comparison Approach for vacant land, there is no reconciliation between approaches but rather a reconciliation between the indicted values.

The Cost Approach and Income Approach are not applicable to the subject tract and the reason for eliminating these approaches is presented below:

The "Cost Approach" is a physical analysis of the real property where the property is analyzed with respect to land and improvements. The Cost Approach is based upon the premise that value is inherent to the object itself and that "cost" and "value" tend to coincide. The value indication is developed by estimating the site value through direct sales comparison and estimating the improvement's value via a replacement or reproduction cost new less all accrued depreciation, if any.

The respective estimates of value of the land and the improvements are then summed to indicate an estimate of value from the Cost Approach. Since the subject is vacant land, this approach is not applicable.

The “Income Approach” is based on the premise that the typical purchaser/investor in the market buys real property in anticipation of its capability to produce an acceptable return on the invested capital; thus, this approach reflects the “principle of anticipation.” This approach is developed by estimating a potential gross income stream from similar leases and reducing the income by the expenses attributable to the production of that income stream, thus, yielding a net operating income. This net operating income estimate is then capitalized at an appropriate capitalization rate into an indication of value from the Income Approach. Although there are some commercial vacant land leases, vacant land is not typically leased in this market. The Income Approach cannot be processed unless there is sufficient data to estimate the subject’s market rent, thus, the Income Approach will not be processed.

The Sales Comparison Approach is based on the premise that persons in the market place can buy by comparison. Hence, the “principle of substitution” is represented, which basically states that a prudent purchaser/investor will pay no more for a property than the cost of procuring an equally desirable substitute property in the market; given that the substitute property possesses the same utility as the property being appraised. This approach is derived by analyzing comparable property sales by some unit or units of comparison and by adjusting appropriately for the dissimilarities between them.

When valuing vacant land, the sales comparison approach is almost always the best method and typically the only method used to value vacant land. There is limited sales data in which to process this approach but is the best method of valuation. Although no very similar sales were located (downtown riverfront), a sufficient number of sales to bracket the value of the subject was located.

PURPOSE OF THE APPRAISAL - The purpose of the appraisal is to estimate the fee simple market value of the real estate as herein described at its Highest and Best Use.

DATE OF VALUATION - The effective date of the valuation of the appraisal is July 27, 2016. I personally inspected the subject property without the property owner or property owner’s agent on this date. My inspection is based on a view of the subject tract, aerial photography, survey and other public data. The date of the appraisal report is August 10, 2016 which is the date the report was completed.

FEE SIMPLE - *An absolute ownership unencumbered by any other interest or estate subject only to the limitations of eminent domain, escheat, police power and taxation.* The fee simple includes all the rights, title, and interest in the +/- 3.49 acre tract. The fee simple value estimate is subject to any easements, floodway, floodplain and any hypothetical conditions and extraordinary assumptions stated in this report.

INTENDED USE - *The intended use of this appraisal is for donation purposes. US Marshals Museum, Inc., owners of the property, intend to donate the subject tract to the City of Fort Smith for City Park purposes. This appraisal is of the Market Value if placed on the open market and the donor (US Marshals Museum, Inc.) and the beneficiary (City of Fort Smith) are not a consideration in the valuation of the site.*

INTENDED USER - *The only intended users of this report are the City of Fort Smith and US Marshalls Museum, Inc.. No others are intended users of this report.*

EXTRAORDINARY ASSUMPTIONS - *An assumption directly related to a specific assignment, which is found false, could alter the appraiser's opinions or conclusions*. All appraisals are based on assumptions but most are typical of the appraisal process. Following are the Extraordinary Assumptions that pertain to this appraisal.

It is assumed and the estimated value is contingent on *(1) The area indicated to be in a Floodway via City GIS maps is correct and the area estimated by the appraiser is reasonably correct, (2) There are no easements or atypical restrictions on the land not discovered by the appraiser during typical research of the property (a title search has not been provided) and (3) It is assumed that the tract is free and clear of any environmental problems*. (Any environmental problems with the property could significantly affect the estimated value of the property)

It is recommended that a survey be completed showing total land area outside the Floodway. I have relied on the City's data regarding Floodway rather than the survey which was based on 1991 FEMA maps. The <u>amount of developable land is crucial to the overall value</u> of the land; however, if the amount of land estimated by the appraiser is reasonably correct, the Value Estimate Per Square Foot can be applied to the contribution of the developable area and Floodway area to derive a value of the site. This appraisal can be revised showing the precise amount of developable area.

Typical assumptions are that the tract can be developed under the current zoning, that reasonable access can be obtained off Riverfront Drive, that all public utilities are available to the site and the area outside the designated flood hazard areas are not subject to flooding.

The value estimate is not based on the highest and best use as the planned US Marshals Museum, rather, what a typical buyer in the market place would pay for the site based on its projected highest and best use. Parks and Museums cannot be a <u>market</u> highest and best use.

HYPOTHETICAL CONDITIONS - *that which is contrary to what exists but is supposed for the purpose of analysis*. The client has asked for no hypothetical conditions.

MARKET VALUE as used herein is defined as *"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:*

> *a. buyer and seller are typically motivated;*
> *b. both parties are well informed or well advised, and each acting in what he considers his own best interest;*
> *c. a reasonable time is allowed for exposure in the open market;*
> *d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
> *e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale." The Appraisal of Real Estate*, 12th Edition, Appraisal Institute

MARKETING AND EXPOSURE TIME are based on a trend in sales similar to the subject. The subject is vacant and not on the market for sale. The subject is in a built up area with few sales available to indicate and exposure time. It appears there is little activity in the downtown area and exposure time in the developing commercial areas is not a good indication of marketing time. Based on the few sales located its appears that a marketing time would likely be around one year. Based on number of sales available and the type of buyer, the marketing time would depend on a potential buyer for a particular use. A marketing and exposure time of between one and two years is not an unreasonable estimate for this type property based on past offerings and sales in this area of this type property.

Exposure Time is how long the tract would have to be exposed prior to a sale. Although exposure time is different than marketing time, the exposure time should also be one to two years. It should be noted that both these estimates are based on very limited data and vacant tracts can stay on the market for a much longer time if not offered at or near their market value or not actively marketed. Exposure time is based on a property being offered at or near its market value.

AREA ANALYSIS - The area analysis is a general analysis of the city. Since this report is prepared for the City of Fort Smith which is well aware of the data, demographics, infrastructure and facts regarding the city, I have not included an area analysis in this report. Many area analyses have been presented to the City and others in many other reports and an area analysis is in the file for this report.

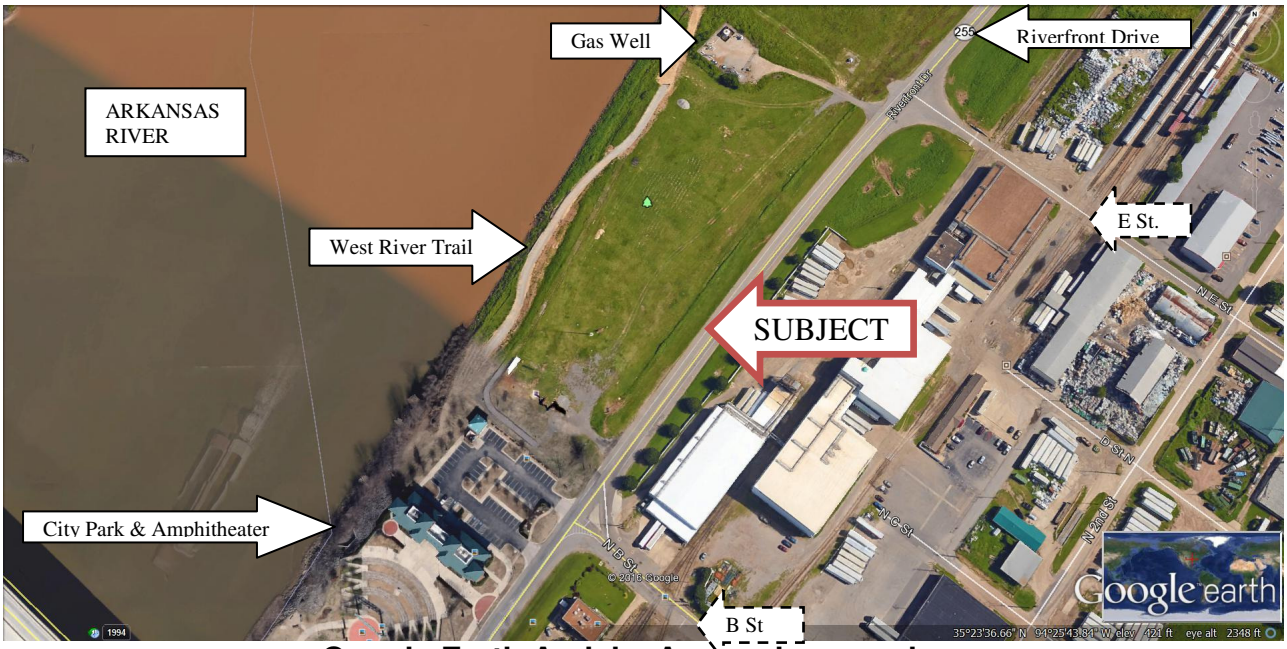
NEIGHBORHOOD MAP

Note that the boundaries exclude residential development to the northeast of Garrison Avenue and commercial development south of South D Street. The downtown area is primarily those properties located on Garrison Avenue. Included are some industrial properties across the street from the subject.

NEIGHBORHOOD ANALYSIS – As in the Area Analysis, a Neighborhood Analysis is not necessary for the intended users who are well aware of the neighborhood characteristics; however, a brief analysis will be made.

The subject's immediate neighborhood is considered as the area east of the Arkansas River, south of North F Street, then west of N 3rd down to North B, then west of Towson, north of D Street, east of S 7th Street up to and north of Garland. This area is diverse but includes the downtown area, County Courthouse hotels, Federal Buildings, Convention Center, Police and Sheriff's offices, private offices, retail and parks but also includes some industrial properties and office warehouses.

The neighborhood is considered built-up; however, some old buildings have been razed and new development has occurred in the area. There is no anticipation of significant new development since there is a scarcity of vacant land and most retail development is occurring in other portions of the city. As in the past, older buildings will be razed for new development in the future.



Google Earth Aerial – Arrows by appraiser

LEGAL DESCRIPITON FROM SURVEY

BOUNDARY DESCRIPTION

Part of the Northwest Quarter (NW 1/4) of the Southeast Quarter (SE 1/4), Part of the Southwest Quarter (SW 1/4) of the Northeast Quarter (NE 1/4), and Part of the Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4), All in Fractional Section 8, Township 8 North, Range 32 West, Fort Smith, Sebastian County, Arkansas.

