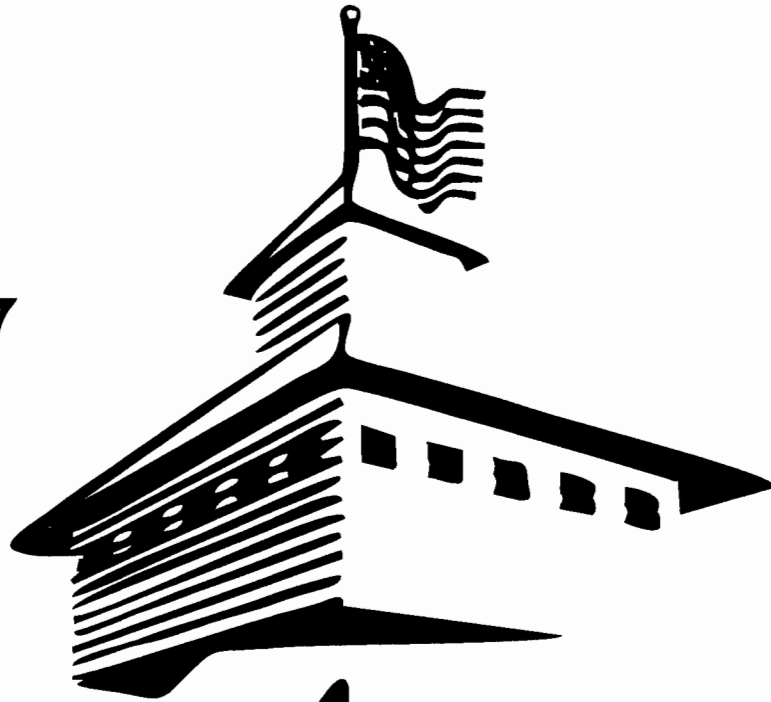


The  
City  
of



TM

Fort  
Smith  
A R K A N S A S

**2013 Budget**

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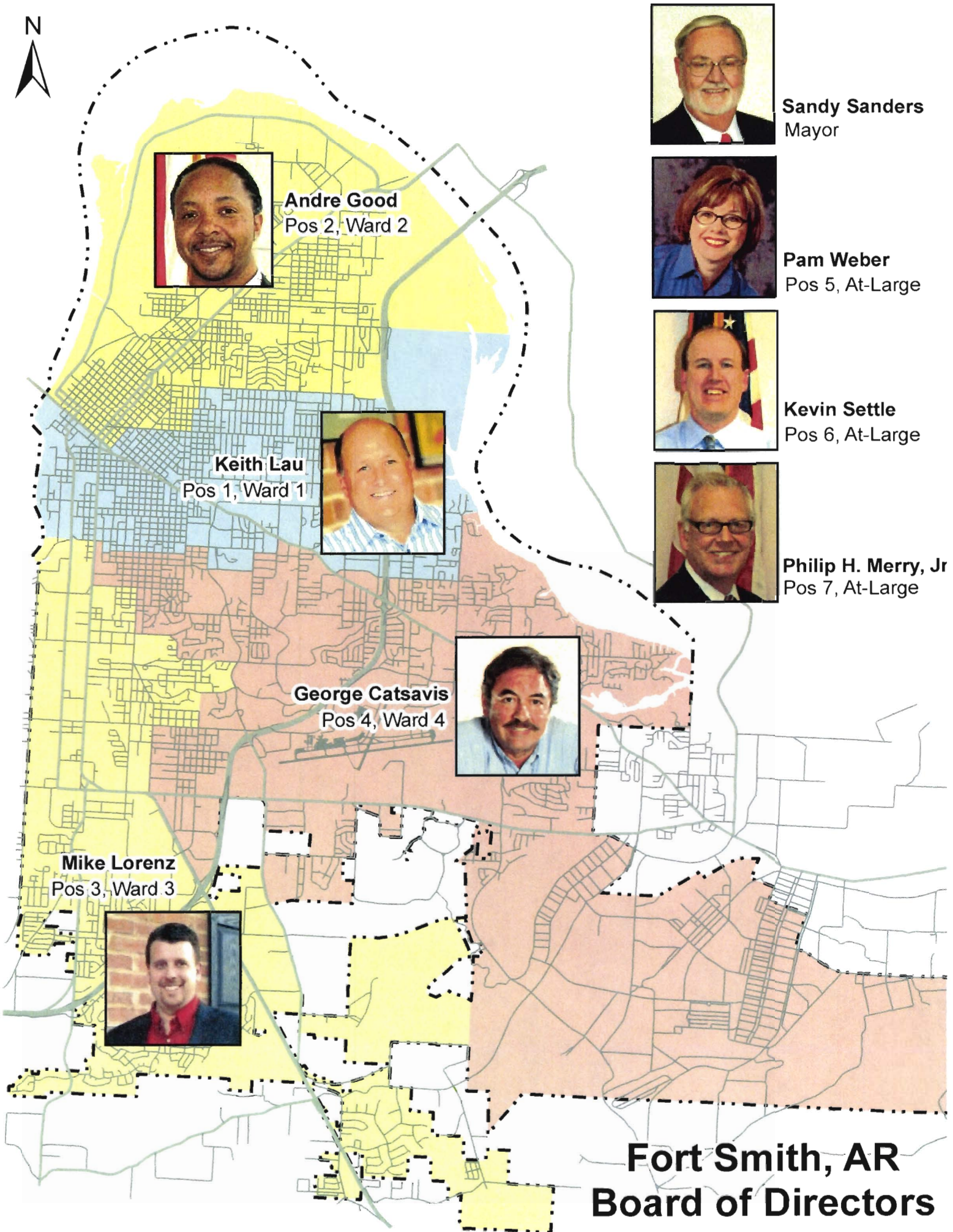
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**Andre Good**  
Pos 2, Ward 2



**Keith Lau**  
Pos 1, Ward 1



**George Catsavis**  
Pos 4, Ward 4



**Mike Lorenz**  
Pos 3, Ward 3



**Sandy Sanders**  
Mayor



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



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



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

# Fort Smith, AR Board of Directors



## MANAGEMENT TEAM

Ray Gosack	City Administrator
Jeff Dingman	Deputy City Administrator
Mike Alsup	Director of Parks and Recreation
Wally Bailey	Director of Development
Ben Beland	District Court Judge
Claire Borengasser	District Court Judge
Kara Bushkuhl	Director of Finance
Sherrri Gard	City Clerk
Russell Gibson	Director of Information and Technology Services
Richard Jones	Director of Human Resources
Mitzi Kimbrough	Internal Auditor
Claude Legris	Executive Director-Convention & Visitors Bureau
Kevin Lindsey	Police Chief
Baridi Nkokheli	Director of Sanitation
Steve Parke	Director of Utilities
Mike Richards	Fire Chief
Greg Riley	Director of Streets and Traffic Control
Ken Savage	Director of Transit
David Saxon	District Court Judge
Stan Snodgrass	Director of Engineering

## BUDGET REPORT PRODUCTION, ANALYSIS AND GRAPHICS

### Department of Finance

Kara Bushkuhl, Director of Finance  
Jackie Joyce, Assistant Director of Finance  
Jacinta Winstead, Accounting Manager  
Alie Bahsoon, Purchasing Manager  
Christy Deuster, Administrative Coordinator  
Angie Chance, Payroll Accountant

City of Fort Smith on the Internet at:  
[www.fortsmithar.gov/departments/finance/documents](http://www.fortsmithar.gov/departments/finance/documents)



**CITY OF FORT SMITH**  
**Mission, Vision**  
**and Values Statements**

**MISSION STATEMENT**

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

**VISION STATEMENT**

**Our vision is providing WORLD CLASS SERVICES by VALUING the contributions of every citizen and employee**

**--being AGILE**

**--being VALUES-BASED**

**--being CONTINUOUS LEARNERS**

**VALUES STATEMENT**

**Our shared values are...**

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Fort Smith  
Arkansas**

For the Fiscal Year Beginning

**January 1, 2012**

*Christopher P. Morill*      *Jeffrey R. Emmer*

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Fort Smith for its annual budget for the fiscal year beginning January 1, 2012. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

## **BUDGET FORMAT**

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

### **Preface**

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

### **Introduction**

The Introduction section begins with the City Administrator's Budget Message which outlines the budgetary plan for the current fiscal year. City-wide goals are presented as well as the correlation of the city-wide goals to departmental goals. This section also includes an organization chart, graphic presentation of full-time personnel and a comparative list of authorized personnel. The amounts compared in the Budget Message are Adopted Budget 2012 and Adopted Budget 2013.

### **Budget Highlights**

The Budget Highlights section of the document is intended to serve as a summary of the current fiscal year budget plan. The budget process, and the fiscal performance policies are included in this section. In addition, highlights of the current year budget including narratives, graphs and tables, are presented.

### **Budget Summaries - All Funds**

This section of the document includes financial statements for all funds of the City. A comparative summary of all funds for FY11 Actual, FY12 Budget, FY12 Estimated and FY13 Budget is included. A comparative summary for all funds with major revenue detail is presented for FY10 Actual, FY11 Actual, FY12 Budget, FY12 Estimated, and FY13 Budget. A combined summary of all funds for the FY13 Budget as well as individual fund statements by fund type for FY13 Budget is included. Major revenue analyses are included in this section to provide trend analyses for the City's major sources of revenue. The City of Fort Smith financial structure and explanations for each fund are also included in this section.

### **Operating Funds Budget Summaries**

The Operating Funds Budget Summaries section includes the basic financial statements for the four major funds of the City for which an annual budget is required. Comparative summaries and statements of revenue comparisons are provided for the operating funds combined and for each individual operating fund. The distribution of appropriations to the operating funds for FY13 is also incorporated in this section. An early projection for FY14 is also presented for the departments. Combined summaries by division and expenditure/expense classification are provided at the end of this section in statement and graphic form.



## **Division Summaries**

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

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

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

## **Capital Improvement Program**

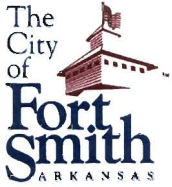
The Capital Improvement Program section provides highlights of the major capital projects in the various funds. A list of the capital outlay items authorized in the current budget and capital sinking fund transfers are included in this section. The effects of capital improvements on the operating budget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

## **Related Financial Information**

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

## **INTRODUCTION**

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



## CITY ADMINISTRATOR'S BUDGET MESSAGE



I'm pleased to present the City of Fort Smith's 2013 operating and capital improvement budgets as required by Arkansas law. The balanced budgets reflect the staff's professional commitment to provide services and programs in alignment with the board of directors' goals and the community's needs.