Commencing at the Northeast (NE) corner of the Northeast 1/4 of Section 8, Township 8 North, Range 32 West, Fort Smith, Sebastian County, Arkansas; Thence N-86°04'16"-W, 65.0(feet along the North line of said Section 8; Thence S-00°21'44"-W, 305.13 feet; Thence N-86°01'16"-W, 761.47 feet to a point on the Centerline of Clayton Expressway; Thence N-70°42'16"-W, 114.63 feet to a point on the westerly right-of-way of Clayton Expressway; Thence southwesterly along said right-of-way through the following calls: S-13°51'44"-W, 56.00 feet, S-25°58'44"-W, 411.80 feet, S-23°27'44"-W, 105.20 feet, S-17°08'44"-W, 325.60 feet, S-22°24'44"-W, 209.80 feet; S-33°43'44"-W, 275.30 feet; S-39°33'44"-W, 335.00 feet; S-37°20'44"-W, 305.20 feet; S-42°39'36"-W, 371.78 feet; S-41°15'44"-W, 278.70 feet; S-38°30'44"-W, 166.06 to an iron pin set for the Point Of Beginning; Thence S-38°30'44"-W, 112.64 feet along said right-of-way line to a set iron pin: Thence continuing along said right of way line S-37°06'48"-W, 399.82' to a set iron pin at the northeasterly corner of the City of Fort Smith River Front Park; Thence N-50°05'43"-W, 283.87 feet with the northerly line of said River Front Park to the Right High Bank of the Arkansas River and a set iron pin; Thence N-31°04'00"-E, 361.40 feet with said Right High Bank to a set iron pin; Thence N-32°15'15"-E, 112.30' with said Right High Bank to a set iron pin; Thence S-57°33'49"-E, 334.98 feet to the Point of Beginning. Containing 3.49 acres more or less and being subject to a 25' OG&E Easement along the Easterly Line as recorded in Document Number 7200451.

SITE ANALYSIS

The subject site is located on the West side of Riverfront Drive (State Highway 255) along the Arkansas River between North B Street and North E Street in the downtown area of Fort Smith, Arkansas.

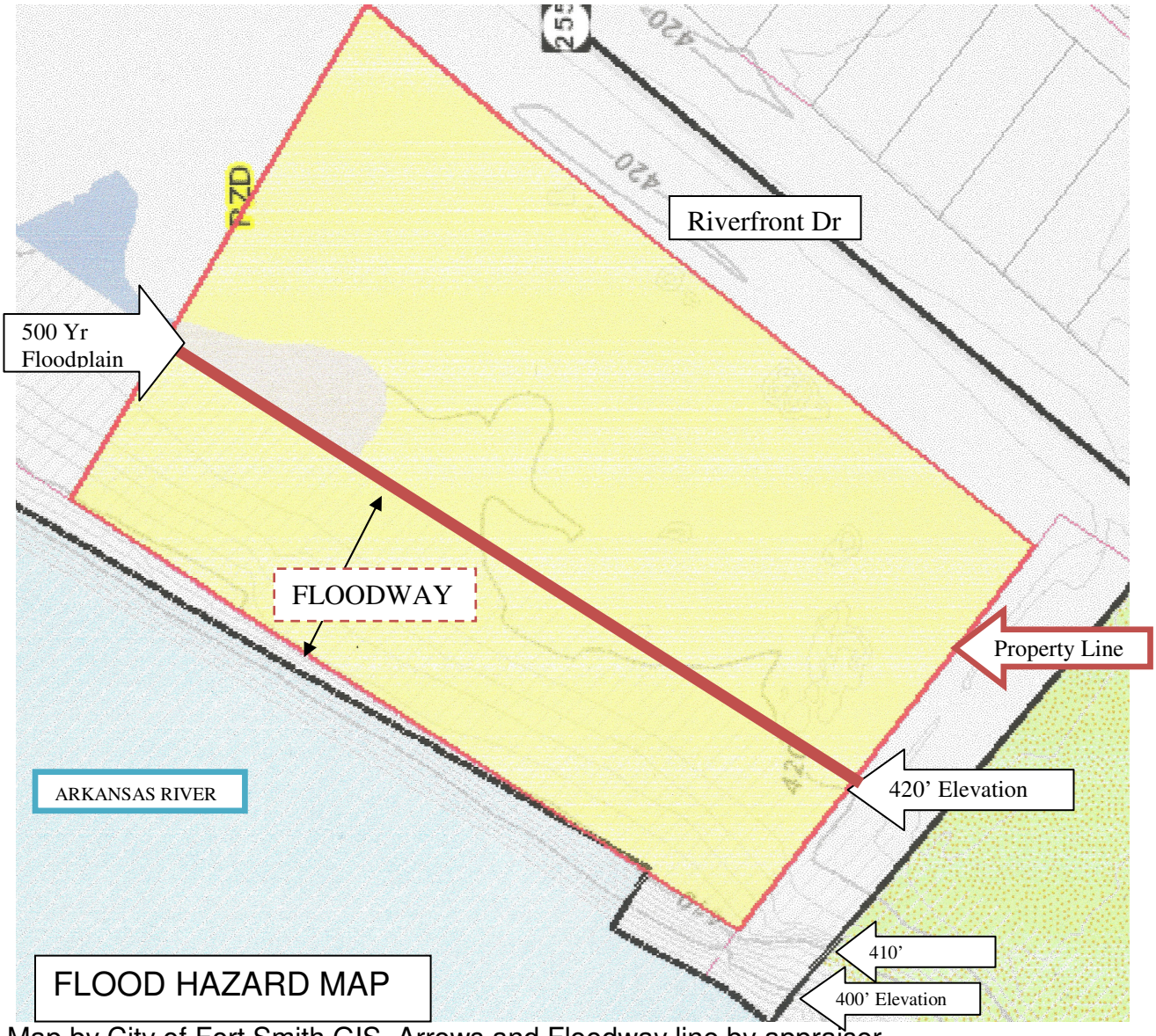
A brief overview of the site's physical characteristics follow:

Size:	3.49 Acres (+/- 152,000 SF) based on legal description.
Developable Size:	+/- 2.30 Acres (+/- 100,200 SF) - The site description is net of the highway right-of-way. Via scaling, I have estimated the Floodway area to be +/- 1.20 acres which is not developable. The tract net of the Floodway appears to be developable based on the area in Zone X (500 year floodplain) being developable.
Other Size Data:	The survey indicates that the tract contains 3.03 acre to the high bank of the river with 0.43 acres below the high bank of the river. Based on the City GIS map, the high bank of the river is NOT the Floodway boundary.
Frontage:	512.46' along Riverfront Drive (previously Clayton Parkway).
Depth (whole tract):	315.87' south line and 384.25' north line. Average Depth of 350'.
Depth (developable tract):	+/- 190' south line and +/- 230' north line. Average depth of 210'.
Frontage:Depth Ratio (whole tract):	1:0.68 – 1' of frontage for every 0.68' depth. A very good frontage to depth ratio for commercial uses.
Effective Frontage:Depth Ratio:	1:0.40 - Due to the Floodway not being developable, I have estimated a frontage to depth ratio net of the Floodway. This ratio is superior to the whole tract since commercial properties are enhanced by a higher frontage and lower depth ratio due to exposure and access. However, the ratio can be so low as to be a detriment.

Zoning:	PZD – Planned Zoning District. The Land Use Plan if for Mixed Use. The tracts across the street to the east are zoned I-3 Industrial. The probability of developing the site with commercial uses homogenous to the plans for development along the river is likely. See Highest and Best Use regarding this zoning.
Flood Zones:	The subject is encumbered with the Floodway and 500 year floodplain. The area for these flood hazard areas was estimated by scaling the City's GIS map. According to the FIRM map 05131C0020E with an effective date of May 20, 2010, the floodway and floodplain appears to be similar to the City's GIS map.
Flood Area:	I have estimated by scaling the GIS map that the Floodway contains +/- 1.20 acres and the 500 year Floodplain contains +/- 0.10 acres.
Drainage:	I did not inspect the subject in heavy rain and drainage is unknown. The topography of the developable portion of the tract appears to be level or near level based on a visual inspection and topography map. The site has a slight slope to the river. It appears that drainage of the unencumbered developable area is adequate. The drainage in the area of the Floodway and Floodplain is unknown.
Easements:	A survey indicates a 25' OGE Easement along the front property line. This easement is within the typical 25' setback for buildings and the area can be used for parking and drives. A City Utility easement also runs along the frontage but is within the OGE easement. Not indicated on the survey is an easement for the River West Trail. This trail is existing but was developed after the survey. It is assumed the City has an easement on the tract for this trail but the width is unknown; however, the trail is in the Floodway which is not developable, does not affect the use of the area for development setbacks and is not considered to be adverse to the tract.

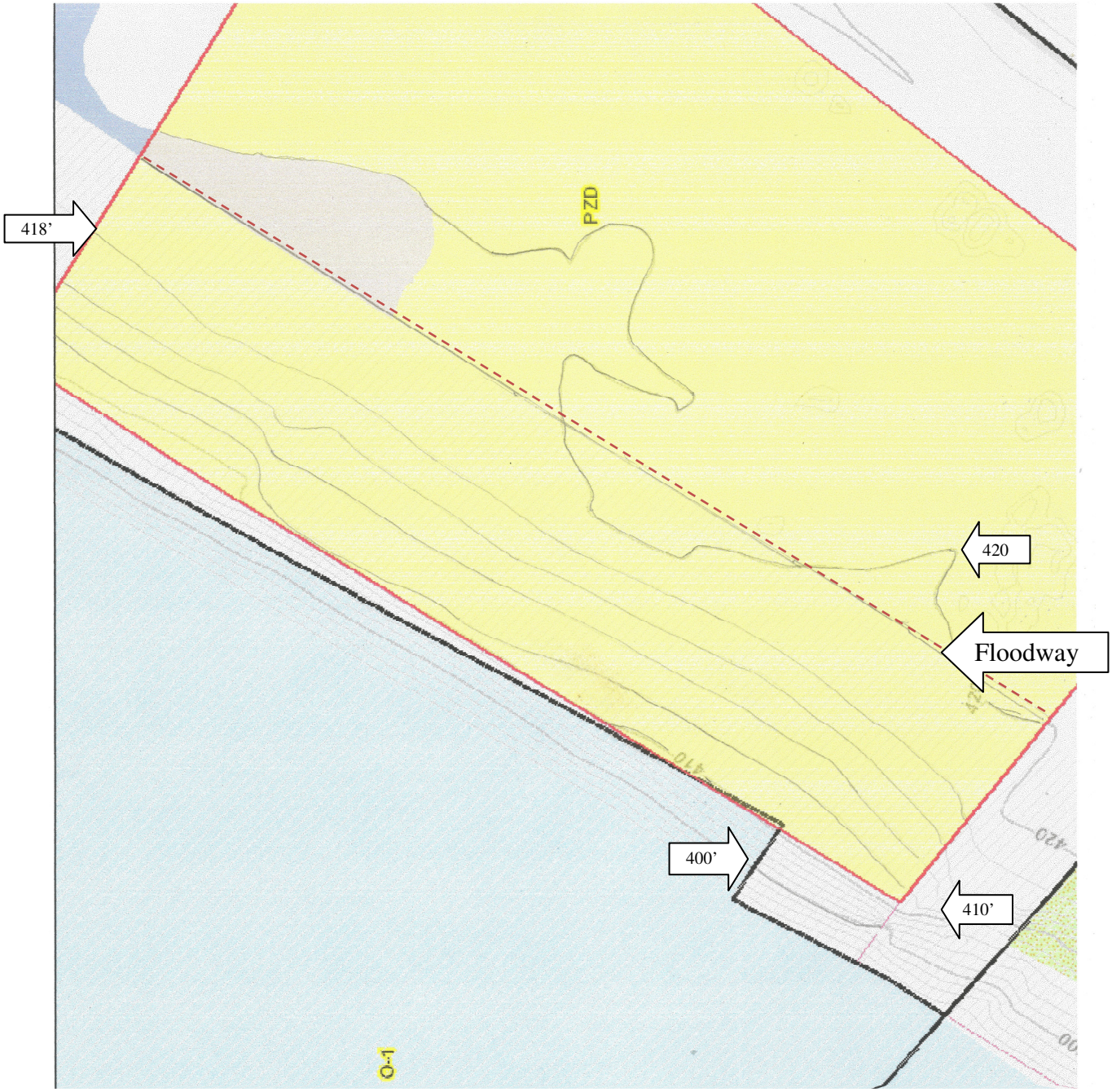
Other Factors:	There appears to be no other adverse easements or other noted physical or legal characteristics that would adversely affect the development of the site.
Topography:	Appears to be near level from visual inspection to the high bank of the river. Most of the developable portion of the tract is at 420 msl and all the tract is above 418' msl. The rear of the tract slopes to the river with the lowest point on the tract being at 410' msl. See topography map and survey at the end of this section.
Shape:	Near rectangular. See survey
Utilities:	All public available to the site and considered to be adequate in capacity for typical development. A Utility easement runs along the street but likely does not contain wastewater and water lines. Water and sewer are on the west side of the street for the adjacent park building. Water, wastewater and electricity are likely near the site but will have to be brought to the subject tract. However, there could be added (atypical) expense in bringing utilities to the site based on service available on the west side of the highway.
Access:	Access would be off Riverfront Drive. The number of curb cuts allowed is unknown but with the subject's frontage, at least two curb cuts are assumed. Adequate access for development is a contingency of this report but a typical assumption. Riverfront Drive is a two lane highway without a turn lane, curb cuts or storm drains.
Surrounding Land Use:	The tract on the north side of the subject is vacant and the area north on the west side of Riverfront Drive is vacant except for a gas well. Industrial property is located across the street.
Tax Parcel Number:	18883-0000-00274-02
Tax Values:	Exempt

Real estate taxes are based on the assessed value times a tax rate of 0.0525 mills. Assessed value is 20% of County's market value. The subject is exempt due to the current ownership; however, an individual market buyer would not be exempt. Taxes are assumed to be equitable to non-exempt buyer.

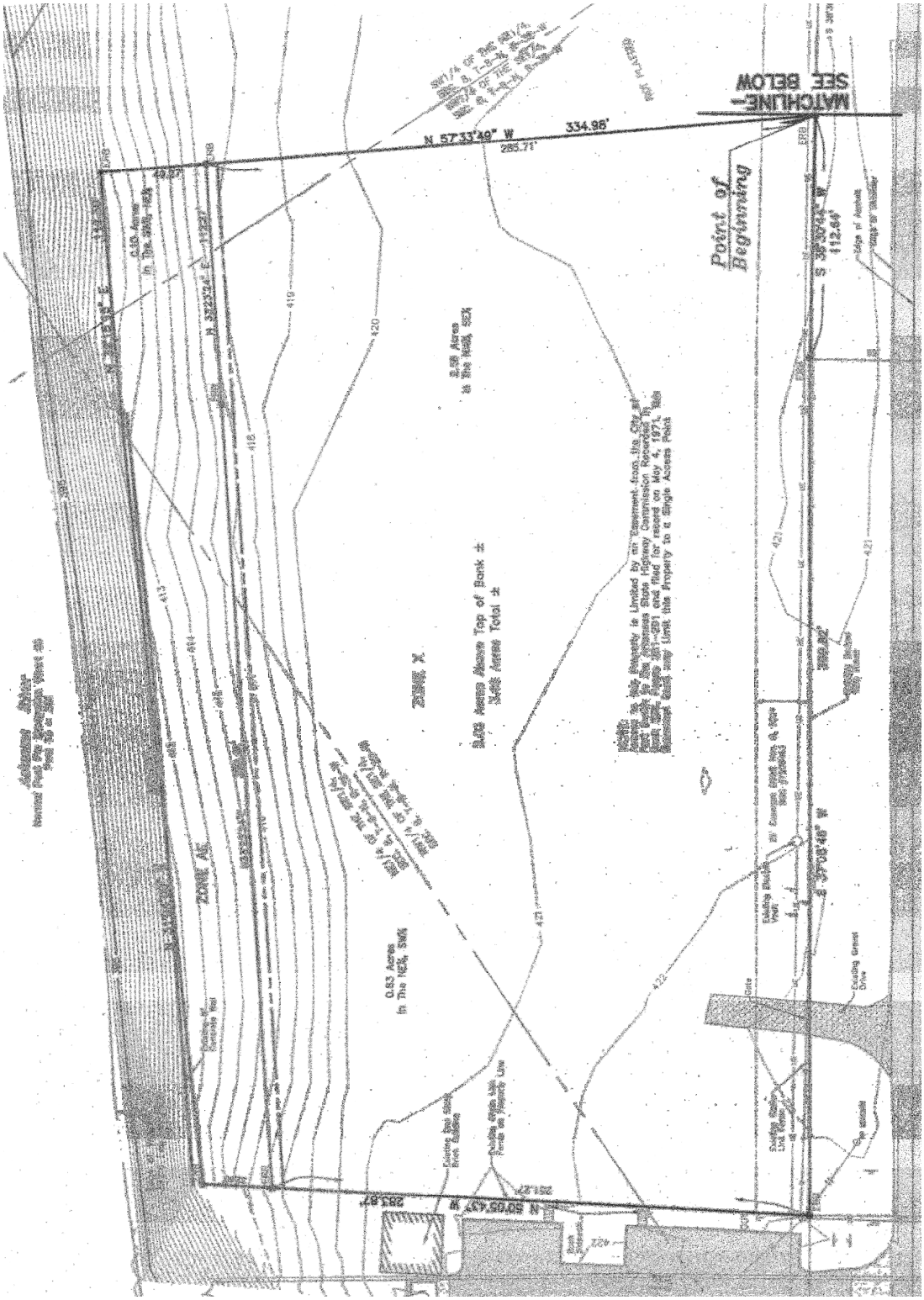


Map by City of Fort Smith GIS. Arrows and Floodway line by appraiser

NOTE: The area of the Floodway has been estimated by the appraiser at 1.2 acres via scaling this map. The 500 Year Floodplain has been estimated at +/- 0.10 acres. Note that the Floodway line is near a straight line, rather than following the contour line, and the Floodplain line does not follow the exact contour line.



TOPOGRAPHY MAP (City GIS)
Lines are at 2' intervals
(Also Refer to Survey on Following Page
which shows 2' intervals outside the Floodway)



SURVEY OF SUBJECT SITE

By Mickle-Wagner-Coleman

HIGHEST AND BEST USE

The term highest and best use as used in this appraisal report is defined as, *"The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible and that results in the highest value. The four criteria the highest and best use must meet the following guidelines: legal permissibility, physical possibility, financial feasibility and maximum productivity* (from The Dictionary of Real Estate Appraisal. A basic economic principle applicable in the estimation of highest and best use is the principle of conformity. Quoting from The Appraisal of Real Estate, this principle holds, *"That the maximum of value is realized when a reasonable degree of sociological and economic homogeneity is present."* When determining the highest and best use of an improved site, it is necessary to determine the highest and best use of the site. This use has been determined with regard to what uses are physically possible, legally permissible, maximally productive and financially feasible. The most probable use is also given significant consideration. In estimating the highest and best use, consideration is given to surrounding improvements, deed restrictions, the site's physical and legal constraints, location and trends in the neighborhood.

Implied in these definitions is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skill - that is, that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Physically Possible uses refer to uses that are physically adaptable to the site. The primary criteria for determining what is physically possible is the site's size, shape and topography but also includes potential flood hazards. The subject site contains approximately 3.49 acres. Approximately 1.20 acres are in a Floodway which cannot be developed (buildings or parking*) leaving a developable area of +/- 2.30 acres. Of this +/- 2.30 acres, +/- 0.10 acres are in a 500 year flood zone – which is developable but with restrictions. The general shape of the site is near rectangular and the non-floodway area is near rectangular. The 500 year floodplain is very irregular and leaves the unencumbered area of the site as irregular. **Note – parking can sometimes be located in a floodway; however, extensive flowage studies must be made and then applied for development which is a significant expense and risk. Due to the small area in the Floodway, attempting to develop the floodway is likely not financially feasible.*

The developable size is adequate for many commercial uses but parking is an issue due to no off street parking and being in a downtown area. Due to the location by the river, underground parking is likely not an option. Thus, surface or elevated parking are the only feasible parking options. The subject is located in a PZD area and elevated parking is not likely. Thus, the use based on size must be considered with surface parking.

To maximize the use of the site, uses with a lower required parking ratio would be the maximally productive use but a two story structure would increase the parking area. The subject's developable area has a very good frontage to depth ratio. The developable area is level to near level which is a favorable factor for development.

Legally permissible uses generally refer to local zoning, floodplain ordinances and private deed restrictions. The subject is located inside the city limits and restricted by zoning. The zoning is PZD –Planned Zoning District. This is not a zoning that can be quantitatively defined such as setbacks, height or even uses. A developer would have to submit plans for development of the tract and they would have to be homogenous and fit into the use plans for the area.

The area across the street is zoned I-3 Industrial. Adjacent properties are often good indicators of future zoning but not in the subject's case. It is my opinion that an Industrial use would not be desired or permitted on the site. It is my opinion that several commercial uses could be permitted if they met the City's design requirement.