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

The 2013 budget includes more than \$41 million in increased capital investment. Most of this spending is the result of the March 2012 sales tax renewal election approved overwhelmingly by Fort Smith voters. The capital projects further advance Fort Smith toward accomplishing strategic goals in the areas of

neighborhood vitality, riverfront development, fire service improvements, sanitary sewer system upgrades, water delivery system improvements, sidewalk improvements, and recreational offerings.

The recommended budget includes an additional \$5 million for fire and parks projects and services as approved by voters in March. These projects and services will transform our parks/recreation amenities and our fire/rescue services.

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

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

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

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

- With fewer positions during the toughest years, city

employees worked efficiently and provided outstanding citizen service to the community.

- Employees have embraced the city's wellness initiatives, which have saved an estimated \$7.85 million in health coverage costs over the last 6 years.
- Employees recently went 3 years without seeing a market adjustment to the pay plan. And, most employees didn't receive merit or step pay increases during that time. Despite the absence of pay adjustments, employees performed admirably in their service to the citizens of Fort Smith.

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

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

documents available on the city's web site, and conducted citizens academies.

***STRONG FINANCIAL MANAGEMENT***

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

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

- The 2013 budget doesn't rely on any increases in local taxes, rates or fees. In fact, residential sanitation customers are expected to see a 7.7% rate reduction in July as a result of the board's decision to provide automated service citywide. Over the last 2 years, the only tax, rate or fee increase implemented by the city has been to water and sewer system connection charges.

***SLOW ECONOMIC RECOVERY***

- The 2013 budget is based on continued slow recovery from the Great Recession that began in 2008. Regional unemployment is at 7.6% compared to 7.8% nationally. New housing

starts are 22% below last year's. Inflation is 2.0%.

- Sales tax operating revenues are forecasted to grow a modest 1.25% during 2013, due largely to inflationary increases in the cost of food. Water and sewer revenues are budgeted to be 2.3% less in 2013 than 2012 due to the unusually hot and dry weather during 2012 that caused above-average consumption. Sanitation revenues, excluding a one-time payment from the utilities dept., are declining 1.8% as a result of the recommended residential rate decrease.

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

- The budget presents a 2-year view of operating revenues and expenses. This advance look at 2014 helps us evaluate the sustainability of 2013 budgeting decisions.

***OVERVIEW OF THE 2013 BUDGET***

- The proposed budget focuses expenditures on core services and other areas identified as critical by the board of directors. The 2013 budget totals \$217.8 million for operations and capital projects. The operating budget is \$110.1 million and the capital projects budget is \$107.7 million. Operating fund budgets are:

FUND	2013 BUDGET	% CHANGE FROM 2012
General	\$49,907,869	+21.3%
Street Maint.	\$7,776,100	+9.8%
Water & Sewer	\$39,365,191	+1.9%
Sanitation	\$13,055,451	+7.9%

- The departmental service objectives and performance measures are in much closer alignment with the board's citywide budget goals. The performance measures are focused on outcomes and results rather than inputs and workload measures.
- The 2013 budget includes police and fire pension costs for the first time. This presents a more accurate picture of the total cost of operating the police and fire departments, and gives greater transparency to the public.
- **General Fund** – General Fund revenues for 2013 are only 0.3% higher than 2012 (excluding the new voter-approved revenue and the fire SAFER grant). Parks and fire services will benefit from the sales tax revenue re-allocated for these purposes. We've created 2 separate programs for these expenses for transparent accountability of the revenues. Faster fire response times and additional parks facilities will be the principal benefits to the public. Funding is included



for 3 priorities established by the board: downtown development, customer service training for employees, and updating the comprehensive plan. Most other parts of General Fund services are unchanged from 2012.

- **Street Maint. Fund** – The street dept. is in-sourcing sidewalk construction. The city's share of the new ½% statewide sales tax for surface transportation is earmarked for sidewalk work. These actions will allow the city to repair and construct more sidewalks.
- **Water & Sewer Fund** – The utilities dept. budget includes funding of \$1.9 million for neighborhood water line replacements, \$95,000 for initial planning of utility extensions to serve the soccer complex along Riverfront Dr., and \$450,000 to capitalize a fleet replacement/sinking fund.
- **Sanitation Fund** – The sanitation dept. anticipates a residential rate reduction of 7.7% beginning July 1, 2013, and has funds to construct a new scale house and public restroom at the landfill.

## **CONCLUSION**

The 2013 balanced budget is another example of the strides the city has taken to weather the Great Recession. Our

actions will make our financial condition more sustainable for the future. I thank the mayor and board of directors for their steadfast leadership in guiding the city through these tumultuous times. I also thank city employees for continuing to apply new innovations and efficiencies in city operations, and for their dedication to providing exceptional citizen service.



Ray Gosack  
City Administrator

## 2013 CITY WIDE BUDGET GOALS

1. Enhancing communication with citizens through social media and other forums.
2. Improving citizen service by providing customer service training for employees.
3. Enhance services for the homeless by supporting construction and operation of a homeless campus.
4. Provide additional recreation opportunities by planning and constructing 2 softball fields and aquatics center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.
5. Improve the accountability and performance measurement of our budget by including key performance indicators for all departments.
6. Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators and the Federal Highway Administration.
7. Plan for Fort Smith's future by updating the comprehensive plan – Vision 2025 Plan.
8. Initiate and develop economic growth strategies to increase the job market with higher paying jobs as well as support the construction of the regional intermodal freight facilities and Interstate 49.
9. Enhance Fort Smith's appearance and curb appeal through beautification and other efforts to stimulate quality of place and community pride.

**A few of the 2013 departmental service objectives that correlate to the 2013 city-wide goals are listed as follows:**

1. Enhance communication with citizens through social media and other forums.

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

**Downtown Development:** Promote the use of the downtown website to encourage citizens and tourists to enjoy the historic plaques using QRcodes.

**Information & Technology Services:** Develop a mobile friendly version of the main city website to bring frequently accessed information for smart devices. Identify and implement a branded, mobile application giving citizens the ability to communicate concerns to the city using a mobile device. The application will be tethered to the city's ongoing social media efforts and provide feedback through the resolution of the concern.

2. Improving citizen service by providing customer service training for employees.

**Administration:** Implement a citizens-centered approach to customer service.

**District Court:** Cross training of court's support personnel to ensure efficient and high quality service to patrons of the court.

**Human Resources:** Set up customer service training for targeted positions.

**Finance:** Improve customer service by implementing municipal utility bill sign-up for services online. Continue to enhance off-site payment options for customers.

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

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

4. Provide additional recreation opportunities by planning and constructing 2 softball fields and aquatics center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.

**Parks and Recreation:** This goal is repeated as a goal for this department.

**2013 departmental service objectives that correlate to the 2013 city-wide goals are continued as follows:**

5. Improve the accountability and performance measurement of our budget by including key performance indicators (KPI) for all departments:

**Administration:** Continue to refine performance management budgeting.

Note: KPI is included in the following division summaries:

Internal Audit, Finance, Information & Technology Services, Engineering, Development Department, Fire, Streets and Traffic Control, Parks and Recreation, Sanitation, and Transit.

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

**Mayor:** Develop and maintain effective contacts with agencies impacting Fort Smith.

7. Plan Fort Smith's future by updating the comprehensive plan-Vision 2025 Plan.

**Development Department:** Work towards the completion of the Vision 2025 Plan. Begin implementation of the goals identified for the department. Continue to review, revise and edit portions of the development codes and maps such as zoning map, Unified Development Ordinance, ETS planning area and other development plans.

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

**Mayor:** Focus efforts on economic development in conjunction with the Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission, work with businesses and industries to retain existing jobs and support efforts to attract new jobs. Take a leadership role emphasizing regional development, including partnering with organizations such as Western Arkansas Planning and Development, Frontier Metropolitan Planning Organization, Regional Intermodal Transportation Authority, and area city and county governments.

**Convention Center:** The center will create a positive impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. A thriving center increases business for the local hospitality, service and restaurant sectors capturing revenue that would not be there otherwise.

**Convention and Visitors Bureau:** Take a leading role in the Fort Smith economic development efforts through interface with those involved in development efforts, particularly on a regional level in surrounding counties in both Arkansas and Oklahoma.



**2013 departmental service objectives that correlate to the 2013 city-wide goals are continued as follows:**

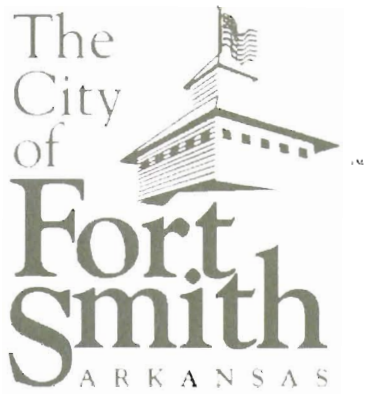
9. Enhance Fort Smith's appearance and curb appeal through beautification and other efforts to stimulate quality of place and community pride.