Due to the unknown potential development, the demand for the site could be limited

Portions of the site are located in a Floodway which cannot be developed. This area has little contributory value but does have some value due to being applied to setbacks and building ratios as well as green areas or pervious cover requirements.

ZONING

The Purpose of the Planned Zoning District is:

27-341-1 A – The process is deemed necessary to assure control of certain development while providing the applicant a means of gaining commitment without undue financial risk. Specifically, the purposes of this article are to encourage:

> *Comprehensive and innovative planning and design of diversified yet harmonious development consistent with the comprehensive plan;*
>
> *Better utilization of sites characterized by special features of geographic location, topography, size or shape;*
>
> *Flexible administration of general performance standards and development guidelines;*
>
> *Primary emphasis shall be placed upon achieving compatibility between the proposed development and surround areas to preserve and enhance the neighborhood through the use of enhanced site design, architecture, landscaping and signage.*
>
> *Developments that utilize design standards greater than the minimum required by the UDO.* (Note: The preceding is only a small excerpt from the PZD zoning document)

Financial feasibility of a site is the most difficult to determine. Although several uses may be financially feasible, the highest and best use is the use that returns the greatest value to the land. The use must be the right type of use and the maximally productive use. The use, therefore, cannot be an under or over utilization of the site. For an improvement to be financially feasible, the net income generated must provide a return on the land and improvements. If an owner/user property, the use of the land must contribute 100% of its value to the whole. The use that provides the greatest return to the land and improvements is the maximally productive use. Land has been typically developed with commercial uses in this area with some indication of current and future demand for development of the tract. Financial feasibility can only be based on its return to the whole. Based on the size of the tract and typical use of tracts in this area, it is my opinion that the financially feasible use of the tract, if vacant, would be for future commercial (retail, office, restaurant, etc.) development.

Maximally Productive use must first fit the restrictions of the first three criteria. The subject is in an area of commercial, retail and office/warehouse development but with limited current demand but also a limited supply in the immediate area. It is my opinion that the highest and best use of the tract for future restaurant, condominiums or office.

Most probable use is not one of the four criteria but is given consideration in determining highest and best use. The river view, the city parks and being downtown would have a direct influence on the development of this site. It is my opinion that the most likely demand would be for a restaurant. Due to the adjacent parks, and Mrs. Laura's, and being proximate to downtown offices, a two level restaurant with dining overlooking the river is considered the most probable use. Restaurants in city downtown areas overlooking a river generally have a good demand. Alternative uses would be for office or upper end multi-story condominiums which would benefit from the river view and downtown location.

NOTE – I have appraised the tract adjacent to the subject and projected a highest and best use as a restaurant. This appraisal is independent of the appraisal on the adjoining tract. It is **NOT** my opinion that the highest and best use of both tracts if for a restaurant.

The intended use, City Park purposes (park area, park buildings, parking lot for parks, etc.) cannot be a highest and best use determination when estimating market value. However, market uses that will complement the adjacent parks are a factor in the highest and best use.

PROPERTY HISTORY - According to a Special Warranty Deed filed on December 6, 2007, US Marshals Museum, Inc. acquired title to the 3.49 acres. The deed is filed in as Instrument Number 7231947. There are no Revenue Stamps and this is not a arms length sale of the subject tract. There are no apparent recent market sales of the subject (within the past ten years)

The purpose of the property history is to inform the reader of any recent market transactions of the subject. The appraiser has not completed or ordered a title search of the property and offers no opinion regarding ownership.

INTRODUCTION TO THE DIRECT SALES COMPARISON - SITE VALUATION

The Direct Sales Comparison Approach is considered the most valid indicator in estimating the market value of unimproved land. There are four methods of estimating market value via the Market Data Approach; however, when sales are available, the Direct Sales Comparison Approach is the most supportable. In valuing land via this approach, as many land sales as possible are gathered and the most comparable are used for comparison. Since properties are seldom identical, the comparable sales must be adjusted to the subject for differences in time and size. The physical differences are analyzed in comparison to the subject.

An indepth search through courthouse records was made for sales along the river and in the subject's immediate area. No riverfront sales were found and few sales in the subject's immediate area. Sales considered superior and inferior to the subject have been used in an effort to bracket the market value of the subject. The number of sales for direct sales comparison has been reduced to six sales (plus four ancillary sales) for comparison. These sales were considered to be the most comparable sales located.

When valuing real estate via the Direct Sales Comparison Approach, the subject and comparable sales must be broken down into units of comparison. Units of comparison for vacant land are price per square foot (buildable or total), price per acre (buildable or total), price per front foot (street or river) or price per lot or tract. The method of comparison should be based on the method typically used to purchase vacant tracts in a given area. According to available sales and listing data, breaking land down into units as mentioned above for sale or purchase purposes in the immediate area is typically on a price per square foot for commercial tracts the size of the subject. Price per front foot of river frontage was not considered applicable since there are no commercial river frontage sales.

Adjustments are made to the comparable sales if dissimilar to the subject. A negative adjustment is made if the comparable is superior to the subject and a positive adjustment is made if the comparable is inferior. These adjustments, if possible, are made by the appraiser based on experience and/or extractions from the market.

The appraiser extracts as many adjustments as possible from the sales used in the appraisal report and uses extractions from other sales as additional support. When extractions are not available, the appraiser must rely on past experiences for reasonable judgment in making decisions regarding adjustments.

When similar sales cannot be located where reasonable adjustments can be made, the appraiser relies on a qualitative method where the sales are judged to be overall similar, superior or inferior setting a bracket for the subject's value so that a reasonable value can be estimated. Both methods may be applied where quantitative adjustments that the appraiser deems reasonable with adequate support are made and the remainder comparisons are on a qualitative method.

A diligent search for similar sales along the riverfront was made and none were located. Some sales further north on the river were located but these sales were purchased for residential use and were under $1.00 SF. The lack of sales found can be due to a lack of demand or supply of this type property. Since the subject is downtown, there is a very limited supply of vacant land sales and buildings often have to be razed for new developments indicating a low supply; however, there may also be low demand.

There is no direct market indication of the value of the subject as a downtown commercial property with river frontage. Thus, sales considered to be superior to the subject and inferior to the subject were used in a effort to bracket the value of the subject to derive a reasonable estimate of market value. Older sales (generally too old for comparison) in the downtown area are included as Ancillary Sales to assist in the analysis. Located below is a summary of the sales used.

LAND SALE SUMMARY
(RESTAURANT SALES)

COMP #	SALE DATE	SIZE SF	TOTAL	PRICE SQ FT	ZONE	SHAPE/ TOPO	CORNER	FRONTAGE/LOCATION
1	1/10	86,680	$950,000	$10.96	C-2	R/L	No	Phoenix Ave W of Pavilion
2	9/04	49,220	$341,000	$ 6.93	C-5	R/L	Yes	74th & Cameron Streets
3	9/04	120,660	$823,00	$6.82	C-5	R/L	No	3600 Massard

LAND SALE SUMMARY
(COMMERCIAL SALES)

COMP #	SALE DATE	SIZE SF	TOTAL	PRICE SQ FT	ZONE	CURRENT USE	FRONTAGE/LOCATION
4	3/13	32,479	$225,000	$6.93	C-5	Bank	Wheeler @ Phoenix
5	11/15	42,689	$451,000	$10.56	C-5	Vacant	7501 Phoenix Ave.
6	3/16	87,120	$872,000	$10.00	C-5	Vacant	Phoenix Ave. (7500 Blk)

ANCILLARY LAND SALE SUMMARY
(Downtown Sales A-D & Floodway Sale E)

COMP #	SALE DATE	SIZE SF	TOTAL	PRICE SQ FT	ZONE	SHAPE/ TOPO	USE	FRONTAGE/LOCATION
A	1/03	120,200	$250,000	$2.08	C6	R/L	Condos	N 3rd, N 2nd,, N. A, N. B Sts
B	10/03	92,800	$489,000	$5.27	C6	R/L	Fed Off	4th, 5th, Parker, Garland
C	5/05	122,800	$300,000	$2.44	C6	R/L	Hotel	Rogers, Carnell & 10th
D	3/09	17,800	$134,000	$7.53	C6	R/L	Parking	N 2nd & N. B
E	5/16	68,576	$420,000	$6.12	C-2	I/R	Vacant	Phoenix & Massard

Note – Sale D was improved, was razed for parking, thus, the effective sale price per square foot of land area is higher by 10% -15%. Sale E is encumbered with Floodway & Floodplain

MARKET ANALYSIS

In an effort to estimate a reasonable market value for the subject, Restaurant sales, commercial sales and downtown sales were researched.

The downtown sales are too old to be used for direct comparison; however, they can be compared to commercial properties in other areas to estimate a difference in the subject area and commercial sales used in the developing areas of the city. However, this comparison does not take into consideration the amenity of the river frontage.

Since the highest and best use is likely for a restaurant, a search was made for sales that were purchased for the development of a restaurant. Two of these sales would generally be too old for direct comparison.

Commercial sales in a developing area were used due to a lack of better sales. These sales were purchased for a hotel or are vacant awaiting development. Due to the location difference, these sales are not directly representative of the subject's value.

Since there are no sales directly similar to the subject, all these sales were used in an analysis to estimate a market value for the subject. Presented below is a brief description of these sales.

Sale One is located on Phoenix Avenue just west of Pavilion which is the main entrance to the new shopping center on Phoenix at IH-540. Phoenix Avenue is a four lane major arterial with a turn lane. The site was developed with a Longhorn restaurant. The site value was enhanced due to being an outlot in the newly developed Fort Smith Pavilion Shopping Center Although there is no direct access to the site from Phoenix Avenue, the access is considered to be good.

Sale Two is an older sale developed with Joe's Grill on the northwest corner of S. 74 th Street and Cameron Park (not a through street). S. 74th Street is two lane plus a turn lane. This sale was included since it is a sale of vacant land for restaurant development.

Sale Three is located on the west side of Massard Road between Rogers Avenue and Phoenix Avenue in the commercially developing east side of the city. The street is four lane with a turn lane and has been extended south to make it an arterial street. This site was purchased and developed with a restaurant.

Sale Four is located on the southeast corner of (old) Phoenix Avenue and Wheeler in a developed area south of downtown. The intersecting streets are major arterials but this area of town is not where the new commercial development is occurring. The site was purchased for a bank, which is not a highest and best use of the subject, but was used since it could have been a restaurant site in a built up area.

Sales Five and Six are located on the north side of Phoenix Avenue between 74th and 79th Streets. Phoenix Avenue at this point is four lane with a turn lane and a major new arterial. These sites remain vacant. Most development in the area is office, restaurant or hotel with retail along Rogers.