**Mayor:** Re-energize efforts focusing on city clean-up and beautification.

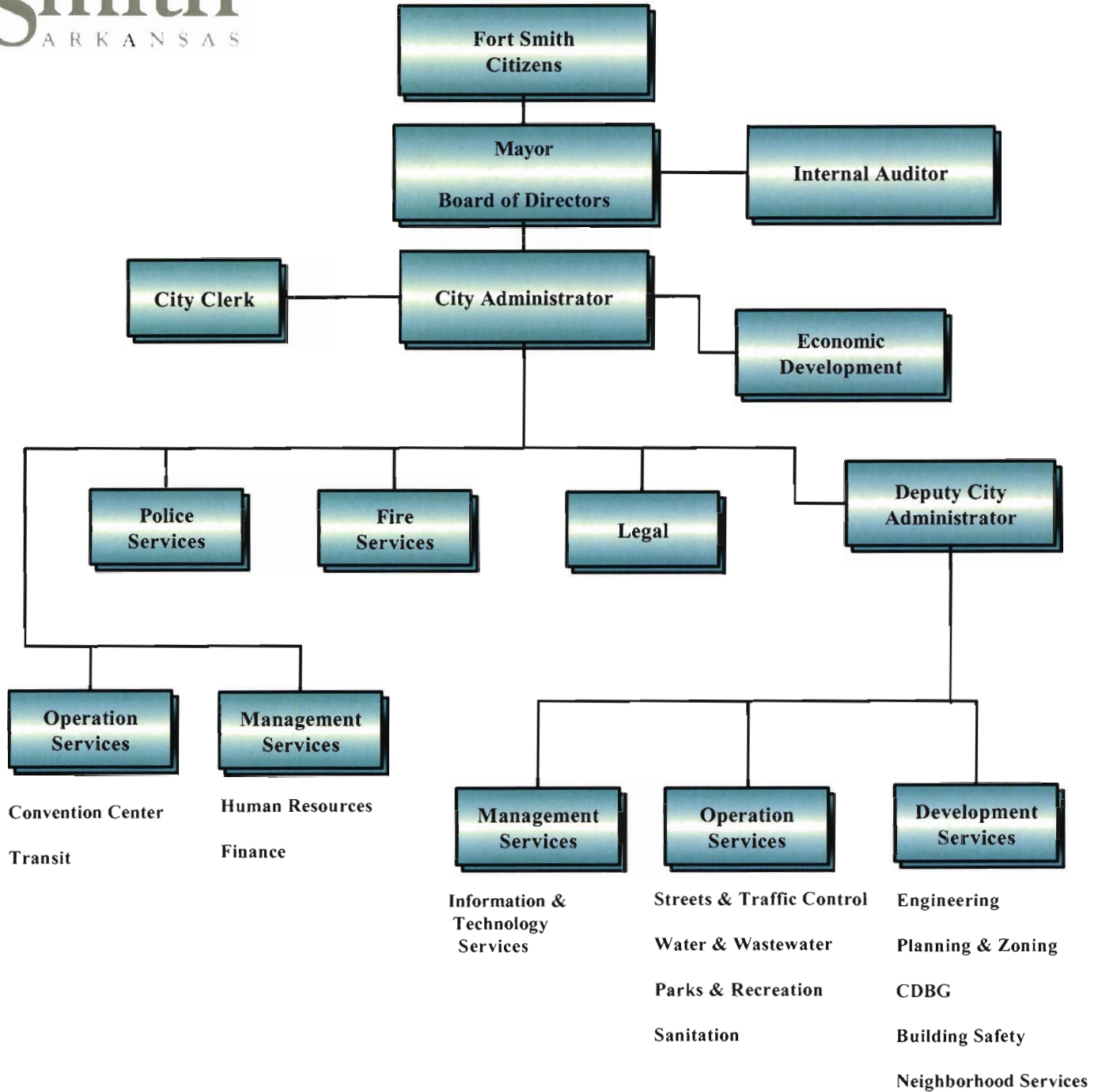
**Downtown Development:** Continue to work with downtown property owners on the uses and conditions of their buildings.

**Development Department:** Improve the quality of life and place by developing neighborhood friendly programs and ordinances.

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# Plan of Organization



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

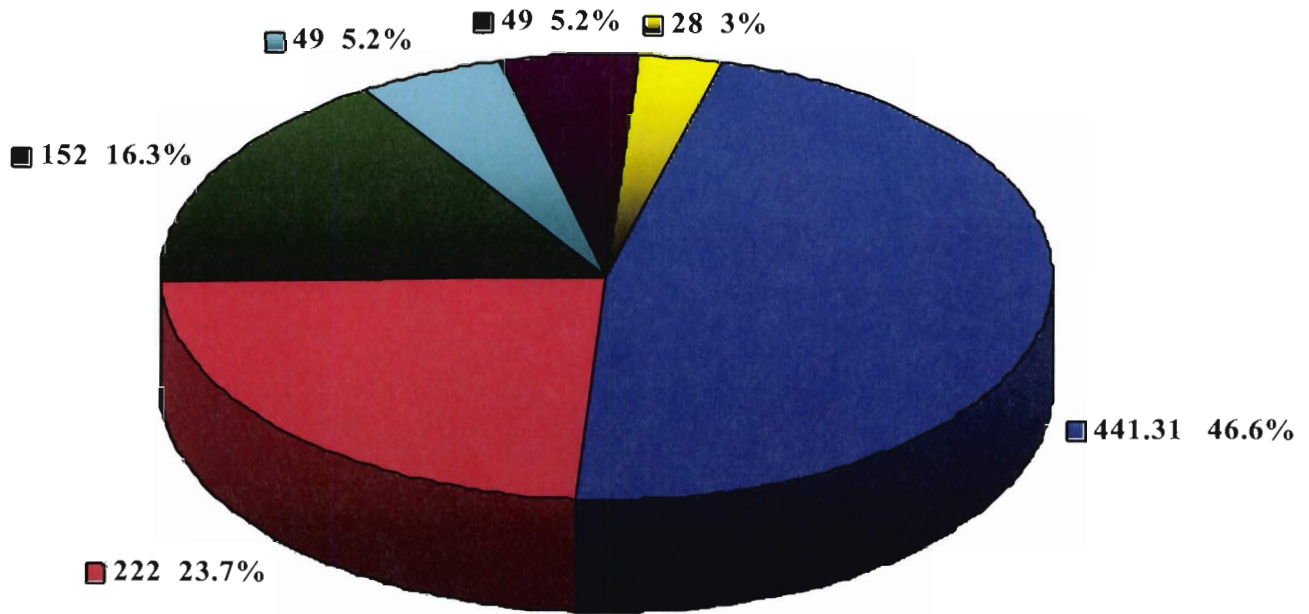
	<u>FY11 Actual</u>	<u>FY12 Estimated</u>	<u>FY13 Budget</u>
<b>Policy and Administration Services</b>			
(Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	3.00	3.00	4.00
Downtown Development	2.00	2.00	1.00
District Court	19.00	19.00	19.00
City Prosecutor	2.00	2.00	2.00
Internal Audit	1.00	1.00	1.00
<b>Total</b>	<u>28.00</u>	<u>28.00</u>	<u>28.00</u>
<b>Management Services</b>			
Human Resources	4.00	4.00	4.00
City Clerk/Citizen Action Center	3.00	3.00	3.00
Finance	33.00	33.00	33.00
Information & Technology Services	9.00	9.00	9.00
<b>Total</b>	<u>49.00</u>	<u>49.00</u>	<u>49.00</u>
<b>Development Services</b>			
Engineering	19.00	19.00	19.00
Planning and Zoning	7.75	7.75	7.75
Building Safety	11.00	11.00	11.00
Community Development	4.25	3.25	3.25
Neighborhood Services	8.00	8.00	8.00
<b>Total</b>	<u>50.00</u>	<u>49.00</u>	<u>49.00</u>
<b>Police Services</b>	<u>229.75</u>	<u>222.00</u>	<u>222.00</u>
<b>Fire Services</b>	<u>132.00</u>	<u>141.00</u>	<u>152.00</u>
<b>Operation Services</b>			
Streets and Traffic Control	64.24	64.24	72.52
Water and Sewer	189.19	191.19	192.19
Parks and Community Services	39.10	39.10	45.10
Convention Center	13.50	13.50	13.50
Sanitation	78.00	78.00	78.00
Transit	36.00	36.00	35.00
<b>Total</b>	<u>420.03</u>	<u>422.03</u>	<u>436.31</u>
<b>Non-Departmental</b>			
Convention & Visitors Bureau	5.00	5.00	5.00
<b>Total Authorized Level of Full-Time Equivalent Personnel</b>	<u>913.78</u>	<u>916.03</u>	<u>941.31</u>

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

Note 2: Of the 941.31FTE personnel authorized for 2013, 893 positions are full time and 48.31 positions are part-time or seasonal.



# 941.31 FTE PERSONNEL FOR 2013



<i>Operation Srvs/Non-Dept.</i>	<i>Police Srvs</i>
<i>Fire Srvs</i>	<i>Management Srvs</i>
<i>Development Srvs</i>	<i>Policy &amp; Admin Srvs</i>

## BY EXPENDITURE/EXPENSE CLASSIFICATION

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## **BUDGET HIGHLIGHTS**

This Section provides a narrative and graphical summary of the major components of the FY13 Budget.

## INTRODUCTION

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

### BUDGET PROCESS

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

1. By December 1 of each year, the City Administrator is required to submit to the Mayor and the Board of Directors a proposed budget for the fiscal year beginning on the following January 1. The budget includes proposed expenditures/expenses and means of financing them.
2. Prior to adoption of the annual budget, a public hearing is conducted to obtain citizen comments.
3. State statutes require adoption of the Budget by February 1 of each year. For practical purposes, the Board of Directors usually adopt the Budget prior to January 1 of each year to coincide with the fiscal year.
4. Annual budgets are legally adopted for the operating funds which include the General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and the Sanitation Operating Fund.
5. Generally accepted accounting principles (GAAP) state that the General Fund and the Street Maintenance Fund budgets are to be prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available for use during the year and expenditures are recognized when the related liability is incurred, except for interest and principal on general long-term debt, which are recorded when due or otherwise payable. The City follows GAAP for the General Fund and Street Maintenance Fund in preparing its budget.

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

GAAP requires the Water and Sewer Operating Fund budgets to be prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City complies with GAAP for the Water and Sewer Operating Fund and the Sanitation Operating Fund with the exception that depreciation expense is not reflected in the budgets for these two funds as required under GAAP. Adjustments are made for this difference in the comprehensive annual financial report (CAFR). The basis of accounting for all other special revenue funds and the capital project fund is the modified accrual basis. The basis of accounting for all the other enterprise funds and all internal service funds is the accrual basis.

6. Working Capital is reflected for the Water and Sewer Operating Fund and the Sanitation Operating Fund budgets rather than net assets for comparative purposes. This provides a clearer picture of funds available for appropriation as Working Capital is current assets less current liabilities.
7. Amendments to the operating budgets during the year must be enacted by the Board of Directors. Ordinances are presented periodically during the fiscal year for amendments to the adopted budget. Transfers within appropriated amounts may be approved by the City Administrator.

8. The following budget preparation schedule was established for the 2013 Budget:

July 10, 2012	Board reviews 2012 Budget status and provides input for city-wide goals for 2013 at Study Session.
July 17, 2012	Distribution of 2013 Budget package to all departments.
July 18, 2012 through Aug. 16 or 23, 2012	Departments prepare budget worksheets/disks and summaries for 2013 requests and 2014 projections. Finance refines 2013 revenue estimates and prepares 2014 revenue projections.
August 1, 2012	Local service agency application notification for OAF from 2013 Budget.
August 8, 2012	Departments submit service objectives and outcome/performance measures for 2013 and submits a status report on 2012 service objectives and outcome/performance measures to the Finance Department.
August 16, 2012	The following departments submit completed budget packages to Finance: Administration; Downtown Development; District Court; City Prosecutor; Finance; City Clerk; Human Resources; Internal Audit; Engineering; Planning, CDBG, Building Safety and Neighborhood Services; Information & Technology Services; Convention Center; Health; Street Maintenance Department and Transit.
August 23, 2012	The following departments submit completed budget packages to Finance: Police; Fire; Parks; Water and Sewer; Sanitation, and Convention and Visitor's Bureau (A&P).
August 28, 2012	Review departmental service objectives for 2013 and their correlation with city-wide goals for 2013 during the Board study session.
August 17, 2012 through September 14, 2012	Finance verifies the accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 6, 2012	Deadline for submittal of application packets by local service agencies for OAF.
September 17, 2012 through October 2, 2012	City Administrator, Deputy City Administrator and Director of Finance review budget requests and meet with department directors to discuss the 2013 requests.
September 25, 2012	Proposed five year streets and drainage CIP presented at Board study session. Also, 2013 Budget progress report.
October 3, 2012 through November 2, 2012	Preparation of draft budget by Finance.
November 6, 2012	Present proposed budget to Mayor and Board of Directors.
November 13, 2012	Review outside agency funding at Board study session.
November 13 and November 15	Review proposed budget with Mayor and Board of Directors, discussion with department directors.
December 4, 2012	Conduct 2013 Budget hearing and present 2013 Budget to the Board of Directors for adoption.

## **FISCAL PERFORMANCE POLICIES**

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

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

## **REVENUE POLICIES**

1. The City will strive to maintain a diversified and stable revenue base that will equitably distribute the burden of supporting City services and will protect the City from short-term fluctuations in any one revenue source.
2. The City will estimate revenues on an objective and reasonable basis. Revenues will be projected on a five year basis with an annual update. This projection will be used for operating budget preparation.
3. The City will use one-time or special purpose revenues for capital expenditures or for expenditures required by the revenue, and not to subsidize recurring personnel, or operation and maintenance costs.
4. The City will establish and periodically review all user charges, licenses and fees at a level related to the cost of providing the services. Such charges, licenses and fees will be reviewed and established where possible so that those who directly benefit from a service principally pay for it.
5. The City will set and maintain water, sewer and sanitation rates at levels which support the total direct and indirect costs of the enterprise, including debt service and capital maintenance.
6. The City will annually review, and revise where necessary, its indirect cost allocation formula on an objective and reasonable basis.
7. The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues from available sources.
8. The City will give priority to those revenue alternatives which involve the least collection and administrative cost, per dollar raised, to the City government.
9. The City will seek a balanced revenue base through active support of area economic development, diversification, and retention efforts.

## **OPERATING EXPENDITURE/EXPENSE POLICIES**

1. The City Administrator will propose, and the Board of Directors will adopt, a balanced operating budget in which expenditures/expenses will not be allowed to exceed reasonably estimated resources and revenues. Basic and essential services provided by the City will receive first priority for funding.
2. The City will estimate expenditures/expenses on an objective and reasonable basis. Operating expenditures/expenses will be projected on a five year basis with an annual update.
3. The City will establish service measurements for all program areas, when feasible. The service measures will reflect the demand, workload capability and projected outcomes for the program to accomplish its goals and objectives.
4. Annual budgets shall be legally adopted for the four operating funds- General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and the Sanitation Operating Fund. Project budgets shall be approved for major capital projects.
5. The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the level defined for the respective retirement plans.
6. The City will encourage delivery of services by other public and private organizations whenever and wherever greater efficiency, effectiveness and service can be expected, as well as to develop and internally use technology and productivity advancements that will help reduce or avoid increasing personnel costs. The intent is to control personnel costs as a proportion of the total budget, to more productively and creatively use available resources, and to avoid duplication of effort and resources.
7. The City will maintain a budgetary control system to help it adhere to the adopted budget, and will prepare and maintain a system of regular fiscal reports comparing actual revenues and expenditures/expenses to budgeted amounts.
8. All budgets shall be adopted on a basis consistent with generally accepted accounting principles (GAAP) except for depreciation expense in the applicable funds.
9. All appropriations lapse at yearend. Any encumbrance appropriated at yearend may be reappropriated by the Board of Directors in the subsequent year.
10. The legal level of budgetary control is the departmental program level. All departments will be given the opportunity to participate in the budget process.



## **CAPITAL IMPROVEMENT POLICIES**

1. The City will prepare annually and update a five year capital improvements program (CIP) which will provide for the orderly maintenance, replacement, and expansion of capital assets.
2. The CIP will identify long-range capital projects and capital improvements of all types which will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
3. The CIP will reflect for each project the likely source of funding, the priority ranking of each project and attempt to quantify the project's impact to future operating expenditures/expenses.
4. The City will determine and follow the most cost-effective financing method for all capital projects. The City will pursue federal, state and other funding to assist in financing capital projects and improvements.
5. All equipment, projects and improvements, other than infrastructure, with a value equal to or greater than \$5,000 per unit and an estimated life greater than or equal to 3 years will be capitalized for financial reporting purposes. Infrastructure assets are those that are provided by the street Sales Tax Fund and include streets, bridges and drainage projects. All land and rights-of-way are capitalized for infrastructure projects. The project cost is capitalized for projects greater than or equal to \$250,000 and are grouped by project year. Individual infrastructure projects are capitalized separately if the project totals greater than or equal to \$5.9 million.
6. Capital projects and improvements will be constructed to:
  - a. Protect or improve the City's quality of life.
  - b. Protect or enhance the community's economic vitality.
  - c. Support and service new development.

## **DEBT POLICIES**

1. The City will issue debt to finance or refinance capital improvements and long-term fixed assets or other costs directly associated with financing a project which have been determined to be beneficial to a significant proportion of citizens in Fort Smith and for which repayment sources have been identified. Debt issuance shall be used only after considering alternative funding sources such as project revenues, federal and state grants and special assessments.
2. The scheduled maturity of bond issues should not exceed the expected useful life of the capital projects or improvements financed.
3. The City will consider refunding outstanding bonds if one or more of the following conditions exist:
  - a. Present value savings are at least 3% with certain exceptions, of the par amount of the refunding bonds.
  - b. The bonds to be refunded have restrictive or outdated covenants.
  - c. Restructuring debt is deemed to be desirable.
4. The City will seek credit enhancements, such as bond insurance or letters of credit, when necessary for cost-effectiveness.
5. The City will monitor compliance with bond covenants, adhere to Federal arbitrage regulations, and abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c 2-12 concerning primary and secondary market disclosure. The City will also monitor bond issues by adhering to its Post-Issuance Compliance Manual required by the IRS. This manual includes the requirements for monitoring bond offering transactions by the underwriter.
6. The City will encourage and maintain communications with financial bond rating agencies and continue to strive for improvements in the City's bond rating.
7. The City will require that the total annual payments for debt service not exceed 25% of total operating revenues of the applicable fund.
8. The City will evaluate the benefits of conducting financings on a competitive or negotiated basis. Negotiated financings may be used where market volatility or the use of an unusual or complex financing or security structure is a concern with regard to marketability.
9. The City will coordinate its debt issuances with other local government agencies in an effort to review overlapping debt in the community.

## RESERVE POLICIES

1. The City will maintain an operating contingency reserve to:
  - a) provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature,
  - b) permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies,
  - c) serve as local match for public or private grants,
  - d) meet unexpected small increases in service delivery costs, and
  - e) maintain an adequate cash-flow.
2. The contingency reserve will be maintained at not less than fifteen percent (15%) of estimated operating expenditures/expenses. Prior approval of the Board of Directors shall be required before spending contingency funds.
3. If the contingency reserve balance falls below the fifteen percent (15%) level for a current year budget, then the following steps will be taken by the appropriate departments:
  - a. If the contingency reserve is between 10% and 14.99%, then operating and capital reductions will be required.
  - b. If the contingency reserve is between 5% and 10%, then personnel reductions, including service will be implemented.
  - c. If the contingency reserve is less than 5%, then personnel, operating and capital reductions will take place. Service levels may be significantly reduced if this scenario occurs.
4. The City will develop an equipment reserve fund, and will appropriate funds to it annually to provide for the timely replacement of equipment. The reserve will be maintained in an amount adequate to finance the replacement of equipment. The replacement of equipment will be based upon the adopted equipment replacement schedule. The schedule will be updated annually.

## INVESTMENT AND CASH MANAGEMENT POLICIES

1. The City's cash management system will be designed to accurately monitor and forecast revenues and expenditures/expenses in order to invest funds to the fullest extent possible. All cash and investments, other than accounts required by bond covenants, will be maintained in a single cash and investment pool. Interest revenue will be allocated to each investing fund consistent with fund ownership.
2. The objectives of the City's investment and cash management program will be to:
  - a) safely invest City funds to the fullest extent possible,
  - b) maintain sufficient liquidity to meet cash-flow needs, and
  - c) attain the maximum yield possible consistent with the other two objectives.
3. The City will limit its investments to the safest type of securities permitted by Arkansas statutes. These shall include those which:
  - a) have insurance on the principal guaranteed by the Federal Deposit Insurance Corporation, or
  - b) have security on the principal in the form of bonds or other interest bearing securities of the U.S. Government or its agencies, or
  - c) have security on the principal in the form of bonds or other interest bearing securities of the State of Arkansas, or its agencies or political subdivisions as defined in Arkansas statutes.