The sales used for direct comparison range from $6.93 SF (older sale) to $10.96 SF (purchased for restaurant development on an outlot). This is not considered a wide range of commercial land prices in a large market area. The sales will be adjusted in an attempt to narrow the value range where the sales can be analyzed qualitatively. The downtown sales range from $2.08 SF to $7.53 SF. These sales are older sales but will be paired with sales in the developing areas to estimate a location adjustment.

The sales will be adjusted (quantitatively) for time of sale, size, location, frontage ratio and corner. Isolating factors such as presented above allows the appraiser to better analyze the sales realizing that other factors other than those isolated factors influence the sales price. However, by arraying the sales, such factor's differences indicated by size and time of sale can evaluated.

Size is a known factor for affecting value per square foot if the size difference is significant. This difference affects property types differently. For example, size is generally not a factor in farm land but a significant factor in commercial land and commercial properties are very reflective of size difference.

Sale E is located on the northwest corner of Phoenix Avenue and Massard Road. Phoenix Avenue is a four lane major arterial with a turn lane. The site has not been developed. Mill Creek is located along the rear of the tract. This sale was used since it is a commercial site encumbered with Floodway and an analysis will be made from this sale regarding the contribution of Floodway.

APPRAISAL METHOD - I have incorporated two methods in the Direct Sales Comparison Approach - a quantitative and qualitative method. There are insufficient sales to adjust the comparable sales for all the physical differences. The quantitative method is where the comparable sale is adjusted via a percentage for any differences in the comparable sale and subject property. The sales will require an adjustment for size, location and corner.

An adjustment will not be made for Floodway. Through past experience and pairing from Sale E, I will account for the contribution of the Floodway based on an allocation per square foot of the encumbered area.

Since the remaining physical characteristics – shape, zoning and utilities are considered to be relatively similar, no qualitative analysis made other than in the reconciliation which is a qualitative analysis.

Located on the following page is my analysis of the Qualitative and Quantitative adjustments to the comparable sales.

QUANTITATIVE ADJUSTMENTS are adjustments which can be made to the sale based on a percentage or per unit value. The only quantitative adjustments that could be made to the subject are Time, Size, Location Frontage Ratio and Corner

TIME (Market Conditions) - Time of sale is a consideration in valuation since property values can increase or decrease over time. The general trend in the nation as well as locally is that property values increase over time. A downturn in the national real estate market in general started in 2007. This appears to be reflective of the local market since very few commercial lot sales were located between 2008 and 2015. Without a significant amount of sales for comparison, there can be no accurate measure of whether values have increased, decreased or remained stable. Due to the current economy, it is more likely that values have not increased at the same rates as in past years. Extractions and pairings before this time period indicated that values in most areas were increasing.

Since older sales which occurred prior to 2007 had to be used due to a lack of sales, a stepped time adjustment will be made. Those sales prior to 2007 will be adjusted upward 4% per year (non-compounded) to the beginning of 2007 with no adjustment made for these sales (or the sales within that time period) through 2014. Then sales will be adjusted up 3% per year (non-compounded) from the end of 2014 to present.

CORNER/STREET INFRASTRUCTURE – Corners are a major factor for commercial properties due to access and exposure. The subject is not a corner and those sales with corners will be considered superior due to their superior access and exposure. Past extractions indicate that major corners, where two major thoroughfares intersect, will command a 30% to 40% premium whereas minor corners command a 10% to 20% premium. Being on a corner for a commercial property is not the only influencing characteristic. The subject is located on a two lane highway without turn lanes. The downtown properties (except Sale C) are also located on two lane streets. The sales used in the new developing areas are either two lane plus a turn lane or four lane plus a turn lane with curbs and storm sewers. Since the subject is not a corner, located on a two lane highway without curbs and storm sewers, those sales with corners and/or multiple lanes will be adjusted downward (except Sale 2 due to no through secondary street).

FRONTAGE RATIO – The subject has a very favorable frontage to depth and frontage to size ratio which is very desirable in commercial properties, especially those not located on a corner. The high frontage ratio of the subject is inferior to a corner but superior to the sales which have a typical frontage ratio. Based on the favorable value being inferior to corner but superior to the sales, I have adjusted the sales without corners upward 10% Rather than make two adjustments, I have adjusted Sale Four which is a corner sale downward by only 10%.

SIZE - Generally, as size gets smaller, the price per unit goes up if there is a significant difference in size. The value change resulting from the size getting smaller ends when the size gets so small that it is not as functional. The subject contains +/- 2.30 acres of developable level land (outside the Floodway). The size adjustment must be based on developable land area, not gross land area

There were too few sales for extractions among the sales used. I have made many extractions in the past and commercial and industrial tracts will generally command around 10% to 20% less for each doubling in size. A larger adjustment is required when adjusting sales upward and a smaller adjustment is required when adjusting downward.

Sale Two, Four and Five are the only sales not within a doubling of size. Sale Four will be adjusted downward 15% due to its significantly smaller size. Sales Two and Five will be adjusted downward 10% . The remaining sales range from +/- 2.0 acres to 2.8 acres and will not be adjusted for size.

Rounding – Most of the numbers in this report regarding size are estimates. I have rounded sizes for the sales and other data to the nearest 100 SF. The rounding has little to no effect on the price per square foot and no effect on the value estimate.

LOCATION – Location is a very significant characteristic that affects value. In the valuation of the subject, it is the most difficult adjustment. The downtown sales are older sales with no recent sales available since this a built up area and they do not have river frontage or proximity to the City Park. Sale C was developed adjacent to the City Civic Center which was a different but significant location factor.

A pairing (including a time adjustment) was made between the downtown sales with a the Phoenix Avenue sales and those sales off Phoenix. These sales are in the newly developing commercial area of Fort Smith. Based on an analysis of these sales, I have not adjusted the sales located off Phoenix. These sales are not on a major arterial. Being in the newly developing commercial area is considered to offset the amenity of being downtown but with river frontage.

It is my opinion based on pairings, that the subject is approximately 20% inferior to those sales on the new Phoenix Avenue which is a four lane (plus turn lane) major arterial with curbs and storm sewers. Sale One was adjusted an additional 10% due to being an outlot of the Pavilion Shopping Center. Sale Four is considered equally as inferior as Sale One is superior due to being in an old, fully developed area distant from downtown.

It is my opinion that the subject is superior in location to the downtown sales due to the subject having river frontage, next to the River Park, and the lack of remaining available vacant land in the immediate area.

The preceding adjustments were the only quantitative adjustments that I believe to be supportable. Following are the differences which can be analyzed qualitatively. Qualitative analysis is based on reasonable judgment as to whether a characteristic is similar, superior or inferior. If there are characteristics that are inferior or superior, these can be weighted to determine if the tract is overall superior or inferior after the quantitative adjustments have been made. The characteristics viewed qualitatively were considered similar so as not to bracket the value of the subject. However, the final value reconciliation is a qualitative analyses.

QUALITATIVE ANALYSIS

ZONING – The subject is zoned PZD and commercial uses will be allowed. Typical zoning in the downtown area is C-6 and C-2 and C-5 are the typical zoning for the comparable sales. The PZD zoning will require additional risk and expense due to the unknown requirements. The subject could likely be developed with improvements similar to those in the comparable zoning designations. No adjustment is made for zoning; however, I have taken this atypical zoning into consideration in the final value reconciliation.

UTILITIES - The subject and all the tracts have all public utilities available; however, the subject does not have wastewater to the site which can be a significant expense. Based on the Fort Smith River Park being the adjacent site which would require all public utilities to be brought to the adjacent site, no adjustment is made for utilities based on the assumption that all utilities will be at the adjacent site and not an undue burden or expense in obtaining utilities to this site.

SHAPE – The subject is near rectangular and all the sales except Sale E are rectangular or near rectangular. Sale E is irregular due to the Floodway. Since this is the only sale significantly different in shape and not used for direct comparison, no adjustment will be made for shape.

ADJUSTMENT GRID - The adjustment grid below is the method to bring the comparable sales as near the subject as possible through quantitative adjustments.

COMPARABLE SALES GRID

COMPARABLE	1	2	3	4	5	6
PRICE SQ FT	**$10.96 SF**	**$6.93 SF**	**$6.82 SF**	**$6.93 SF**	**$10.56 SF**	**$10.00 SF**
TIME OF SALE	+5% 1/10	+8%- 9/04	+8% 9/04	+5% 3/13	-0- 11/15	-0- 3/16
ADJUSTED	$11.51 SF	$7.48 SF	$7.37 SF	$7.28 SF	$10.56 SF	$10.00 SF
LOCATION/ STREET LANES	-30% Phoenix	-0- 74th Street	-0- Massard	+30% Wheeler	-20% Phoenix	-20% Phoenix
SITE SIZE 2.30 Acres Developable	1.99 Ac -0-	1.13 Ac -10%	2.77 Ac -0-	0.75 Ac -15%	0.98 Ac -10%	2.00 Ac -0-
CORNER	-0-	-0-	-0-	-10%	-0-	-0-
FRONTAGE RATIO	+10%	+10%	+10%	Incl in Corner	+10%	+10%
ADJUSTED	**$9.21 SF**	**$7.48 SF**	**$8.11 SF**	**$7.64 SF**	**$8.45 SF**	**$9.00 SF**

The indicated values after quantitative adjustments range from $7.48 to $9.21 SF. Although pairing and analysis was made for location, there were no downtown sales on the river for comparison. River front sales in other cities were not used due to even more speculation regarding location. It is apparent from the downtown sales available that the downtown commercial market will not command the values that are being commanded in the newly developing areas of the city. This can be seen by comparing the 2003 and 2005 downtown sales with the 2004 and 2005 sales on Massard and 74th Streets between Rogers and Phoenix. Again, there is no definitive estimate of the value of a downtown river frontage site. It is my opinion after analyzing many sales, that the indicated value range for the subject is a reasonable estimate of value.

Giving some weight to all the sales, but giving more weight to the restaurant land sales, it is my opinion that the subject could command a value in the upper range or likely $8.00 to $9.00 SF. Since there are no definitively similar sales, it is my opinion that a value of approximately $8.50 SF is reasonable for the developable area of this site. The upper end of the value range was chosen due to the site being adjacent to the River Park but primarily for it very high frontage to size ratio.

Floodway – refer to the discussion of the floodway in the body of the report. Floodway areas are generally unusable for any development. Commercial sites sell based on developable land area. I have estimated that +/- 100,200 SF of the site is developable. Although part of this area is in a floodplain, it is the 500 year floodplain which should have little effect on developing the site and this floodplain was taken into consideration in the valuation of the developable area.

It is not reasonable to assume that Floodway has no value even though it cannot be developed. Floodway can be used for zoning calculations such as building ratios. These areas can be greenspace which add a favorable view for the development. The City has a walking trail (assumed easement) on the site in the Floodway area. It is my opinion, due to the restricted use of the Floodway, that this easement does not adversely affect the value of the tract in the Floodway. The Floodway area encumbered by the easement can still be used for zoning calculations for the developable area.

Based on pairings in the past, it has been my experience that Floodway will command from 0-10% of the developable area depending on the use of the developable area. Since the Floodway area on the subject site is along the river and is open to the river's edge, it is my opinion that the Floodway area would command a value in the upper end of the range - 10% of the developable area value or +/- $0.85 SF.

Presented below is the calculation showing my breakdown of the developable and non-developable area and my final value estimate.

Developable Area	100,200 SF (2.30 Ac)	@	$8.50 SF	=	$851,700
Floodway Area	52,300 SF (1.20 Ac)	@	$0.85 SF	=	$ 44,455
Total	152,500 SF (3.50 Ac)	@		=	$896,155
			Say		**$900,000**

It is my opinion that the fee simple market value of the subject, considering the encumbrance of the Floodway, as of the effective date of this appraisal (July 27, 2016) is:

$900,000

The value estimate is subject to and contingent on the assumptions, specifically the Extraordinary Assumptions contained in the appraisal report.

CERTIFICATION

- I Certify to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.

- I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or with respect to the parties involved.

- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- My engagement in this assignment was not contingent upon developing or reporting predetermined results.

- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.

- I, Tommy M. Matthews, have made a personal inspection of the property that is the subject of this appraisal report without the owner or owner's agent.

- Sarah Matthews is hereby recognized for her assistance in research for this appraisal report.

- *The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and*

Standard of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, I, Tommy M. Matthews, MAI, SRA have completed the continuing education program for the Appraisal Institute.

Based upon the data gathered and presented within the report, the estimated fee simple market value of the vacant tract herein describe subject to the Extraordinary Assumptions stated in this report, as of July 27, 2016 is:

$900,000

This estimated market value is of the fee simple interest and is contingent on (1) no environmental hazards on the site (2) there are no easements or other adverse factors affecting the property which could not be observed via a typical appraisal inspection and documents typically available to the appraiser, (3) there are no encroachments on the tract, (4) all public utilities are available to the site in sufficient capacity to develop the site and (5) all Extraordinary Assumptions presented in the report.

August 10, 2016

Tommy M. Matthews, MAI SRA, CG0488

CONTINGENT AND LIMITING CONDITIONS - This appraisal is subject to the following limiting conditions:

The appraisal and estimated value are contingent on there being no environmental problems with the land or improvements. I am not qualified to inspect for environmental problems but none were apparent.

The appraisal and estimated value are subject to the improvements being structurally sound and free of infestation and all the electrical, mechanical and plumbing (including septic systems) being in good operating order.

The opinion of value is based on an arms length market sale.

The estimated value is the appraiser's opinion of the value as of the effective date of the appraisal for two properties as one currently under different ownerships.

The property description furnished is assumed to be correct. I assume no responsibility for matters legal in character, nor render any opinion as to the title, which is assumed to be good. The property is appraised as having knowledgeable ownership and competent management.

I have relied on data provided to me which is assumed to be correct.

I have made no survey and assume no responsibility in connection with such matters. The information identified in this appraisal as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed.

The distribution of the total evaluation between land and improvements, if any, I this appraisal applies only under the existing program of utilization. The separate estimates for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

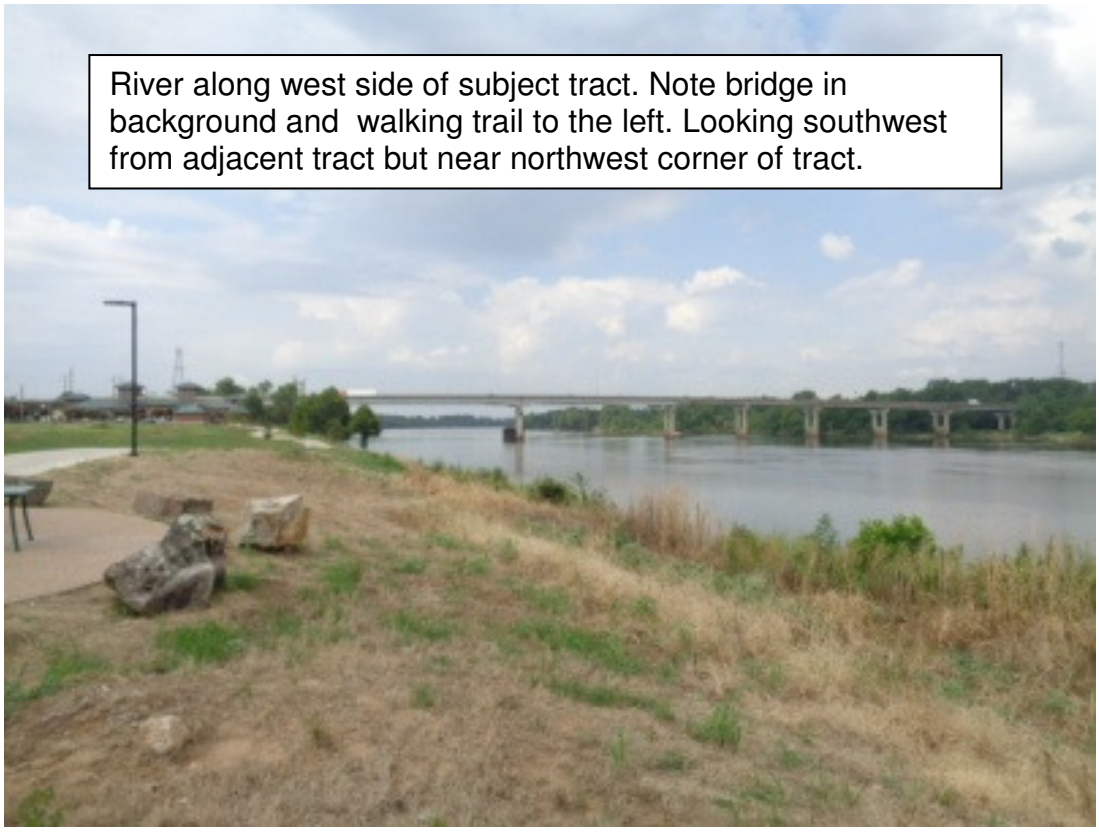
I am not required to give testimony or attendance in court by reason of the appraisal with reference to the property in question unless arrangements have been made previously thereof.

Possession of this appraisal or a copy there of does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser.

Neither all nor any part of the contents of this appraisal shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected.

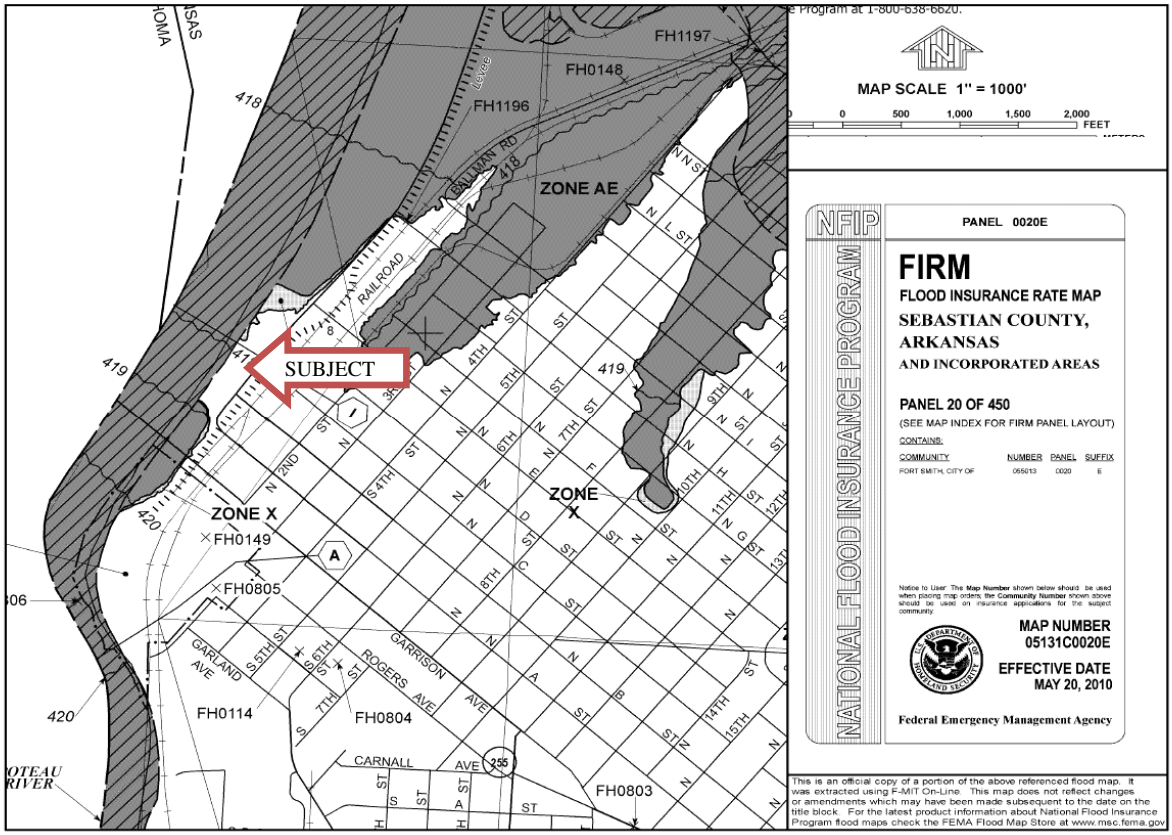
All ground photos taken by Tom Matthews 7/27/16

All ground photos taken by Tom Matthews 7/27/16


River along west side of subject tract. Note bridge in background and walking trail to the left. Looking southwest from adjacent tract but near northwest corner of tract.

SUBJECT
Riverfront Dr
255
W B St
© 2016 Google
Google earth

FEMA FLOOD HAZARD MAP



Also refer to the City GIS map on Page 14 regarding Flood Zones. A LEGEND FOR THIS FLOOD MAP IS LOCATED ON THE FOLLOWING PAGE

LEGEND

SPECIAL FLOOD HAZARD AREAS SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

The 1% annual chance flood (100-year flood), also known as the base flood, is the flood that has a 1% chance of being equaled or exceeded in any given year. The Special Flood Hazard Area is the area subject to flooding by the 1% annual chance flood. Areas of Special Flood Hazard include Zones A, AE, AH, AO, AR, A99, V, and VE. The Base Flood Elevation is the water-surface elevation of the 1% annual chance flood.