4. The City's investments will be diversified by type of investment, institution and maturity date to protect against changes in the market at a given time regarding any particular type of investment. Direct obligations of the U.S. Government shall be purchased from the Federal Reserve Bank.
5. Purchase and sale of securities will be made on the basis of competitive offers and bids in order to obtain the highest available rates. In order to keep administrative costs as low as possible, investments of less than \$100,000 may be made through a current depository bank. For investments exceeding \$100,000, institutions shall be contacted by telephone and given the opportunity to provide an interest quote on the identical investment and term. The bid of each institution shall be recorded and kept on file for one (1) year.
6. In the event of identical interest yield bids, the City may break the tie by use of an objective method to be determined by the City.
7. In the event no quotes are received from a banking institution in the City of Fort Smith insured by the FDIC, the City may invest its funds in any banking institution insured by the FDIC in the state meeting the City's security requirements.
8. Clear title to the principal of and collateral backing for any investment will be maintained by the City or by a third-party safekeeping agent under agreement to the City.
9. The City may specify monthly interest payment in order to enhance cash-flow and investment return.
10. The City Administrator, or his designated representative, will provide the Mayor and Board of Directors with monthly information concerning cash position and investment performance. The information shall include, as a minimum, type of investment, maturity date, face value, rate of interest, amount of interest received during the accounting period, and institution where the funds are invested.
11. A request for banking services will be issued every five (5) years to all qualified banks located within the City limits. Banking services may continue with a selected bank for more than five (5) years if the services provided are maintained at an acceptable level.
12. The standard of prudence to be applied by the investment officials shall be the "prudent person rule" and shall be applied in the context of managing an overall portfolio. Under the "prudent person rule", investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, but for investment, considering the probable safety of their capital as well as the probable revenue to be derived.

#### **FINANCIAL REPORTING POLICIES**

1. The City will adhere to a policy of full and open public disclosure of all financial activity. The budget will be prepared in a manner to maximize its understanding by citizens and elected officials. Copies of financial documents will be made available to all interested parties. Opportunities will be provided for full citizen input prior to final decisions on the budget.
2. The City's accounting system will maintain records on a basis consistent with the accepted accounting standards of the Governmental Accounting Standards Board (GASB), Government Accounting Office (GAO), Financial Accounting Standards Board (FASB), and the State of Arkansas.

3. The City Administrator or his designee, will prepare regular quarterly and annual financial reports presenting a summary of financial activity by major types of funds and programs.
4. The City will employ an independent public accounting firm to perform an annual audit, and will make the annual audit available to the general public, bond and financial consultants, and other interested citizens and organizations. The audit shall be completed and submitted to the City within 180 days of the close of the fiscal year.
5. The City will prepare an annual budget document that provides a basic understanding of the City's planned financial operations for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for citizen input prior to final adoption of the budget.
6. The City will seek annual renewal of the GFOA Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Presentation Award.
7. The City will provide all financial documents to the internal and external auditors and City representatives will not improperly influence the conduct of audits.

## THE FY13 BUDGET

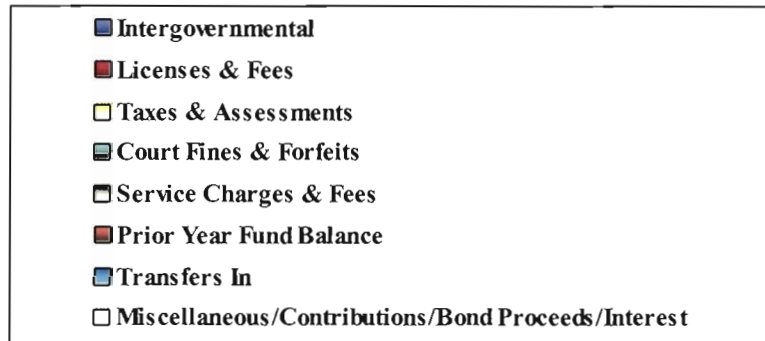
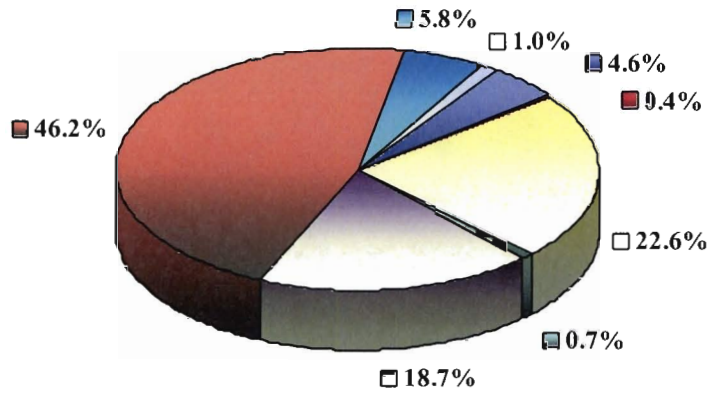
Total funding sources from all funds is estimated at \$333.1 million with expenditures/expenses totaling \$271.4 million for FY13. All funds for which revenues are received and expenditures/expenses are incurred are included in the Budget Summaries - All Funds section of this document.

The major sources of funding for FY13 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 46.2% of total resources. This is due to the inclusion of capital project budget balances which will be expended in future years. Taxes and assessments account for 22.6% of total resources. The City assesses a 3% local sales tax (2.0% city-wide plus 1.0% county-wide), a 4% utility franchise fee, a 3% hotel/motel tax and imposes a millage rate of \$.70 per \$100 of assessed property value. Service charges and fees account for 18.7% of total funding sources. Service charges and fees are primarily rates charged for municipal services of water sewer and solid waste collection and disposal.

The major uses of funds for FY13 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 40.4% of total uses and are primarily for personnel, day-to-day operating expenditures/expenses and equipment purchases. Capital improvements account for 39.6% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 11.4% of total uses and is comprised of the five water and sewer revenue bond issues, the parking facilities revenue bond issue, and the sales and use tax bond issue. More information concerning bonded indebtedness may be found at the conclusion of this section and in the Related Financial Information section of this document.

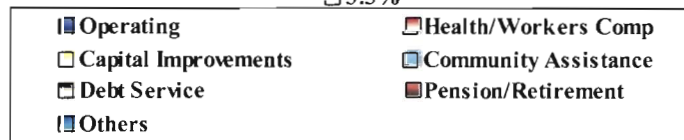
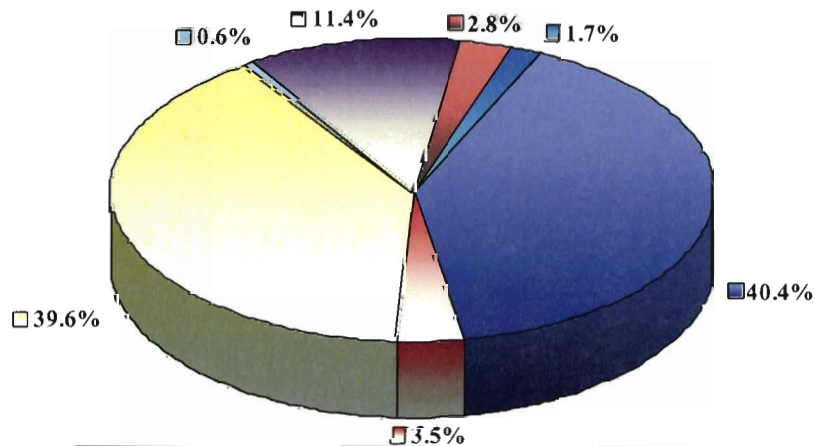
The two graphs which follow depict the allocation of total resources and total uses for 2013.

## SUMMARY OF TOTAL RESOURCES FY 2013



**Total Resources \$ 333,058,229**

## SUMMARY OF TOTAL USES FY 2013



**Total Uses \$ 271,446,070**

The following information provides highlights for various classifications of funds, capital improvements and debt service.

## **Operating Funds**

The Board of Directors is legally required to adopt an annual budget for the four operating funds of the City which include the General Fund, the Street Maintenance Fund, the Water and Sewer Operating Fund and the Sanitation Operating Fund. A significant portion of the budget document is devoted to the operating funds budget.

The FY13 Operating Funds Budget totals \$110.1 million in appropriations which is \$11.2 million or 11.3% more than the FY12 Operating Funds Budget. Operation services account for 55% of operating appropriations. Operation services include: streets, traffic control, water and sewer services, parks and recreation, sanitation and transit services. The police and fire services combine to account for 28% of total appropriations.

FY13 Operating Funds Sources total \$124.1 million, which is a \$12.3 million or 11% more than FY12 Operating Funds Sources due the higher actual prior year balances and the addition of a 1/4% local sales and use tax for the General Fund for fire and parks operations for FY13. This 1/4% local sales and use tax had previously been allocated to the sales and use tax bonds redemption. Service charges and fees account for 42% of total resources. Service charges and fees include utility rate charges for water, sewer and sanitation services. Taxes and assessments comprise 29% of total sources. Taxes and assessments include utility franchise fees, the property tax, the City's share of the county-wide sales tax and a 1/4% of a 1% local sales tax.