ZONE A	No Base Flood Elevations determined.
ZONE AE	Base Flood Elevations determined.
ZONE AH	Flood depths of 1 to 3 feet (usually areas of ponding); Base Flood Elevations determined.
ZONE AO	Flood depths of 1 to 3 feet (usually sheet flow on sloping terrain); average depths determined. For areas of alluvial fan flooding, velocities also determined.
ZONE AR	Special Flood Hazard Area formerly protected from the 1% annual chance flood by a flood control system that was subsequently decertified. Zone AR indicates that the former flood control system is being restored to provide protection from the 1% annual chance or greater flood.
ZONE A99	Areas to be protected from 1% annual chance flood event by a Federal flood protection system under construction; no Base Flood Elevations determined.
ZONE V	Coastal flood zone with velocity hazard (wave action); no Base Flood Elevations determined.
ZONE VE	Coastal flood zone with velocity hazard (wave action); Base Flood Elevations determined.

FLOODWAY AREAS IN ZONE AE

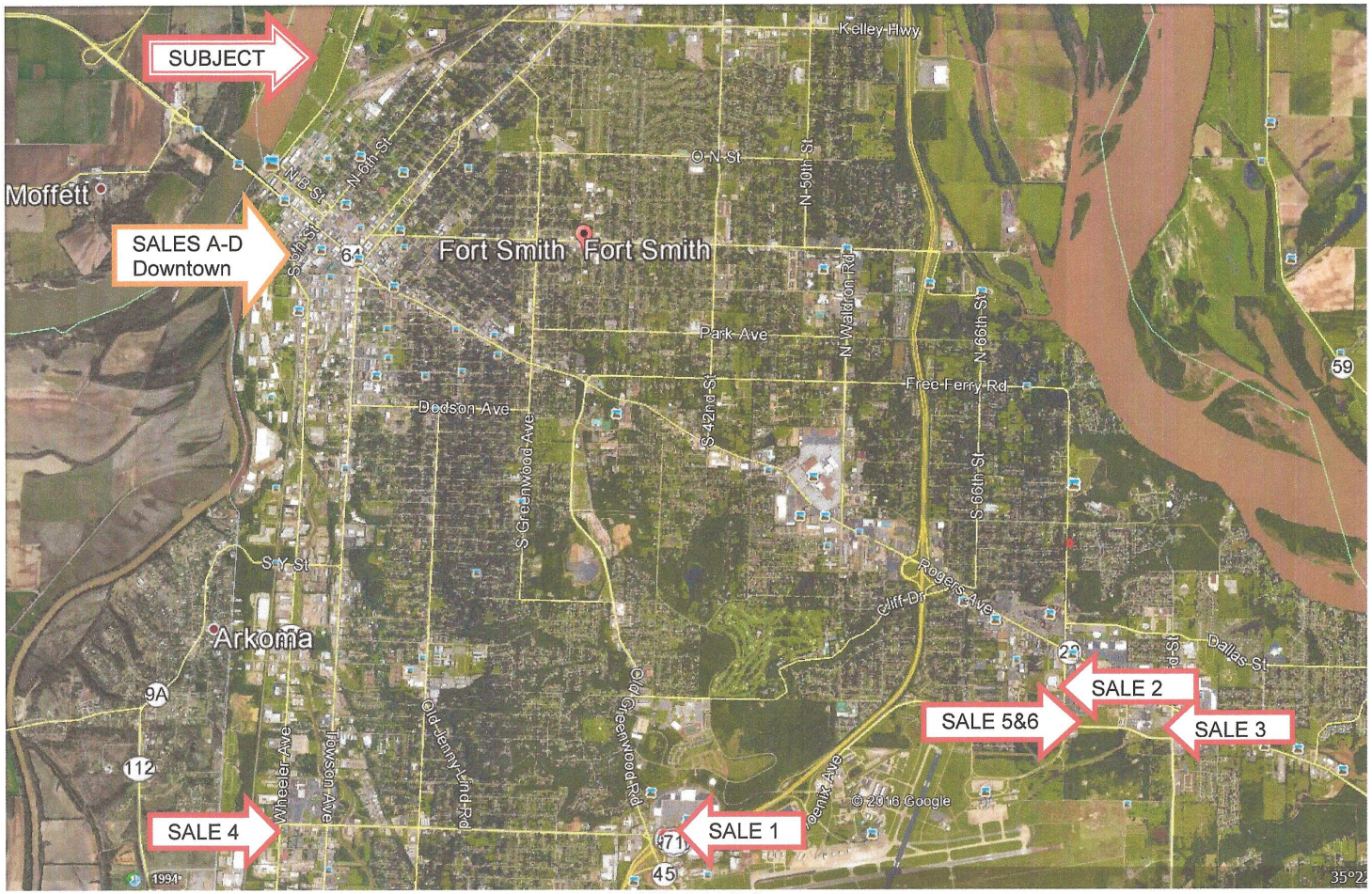
The floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.

OTHER FLOOD AREAS

ZONE X	Areas of 0.2% annual chance flood; areas of 1% annual chance flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 1% annual chance flood.

OTHER AREAS

ZONE X	Areas determined to be outside the 0.2% annual chance floodplain.


SUBJECT
SALES A-D
Downtown
Moffett
Fort Smith
Fort Smith
Arkoma
Kelley Hwy
O N St
N 50th St
N Waldron Rd
N 66th St
Park Ave
Free Ferry Rd
Dodson Ave
S 42nd St
S Greenwood Ave
S 66th St
S Y St
Rogers Ave
Cliff Dr
Dallas St
Old Greenwood Rd
Old Jenny Lind Rd
Towson Ave
Wheeler Ave
Jenny Ave
N B St
N 6th St
S 6th St
© 2016 Google
SALE 1
SALE 2
SALE 3
SALE 4
SALE 5&6

LAND SALES

QUALIFICATIONS OF
TOMMY M. MATTHEWS, MAI SRA
GENERAL CERTIFIED #0488

EDUCATION

Bachelor of Science in Business, Arkansas State University, State University, Arkansas.

EXPERIENCE

Forty (40) years as a full time real estate appraiser. Experienced in the appraisal of Commercial, Farm, Eminent Domain, Vacant Land, Recreational, Residential, Special Purpose and Industrial and Manufacturing real estate. Qualified as an expert witness in Sebastian, Jackson, Crawford, Craighead, Saline and Baxter Counties in Arkansas and in Travis, Williamson, Bexar and Harris Counties in Texas.

ASSOCIATION MEMBERSHIPS

MAI Designated Member of the Appraisal Institute (formerly the American Institute of Real Estate Appraisers).

SRPA Designated Member of the Society of Real Estate Appraiser (Appraisal Institute).

SRA Designated Member of the Appraisal Institute (formerly Society of Real Estate Appraisers).

RM Designated Member of the American Institute of Real Estate Appraisers (AI)

Member of the Arkansas Chapter of the Appraisal Institute.

Member of the Regional Ethics and Counseling Panel of the Appraisal Institute.

Served on the Admissions Committee for the AIREA and the SREA for five years.

LICENSE - State Certified General Appraiser #CG0488

CLIENTELE - Banks, Mortgage Companies, Savings and Loans, Attorneys, Relocation Companies, Municipalities, Counties, States, Federal Government and individuals.

APPRAISAL AND RELATED COURSES

Special Applications of Real Estate Analysis - Society of Real Estate Appraisers Course 301, University of Texas.

Case Studies in Real Estate Valuation - American Institute of Real Estate Appraisers, University of Colorado.

Valuation Analysis and Report Writing - American Institute of Real Estate Appraisers, University of Colorado.

Litigation Valuation - American Institute of Real Estate Appraisers, University of Texas.

Applied Income Property Valuation - Society of Real Estate Appraisers, Course 202, Arizona State University.

Capitalization Theory and Techniques I - American Institute of Real Estate Appraisers, Memphis State University.

Capitalization Theory and Techniques II - American Institute of Real Estate Appraisers, Memphis State University.

Capitalization Theory and Techniques III - American Institute of Real Estate Appraisers, University of Indiana.

Basic Appraisal Principles, Methods and Techniques, American Institute of Real Estate Appraisers.

Residential Property, Course VIII - American Institute of Real Estate Appraisers, Memphis State University.

Standards of Professional Practice - American Institute of Real Estate Appraisers, San Antonio, Texas, Little Rock, Arkansas and Austin, Texas.

Principles of Real Estate - College of the Ozarks; Real Estate Law - Savings and Loan Institute Course; Lending I - Savings and Loan Institute Course; Real Estate Finance - Arkansas State University

SEMINARS - Uniform Standards for Federal Land Acquisitions; R41-B and R41-C; Market Extracted Depreciation; Eminent Domain; Report Writing; Subdivision Analysis; Lotus 123 and many others. Continuing education program for the Appraisal Institute and State Certification completed.

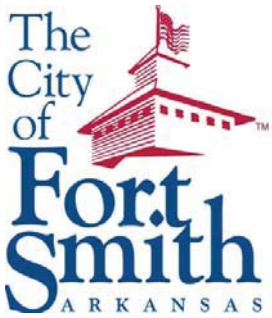
PUBLICATIONS

Major contributing author of The Appraisal Review, (a national publication) Volume 15, 1980, Pages 55-155.

Contributing Author to The Appraisal Review - “Market Abstracted Depreciation”, Volume 18, Pages 1-27.

Contributing Author to the National Association of Independent Appraiser’s text, 1983 edition.

Memo



To: Carl Geffken, City Administrator

From: Jennifer Walker, Finance Director

Date: 9/22/2016

Re: Education Reimbursement Benefits Policy & Procedure Changes

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The City of Fort Smith recognizes the importance of enabling employees to reach their personal goals while also creating a pool of qualified staff through use of an Employee Education Assistance and Reimbursement program. The City's Human Resources Policy Handbook outlines the policies & procedures for the Education Reimbursement program in Section XVI.D. Benefits – Tuition beginning on page 71. A copy of the current policies and procedures is attached in Appendix A.

Administration, with assistance from Internal Audit, Finance, and HR, has performed a thorough review of the entire Education Reimbursement process, including a review of the Policies and Procedures manual. Staff has determined that the process has not been administered at a satisfactory level. One primary outcome of the review is the need to provide clarification to the policies and procedures and some procedural changes to improve accountability and efficiency of the reimbursement process.

Staff recommends a Policy and Procedure revision as attached in Appendix B. The first page outlines the proposed procedural changes, and the following pages include the revised policy. Appendix C includes a revised Reimbursement Form. A summary of the proposed policy changes are outlined below:

- Require one year of employment for eligibility in program
- Require one year of employment after any reimbursement subject to repayment
- Clarification of Tuition-Only reimbursement – no fees, books, materials, etc.
- Reimbursement max $4,000/year – current policy is $1,287/semester (3 per year)
- Required degree plan that is related to current job
- Reimbursement to student after class is taken and grades are presented; currently on a prepay system to the school

Administration seeks approval of the Board of Directors to implement the revised policy due to the substantial change in procedures and inclusion in the Employee Handbook.

Current Education Reimbursement Policy

Location: Employee Handbook, Human Resources Policies, pg 71

SECTION XVI: Benefits

D. Tuition Reimbursement

All regular employees will be eligible to receive tuition benefits, at accredited learning institutions, up to a maximum amount per semester established annually for this benefit.[1]

1. Supplies, books, and classroom equipment will be the responsibility of the employee.
2. Upon completion of a course, an employee will provide a completion certificate from the accredited institution to the Director of Human Resources within thirty (30) days. If the employee completes the course with a grade of "A" or "B", then 100% of the tuition cost will be paid on behalf of the employee up to the maximum amount established annual for this benefit. If the employee completes the course with a grade of "C", then 50% of the tuition cost will be paid on behalf of the employee with the employee responsible for reimbursing the City for the remaining 50%. If the employee does not complete the course, or completes the course with less than a grade of "C", then the employee will be required to reimburse the City the total cost incurred by the City for employee's tuition benefits for that semester.
3. Prior to the granting of tuition benefits, the employee must authorize the City to take payroll deductions for the amount paid by the City if the employee does not satisfactorily complete the course work.
4. Course work must be scheduled so as not to interfere with the employee's regularly scheduled working hours.

[1] Current reimbursement amount is $1,287 per semester up to three semesters per year.

Proposed changes to Education Reimbursement Policy

Proposed by: Jennifer Walker, Finance Director
Created on: July 1, 2016
Location: Employee Handbook, Human Resources Policies

Below is a summary of decision points in the policy (can be converted to a FAQ after approval):

Decision Point	New Policy Answer	Change to Current Policy?	Other Options
How long do you have to work at the City before you are eligible to participate?	1 Year	YES	No requirement; 2 years; 6 months
What employee status may participate?	Full Time Regular	NO	Full Time Exempt; all incl. part time
How long must you stay with the City after you have graduated or received your certificate?	1 Year	YES	No requirement; 2 years; 6 months
What types of classes will be reimbursed?	Accredited college courses, continuing education unit courses, seminars and certification tests	YES	College coursework only (current policy)
What types of charges are covered?	Course Hours / tuition only – no fees, books, materials, etc	YES	Policy currently allows for payment of some college fees (not all), although in practice most fees are paid.
How much money per student?	$4,000 per year	YES	Current Policy - $1,287 per semester (max. 3 semesters per year).
Restriction on types of courses?	Degree pursuit must be job related (but not each class)	YES	Currently there are no restrictions. Also, you could require each class to be job related.
Require a degree development program?	Yes, classes must be included in degree plan and presented to City.	YES	No current requirement.
Grade Requirements?	A or B – 100% C – 50% Less than C – 0%	NO	No requirement; no reimbursement for C (or smaller %)
Time of Payment?	Reimburse student after class is taken and grades are submitted.	YES	Prepay with reimbursement requirements from student.

SECTION XVI: Benefits

D. Tuition Reimbursement

The City of Fort Smith supports employees who wish to continue their education to secure increased responsibility and growth within their professional careers. In keeping with this philosophy, the City has established a reimbursement program for expenses incurred through approved and accredited learning institutions. Employees participating in the Program must meet certain requirements for participation:

- Employee must be a Full Time regular employee.
- Employee must have one full year of service with the City before the first class begins.
- Employee must agree to continue working for the City for at least one full year after the degree is obtained. If this qualification is not met, the employee agrees to reimburse the City the full cost of education reimbursements received.
- Management and Program Administrator approval is required prior to participation.
- Participating employees must maintain acceptable job performance, as determined by their managers throughout their course of study.
- Managers and employees are responsible for adherence to City policy. Failure to do so may result in disciplinary action up to and including termination.

The City will reimburse coursework up to a maximum of $4,000 per year incurred by an employee for continuing education through an accredited program that either offers growth in an area related to his or her current position or might lead to promotional opportunities. This education may include college credit courses, continuing education unit courses, seminars and certification tests.

1. Supplies, books and classroom equipment, and other fees will be the responsibility of the employee. The City will only reimburse College credit course hour fees and/or flat tuition of courses.

2. Upon completion of the course, an employee will provide a completion certificate from the accredited institution to the Director of Human Resources within thirty (30) days. The employee must secure a passing grade of “A” or “B” or obtain a certification to receive 100% reimbursement. Completion of the course with a grade of “C” will be reimbursed at a rate of 50%. If the employee does not complete the course, or completes the course with less than a grade of “C”, no reimbursement will be given. Expenses must be validated by receipts, and a copy of the final grade card or certification must be presented to show hours or certification received.

3. Course work must be scheduled so as not to interfere with the employee's regularly scheduled working hours.
4. The City shall ask an employee to sign a release authorizing the City to solicit the required documentation and/or information from a designated third party. Providing false information may result in loss of eligibility for benefits and/or disciplinary action in accordance with the City's Code of Conduct.
5. Availability of Funds – all reimbursement for education expenses is made to the extent to which budgeted funds are available. Due to budget considerations, the City may limit the number of employees annually who participate in this program.

Procedures

To receive tuition reimbursement, employees shall follow the procedures listed here:

- The employee must provide his or her manager with information about the course for which he or she would like to receive reimbursement. If this is a college course, a completed degree plan shall be included with the course information.
- The pre-approval section of the tuition reimbursement form shall be completed and all the appropriate signatures obtained prior to enrolling.
- The employee must then take the form to HR, and a copy will be added to the employee's file. The employee will maintain the original until he or she has completed the course. The employee can then enroll in the course.
- After completion of the course, the employee shall resubmit the original tuition reimbursement form with the reimbursement section filled out, including appropriate signatures, as well as receipts and evidence of a passing grade or certification attached.
- The HR department will then coordinate the reimbursement with the Accounting department.

Name - **Employee Tuition and Education Assistance Policy**	Revision #: 0 Revision Date: Effective Date: 1/1/2017 Page 1 of 1

Request for Education and Tuition Reimbursement Application Form

Employee Name:	Hire Date:	Department:
Name of Institution to Attend:		
Type of Degree Pursues:	Number of Hours Needed to Degree:	Estimated Start Date:

1st Course Title:	Hours	Total Cost	Meeting Day (s)	Est. Completion Date
2nd Course Title:				
3rd Course Title:				

How will this course(s) or degreed program assist you in your current position or enhance your potential for advancement with the Company? (Use extra page if necessary):

Certification of Authorization

I understand and agree that in exchange for reimbursement under this program, I am subject to the employment requirements under the Code of Conduct and Fort Smith Employee Handbook, which can run cuncurrent with a multi-year degree completion program. I also understand that I may be requried to repay the City of Fort Smith for all or a portion of reimbursement that I have received should my employment with the City cease for any reason other than reduction in force job elimination. By my signature below, I authorize payroll deduction to satisfy any repayment due and I agree to pay any outstanding amounts thereafter immediately. I further understand that the City may employ all legal resources available to pursue collection of any unpaid portion of this debt.

Signature: Date:

Approval Signatures

Immediate Supervisor:	Date:
Department Head:	Date:
Human Resources Director:	Date:
City Administrator:	Date:

The City of Fort Smith ARKANSAS

MEMORANDUM
September 22, 2016

To: Convention and Visitors Bureau
Parks Department
Fire Department
Engineering Department
Historic District
Planning and Community Development
Sanitation Department
Human Resources
Airport
Library
Transit Department
Housing Authority (Mitch Minnick)
City Clerk
Administration (Jeff Dingman)

From: Wendy Mathis, Administrative Assistant

Subject: Fort Smith Calendar of Events - October

Please look over the attached October calendar and let me know by September 23rd, 2016, (by 10:00 a.m.) if any changes or additions need to be made. My email address is wmathis@fortsmithar.gov.

October 2016

October 2016

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November 2016

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 25	26	27	28	29	30	Oct 1
2	3	4 11:30am Planning Com. S.S. (Creekmore) 6:00pm Board of Directors (FSM Public Schools Serv. Cntr.)	5	6 12:00pm CIP Committee (Planning Conference 6:00pm Historic District Com. (220 North 7 Street) 6:00pm Ward 4 (Woods	7	8
9	10 11:00am Property Owners Appeal Board (Tenative) (Planning Conf. Rm.)	11 12:00pm Bd. of Directors S.S./Comp Plan Implementation Com. 5:30pm Planning Com. (Creekmore)	12 12:00pm Parks Com. (Creekmore)	13 12:15pm Oak Cemetery Com. (Creekmore)	14	15
16	17	18 9:30am CBID (Area Agency) 4:30pm Library Board of Trustees (Main Library) 6:00pm Bd. of Directors (FSM Public Schools Serv.	19	20	21	22
23	24	25 12:00pm Board Study Session (Main Library) 4:00pm A & P Commission (Convention Center) 5:30pm Airport Commission	26	27 5:30pm Historic District Study Session (220 North 7 Street)	28	29
30	31	Nov 1	2	3	4	5

Mayor – Sandy Sanders

City Administrator – Carl Geffken

City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith Lau
Ward 2 – Andre' Good
Ward 3 – Mike Lorenz
Ward 4 – George Catsavis
At Large Position 5 – Tracy Pennartz
At Large Position 6 – Kevin Settle
At Large Position 7 – Don Hutchings

AGENDA ~ Summary

Fort Smith Board of Directors

STUDY SESSION

September 27, 2016 ~ 12:00 Noon

Fort Smith Public Library Community Room

3201 Rogers Avenue

CALL TO ORDER

- All present, except Director George Catsavis
- Mayor Sandy Sanders presiding

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1. Review departmental service objectives for 2017 *~ Deferred at the September 13, 2016 study session ~*
   The Board offered no changes to the provided information; however, requested a more standardized format for all departments in coming years.

2. Presentation of proposed 5-Year Capital Improvement Programs (2017-2021):

   A. Engineering Department - Streets, Bridges and Associated Drainage
   B. Utility Department - Water, Wastewater and Maintenance & Improvement
   C. Parks and Recreation Department - 1/8% Sales and Use Tax

   Lorenz/Pennartz placed resolutions authorizing implementation of the above noted CIP's on the October 4, 2016 regular meeting agenda.

3. Review proposed amendment to the Education Reimbursement Policy
   Pennartz/Lorenz placed an ordinance on the October 4, 2016 regular meeting agenda.

4. Review preliminary agenda for the October 4, 2016 regular meeting

ADJOURN

1:21 p.m.