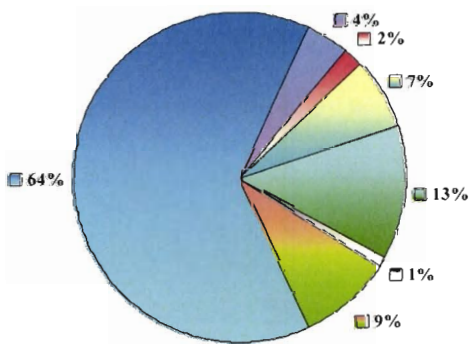
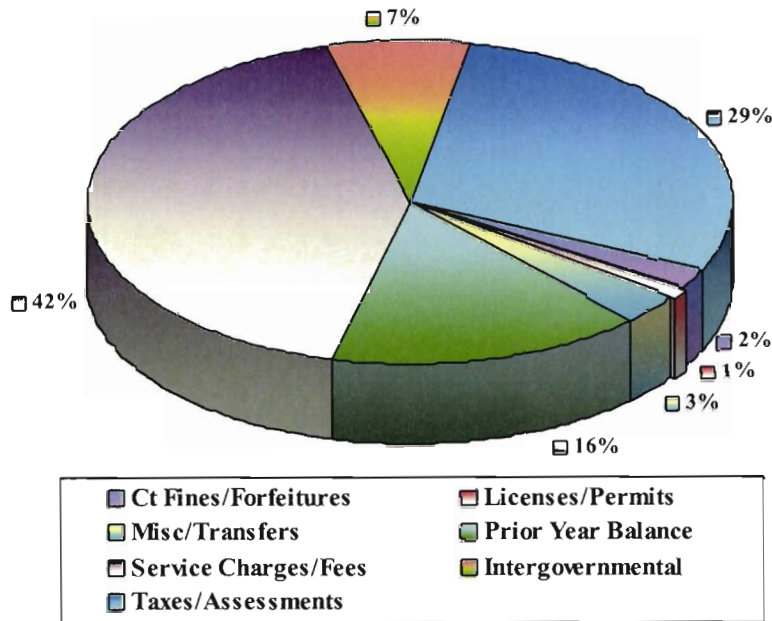
The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 32 illustrate funding sources combined and individually for the four operating funds. The graphs on page 33 illustrate appropriations in combined and individual format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



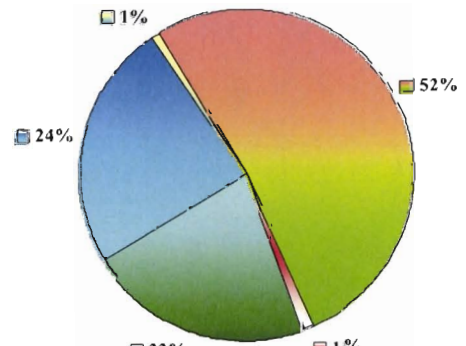
# COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2013

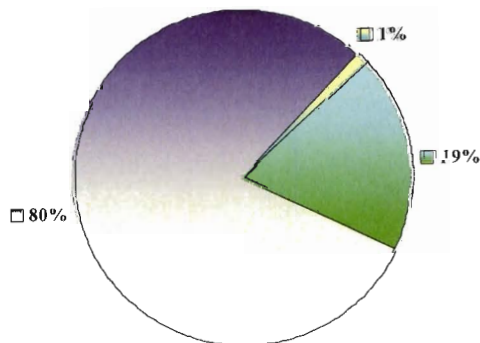
TOTAL FUNDING SOURCES \$124,059,062



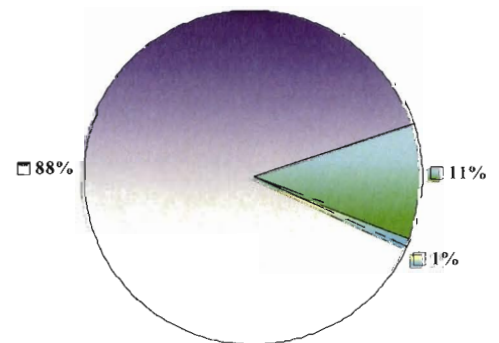
**GENERAL FUND**  
\$53,461,975



**STREET MAINTENANCE FUND**  
\$8,649,513



**W/S OPERATING FUND**  
\$46,661,107

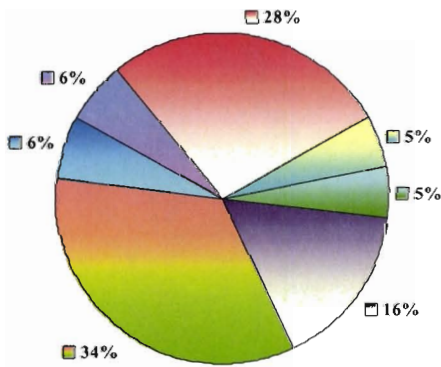
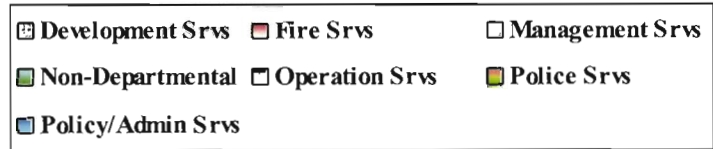
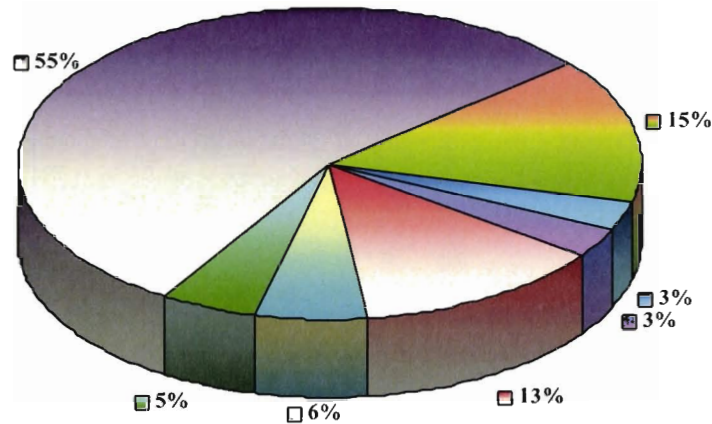


**SANITATION OPERATION FUND**  
\$15,286,467

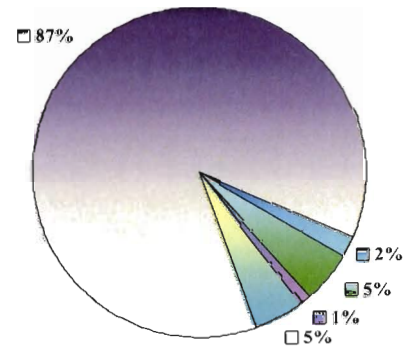
# COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2013

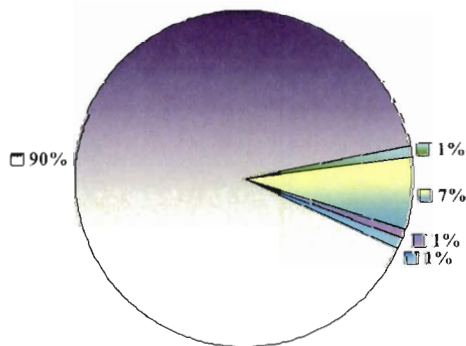
TOTAL APPROPRIATIONS \$110,104,611



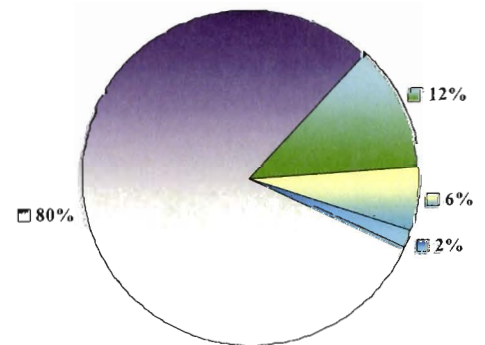
**GENERAL FUND**  
\$49,907,869



**STREET MAINTENANCE FUND**  
\$7,776,100



**W/S OPERATING FUND**  
\$39,365,191



**SANITATION OPERATION FUND**  
\$13,055,451

## GENERAL FUND

Total funding sources for the General Fund in FY13 amount to \$53.5 million which represents a 21% increase from FY12 Budget funding sources. Funding sources include current year revenue plus the prior year balance brought forward.

The major funding source for the General Fund is Taxes and Assessments which comprise 64% of total resources. Ad valorem taxes, franchise taxes, the county-wide sales tax and 1/4% of a 1% local sales tax comprise this revenue classification. The General Fund receives 5.0 mills applied to assessed property value within the city limits. Estimated revenues from ad valorem tax for FY13 total \$7.1 million, which is an increase of 2% over the FY12 estimated amount of \$7 million. The tax rate for FY12 and FY13 remains constant at the maximum allowed by the state. The increase is a result of higher property values. Assessed property values are established by the Sebastian County Assessor. Graphic displays of the assessed property values for the past five years and the allocation of property tax rates for FY13 are shown on page 205.

Franchise fees for FY13 are estimated at \$6.1 million, which is a 1% increase over the FY12 estimated revenue of \$6.06 million. A comparison of the franchise fee revenues between years is as follows:

	FY12 ESTIMATED <u>(Thousands)</u>	FY13 BUDGET <u>(Thousands)</u>
Electric	\$ 3,866	\$ 3,905
Gas	1,235	1,248
Cable	663	669
Telecommunications	295	298
	<u>\$ 6,059</u>	<u>\$ 6,120</u>

The increase between FY13 Budget and FY12 Estimated represents an expected increase in electric consumption during FY13.

In June 1994, the citizens of Fort Smith and Sebastian County approved a 1% county-wide sales and use tax. The tax was reauthorized during 2003 for another 10 years. Collection of the tax began August 1, 1994. The City receives approximately 78% of the total tax collection as the distribution is based on population within the County. The General Fund direct share of the county sales tax is estimated at \$15.7 million for FY13. This tax accounts for 33.6% of the General Fund revenue.

Beginning October 1, 2012, the city began collecting 1/4% of a 1% city sales tax to provide funds for the Fire and Parks Departments operations. For FY13, this tax will generate \$5.05 million and it will be split equally between the two departments.

The General Fund appropriations for FY13 total \$49.9 million which is \$8.8 million or 21.3% more than the FY12 Budget. The increase is due to the planned pay adjustments (\$1.2 million), the additional costs for fire and parks operations (\$5.05 million) and the additional fire personnel funded by the SAFER grant (\$0.5 million). The Fire Department's budget for its share of the tax (1/8%) includes the staffing of 9FTE sworn positions hired October 1, 2012 with the SAFER grant and an additional 11FTE sworn positions to be hired October 1, 2013 to staff the new Fire Station #11. The tax will also be used to provide capital projects totalling \$1.2 million plus fund a \$400,000 reserve for replacement of fire apparatus in the future.

The Parks and Recreation Department will use its share of the tax (1/8%) to hire 5.5FTE to assist with maintenance for the parks system and \$2.3 million will be used for the ball fields at Ben Geren Park, the River Valley Sports Complex and Cisterna Plaza improvements. The Parks and Recreation Department includes an additional 0.5FTE for the position of forester.

In FY13, the Transit Department is eliminating 1FTE driver position. The net increase in FY13 personnel is 16FTE.

The General Fund uses for the County Sales Tax in FY13 are as follows:

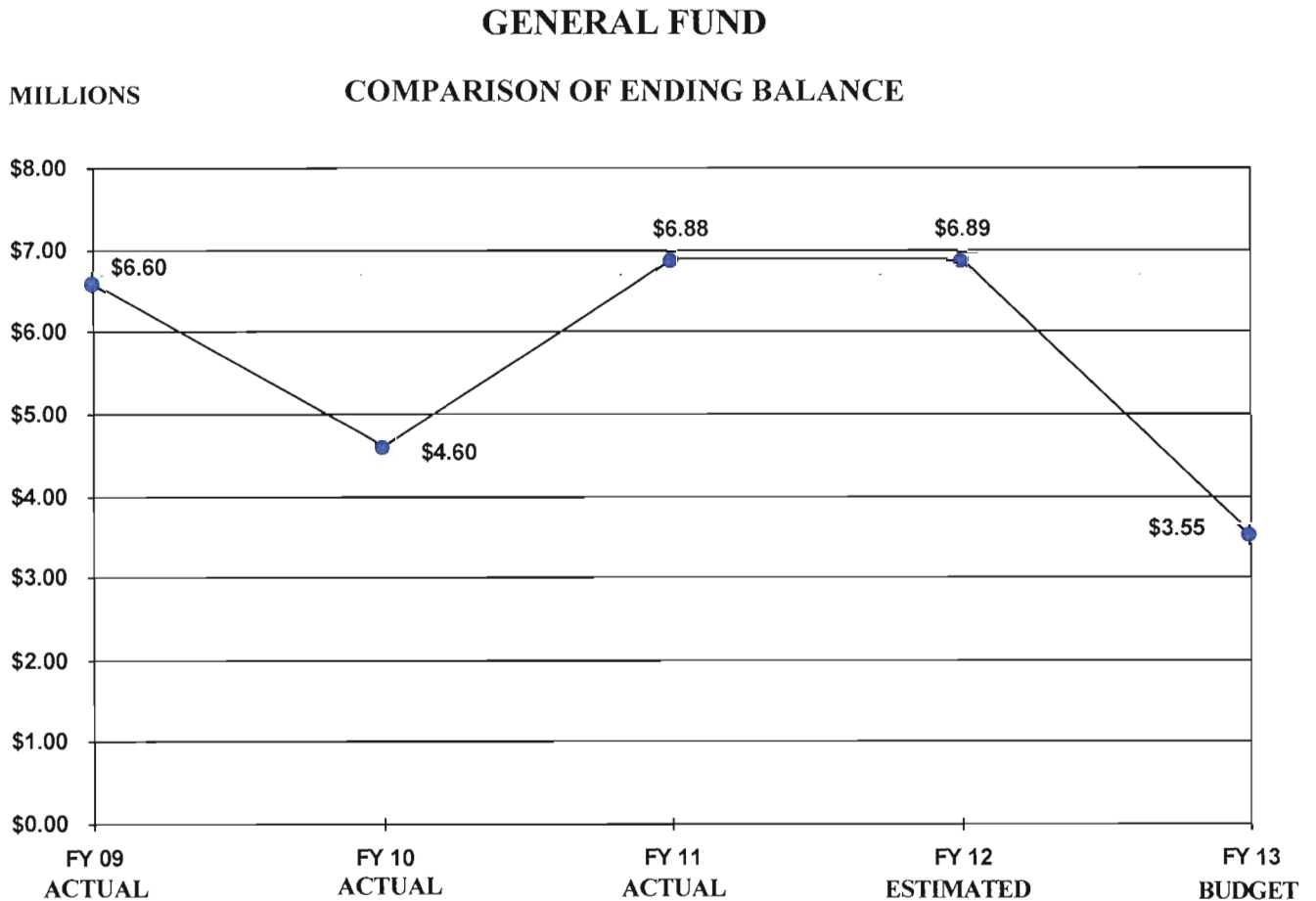
Public Safety	\$ 11,905,525
Public Library	939,910
Park Capital Maintenance	391,629
Senior Citizen Programs	234,977
Downtown Development & Maint.	469,955
Public Transit	469,955
Privilege License Replacement	1,253,213
	<u>\$ 15,665,165</u>

The projected fund balance of the General Fund at December 31, 2013 is \$3,554,106 which represents 7.5% of operating expenditures for 2013. The Fiscal Performance Policies require a 15% contingency. Expenditure increases have outpaced the revenue increases such as the cost of labor, fuel, materials, and utilities. In the adopted FY12 Budget document the estimated ending balance was 8% compared to the FY12 estimated ending balance of 17.9% as indicated below.

The level of ending fund balances for the past four years, and projected for FY13 is:

FY09	10.5%
FY10	11.0%
FY11	17.8%
FY12 Estimated	17.9%
FY13 Budget	7.5%

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



## STREET MAINTENANCE FUND

Total funding sources of the Street Maintenance Fund for FY13 amount to \$8.6 million and is \$306,000 more than the FY12 Budget. The increase is due to the new state turnback from the 1/2% state sales tax for highway improvements beginning July 1, 2013.

The major funding source for the Street Maintenance Fund is provided by state turnback of the gasoline tax allocated on the basis of population. The estimate for FY13 is \$44.85 which is the same estimated in FY12. However, the original estimate for FY12 was \$47.50 per capital. The actual turnback revenue was \$46.93 for FY11.

Beginning July 1, 2013, the Street Maintenance Fund will receive a share of the 1/2% state sales tax allocated for highway improvements. This tax was approved by Arkansas voters on November 6, 2012. The revenue is to be received for a period of 10 years. The annual estimated revenue per AHTD is approximately \$1.5 million. The FY13 share is expected to be \$640,000.

This Fund also receives one-half of the 3.0 road millage levied by Sebastian County. Total estimate from this revenue for FY13 is \$2.1 million which reflects a 2% increase over FY12 estimated revenue. Beginning in FY13, the permit assessments for sidewalk construction and repair generated by building permits will be deposited in the Street Maintenance Fund. This revenue is expected to be \$160,000 for FY13. The remaining balance in the city's Sidewalk Construction Fund of approximately \$367,000 was transferred to the Street Maintenance Fund at the end of FY12.

FY13 appropriations for the Street Maintenance Fund total \$7.8 million compared to \$7.1 million in FY12. The increase is due to the planned pay increases for FY13 (\$135,000) plus the addition of 8.28FTE positions. The staff increase is to provide 8FTE positions for the Sidewalk Construction program. These 8 positions plus 2 positions transferred from the Street Construction program will provide the crews for repairing and constructing sidewalks. Sidewalk construction and repair will be concentrated in downtown and in the vicinity of Northside High School, Darby Junior High School, and Tilles, Howard and Parker Elementary schools. The 0.28FTE is being added to the Traffic Control program to bring a position to full-time status. There is also \$255,000 included as capital outlay for the new sidewalk construction program.

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

The estimated year end fund balance of the Street Maintenance Fund is \$873,413 which represents 11.7% of FY13 operating expenditures. This does not meet the 15% reserve requirement. This fund will be closely monitored during FY13. The additional funds from the state for the 1/2% sales tax should help provide necessary funds to maintain a 15% reserve in future years.

## **WATER AND SEWER OPERATING FUND**

Total funding sources for the Water and Sewer Operating Fund amount to \$46.7 million for FY13. This is \$2.2 million or 4.8% more than the FY12 estimated funding sources. The increase is due to the true-up water fees paid by Van Buren during FY12 (\$581,000) and the higher than expected working capital balance at the end of FY11 that will roll forward for availability in FY13.

Service charges and fees provide 80% of total resources for this fund.

Total Water and Sewer Operating Fund appropriations for FY13 total \$39.4 million compared to FY12 appropriations of \$38.6 million. The increase is due to the planned pay increases for FY13 (\$477,000), the addition of 1FTE, and the increased cost of fuel, chemicals and utilities.

The projected working capital at December 31, 2013, is \$7,295,916, which represents 28.9% of FY13 operating expenses. This exceeds the fiscal policy of a 15% reserve requirement.

## **SANITATION OPERATING FUND**

Total funding sources of the Sanitation Operating Fund amount to \$15.3 million for FY13 and is \$660,000 more than FY12. The increase is due to a one-time payment of landfill fees (\$1.4 million) from a wastewater project cleanup site. This was offset by an expected decrease in residential rates effective July 1, 2013 (\$152,000) and a lower working capital balance at the end of FY12 than anticipated.

Service charges and fees are the major funding sources for the Sanitation Operating Fund reflecting 88% of this total.

Appropriations for the Sanitation Operating Fund total \$13.1 million. This is an increase of \$1 million over the total FY12 appropriations. The increase is due to the planned pay increases for FY13 (\$181,000), additional state fees for waste disposal from the wastewater site (\$190,000), an additional transfer to the future landfill reserve (\$600,000), and an increase in the required depreciation reserve for the sanitation fleet and equipment (\$162,000).

The major appropriation of the Fund is operation services which comprise 80% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is \$2,231,016 and reflects 19.4% of FY13 operating expenses. This exceeds the policy goal of 15%.



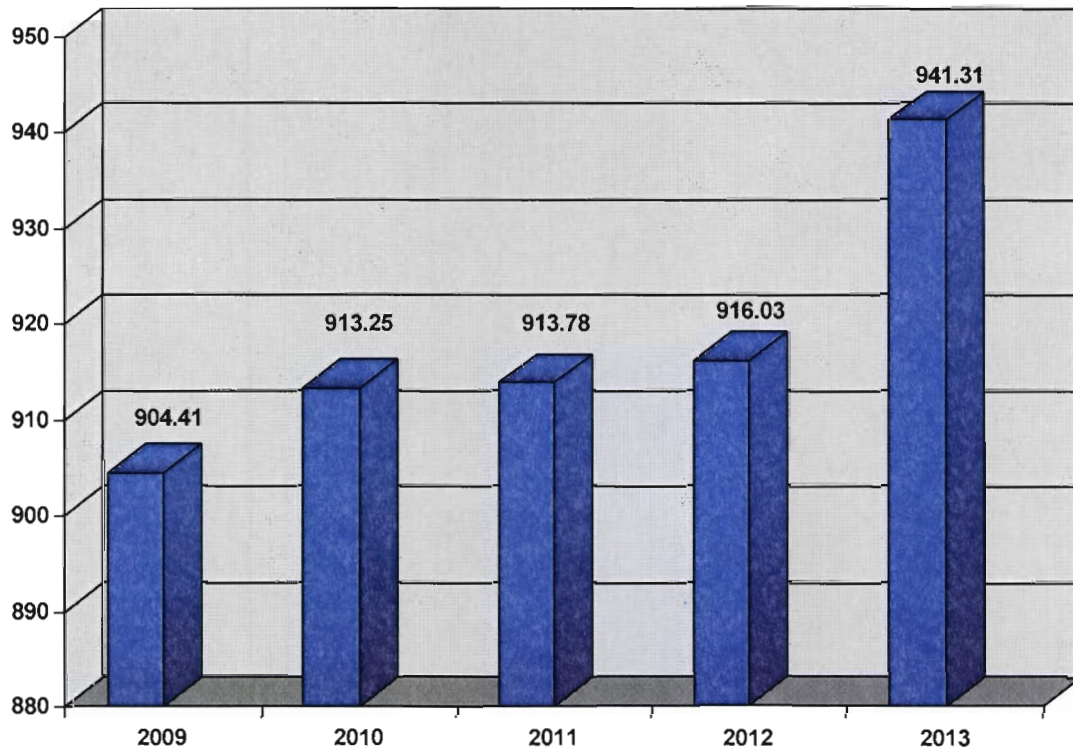
## PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY13 represent 50.4% of total operating funds appropriations compared to 51.6% for FY12.

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

## PERSONNEL AUTHORIZATIONS

### EMPLOYEES



### FISCAL YEAR BUDGET

The net change in personnel between 2012 estimated and 2013 is an increase of 25.28 FTE. The following chart reconciles the 2012 estimated positions to the total positions for 2013.

	Full Time	Part-Time/ Seasonal	Total FTE
2012 Estimated	871	45.03	916.03
Fire	11	0.00	11.00
Streets & Traffic Control	9	-0.72	8.28
Water & Sewer	1	0.00	1.00
Parks	2	4.00	6.00
Transit	-1	0.00	-1.00
2013 Budget	893	48.31	941.31



## CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY13 total \$107.7 million. Capital Improvements for the current fiscal year are provided by the six funds as indicated:

	Amount (Thousands)
Sales Tax Fund	\$ 38,301
Water and Sewer Capital Improvement Projects Fund	6,980
Sales & Use Tax Bond Construction Fund	58,736
Sanitary Landfill Construction & Sinking Fund	3,248
Parking Authority Convention Center	370 65
Total	<u>\$ 107,700</u>

More detailed information may be found in the Capital Improvement Section of this document.

## RETIREMENT PLANS

All uniformed police and fire personnel are members of the Arkansas Local Police and Fire Retirement System (LOPFI). The System is administered by the state. Contributions to the system are actuarially determined each year. The rates as a percentage of salary for active members in FY13 are 30.36% and 40.16% for police and fire personnel, respectively, as compared with FY12 rates of 28.74% and 40.68% for police and fire personnel, respectively. The contributions are high due to the amortization of the old police and fire pension funds. At the end of 2012, the remaining amortization period is 24 years. Approximately 63% of the contribution rates for police and fire personnel is allocated for the amortization of the old plans. A special revenue fund entitled Arkansas LOPFI Contribution Fund accounts for these members participation.

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

Benefit payments and retirement contributions for LOPFI for FY13 are estimated at \$7.7 million as compared to \$7.1 million for FY12. The increase is attributable to the planned pay increases for FY13. These costs are currently paid for by state insurance turnback, ad valorem taxes at one mill each for police and fire, and employee contributions. Beginning October 1, 2012, the city is making direct contributions to the Arkansas LOPFI funds for the personnel hired with the SAFER grant and the 1/8% sales tax revenue. For FY13, this totals \$355,560. If the General Fund had to make direct contributions for LOPFI members, the employer amounts would be:

<u>FY13</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Employer Cost	\$2,631,830	\$3,661,210	\$6,293,040
Actual Direct Contribution	<u>0</u>	<u>355,560</u>	<u>355,560</u>
Amount of Employer Contributions Paid by Special Revenues	<u>\$2,631,830</u>	<u>\$3,305,650</u>	<u>\$5,937,480</u>

The District Court Judges and the District Court Clerk are members of the Arkansas Judges Retirement System and the Arkansas Public Employees Retirement System, respectively. These plans are administered by the state. During 2007, the City entered into an agreement with the state whereby the judges became state employees and the City contributes one-half of the judges' salaries to the state. Therefore, all fringe benefits for the judges are paid by the state including retirement contributions. All three (3) judges are state employees for FY13. The current employer contribution rate for the court clerk is 14.88%. The FY13 contribution for the court clerk will be made from reserved funds remaining from the closed Municipal Judge and Court Clerk's Retirement System which was maintained as a pension trust fund in the past. There is currently one retiree receiving benefits.

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

## **BONDED INDEBTEDNESS**

The City has seven bond issues outstanding in 2013. A brief explanation of how each issue relates to the budget is as follows:

### **1 Water and Sewer Revenue Construction Bonds- Series 2005B-**

These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides for transfers to meet the debt service requirements of the bonds. The bonds were issued to provide financing for purchase of a portion of the South Sebastian Users Association transmission lines and extending services to the area, construction of an elevated storage tank in the Howard Hill area, installation of a 12" water line along Highway 45 West, and repainting the Wildcat Mountain storage tank. The original issue was \$7.23 million. The FY13 appropriation of \$834,460 will cover the required principal and interest payments due during the fiscal period. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service in FY13.

### **2 Water and Sewer Revenue Construction Bonds- Series 2007-**

These bonds are secured by the water and sewer operating revenues as described in the bond covenants. These revenues are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides for transfers to meet the annual debt service requirements. The original issue was \$24.47 million. The purposes of the bonds are to fund the new sewer pump stations, sewer extensions in the southern growth area of the City, the Mountainburg water treatment plant rehabilitation and expansion, Midland Boulevard water transmission line replacement, neighborhood water line replacements, new water transmission line from Mountainburg to the City, water storage tank painting, Lee Creek water treatment plant instrumentation, and water transmission system metering. The FY13 appropriation of \$1,888,100 will provide the required debt service during FY13. The Water and Sewer Operating Fund should have sufficient revenues to meet this requirement in FY13.

### **3 Water and Sewer Revenue Refunding and Construction Bonds- Series 2008-**

These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to provide financing for the advance refunding of the series 2002A Bonds, for sewer extensions in the growth areas of the city, the Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacement, and the Howard Hill elevated water storage tank. The original principal issued was \$117.42 million. The FY13 appropriation of \$6,918,000 will cover the required debt service payments during 2013. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service for FY13.

#### **4 Water and Sewer Revenue Refunding Bonds-Series 2011**

These bonds are secured by the rates of the water and sewer system that are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to refund the series 2002B and 2002C water and sewer revenue bonds. The original principal issued was \$18.92 million. The FY13 appropriation of \$1,811,000 will cover the required debt service payments during 2013. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY13.

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

These bonds are secured by the rates of the water and sewer system that are reported in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to refund the Series 2005A water and sewer refunding revenue bonds. The original principal issued was \$13.25 million. The FY13 appropriation of \$2,148,100 will cover the required debt service payments during 2013. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY13.

#### **6 Parking Facilities Revenue Construction and Refunding Bonds - Series 1998**

These bonds were issued to refund the Series 1991 Bonds and to provide construction of additional off-street parking sites in relation to the convention center and riverfront park improvements in the downtown area. The aggregate principal of the bonds was \$2,025,000. The bonds are secured by revenues of the system including parking meter revenues. The FY13 debt service requirement is \$138,300. Parking deck and parking meter revenues should be sufficient in FY13 to meet this required payment.

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

These bonds are secured by a special 3/4% local sales and use tax. The 2012 Bonds were issued in the amount of \$110.66 million in May 2012. The bonds were issued to redeem the outstanding Sales and Use Tax Bonds, Series 2006, 2008 and 2009, to provide fire facilities and apparatus, to provide the city's share of funding a city/county water park, wastewater improvements, and water improvements. Sales tax revenue is estimated to be \$15.2 million for this purpose in FY13. Current year revenues and prior year carry over will be sufficient to pay the required debt service of \$14 million as well as call an additional \$3 million in bonds during FY13.

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

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## **BUDGET SUMMARIES - ALL FUNDS**

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

A comparative summary for FY11 Actual, FY12 Budget, FY12 Estimated and FY13 Budget is provided on a consolidated basis with interfund transfers included. A combined summary with more detailed revenue sources for FY10 Actual, FY11 Actual, FY12 Budget, FY12 Estimated and FY13 is included. A schedule of beginning and ending balances/working capital for all fund types for FY13 Budget is provided. Major revenue analyses are included in this section. Also included are individual fund statements for FY13 Budget.

**City of Fort Smith  
FY13  
Comparative Summary - All Funds**

	<u>Actual FY11</u>	<u>Budget FY12</u>	<u>Estimated FY12</u>	<u>Budget FY13</u>
<b>Revenues</b>				
Intergovernmental	\$ 11,353,296	\$ 12,592,753	\$ 11,281,089	\$ 15,744,098
Taxes and Assessments	72,591,692	72,971,322	73,894,422	75,004,356
Licenses and Permits	1,628,157	1,370,000	1,560,702	1,475,000
Court Fines and Forfeitures	2,356,809	2,184,000	2,251,786	2,258,000
Service Charges and Fees	63,571,168	60,412,400	60,963,844	62,195,658
Interest	35,255	77,575	75,737	74,152
Contributions	1,345,283	1,584,010	1,555,677	2,408,770
Bond Proceeds (Note 3)	40,764	106,000,000	72,934,621	0
Miscellaneous	2,835,309	1,365,954	1,812,708	1,305,663
Transfers In	20,770,482	19,843,335	19,375,206	19,260,151
<b>Total</b>	<u>\$ 176,528,215</u>	<u>\$ 278,401,349</u>	<u>\$ 245,705,792</u>	<u>\$ 179,725,848</u>
<b>Expenditures/Expenses</b>				
Operating	\$ 94,873,836	\$ 98,968,908	\$ 96,424,427	\$ 110,104,611
Capital Improvements	55,059,959	66,661,252	39,507,552	107,700,223
Community Assistance (Note 1)	2,690,663	1,870,539	1,522,120	1,500,000
Debt Service	35,806,636	34,642,150	34,100,788	30,823,096
Pension Benefits/Retirement Contributions	6,388,626	6,445,200	7,116,404	7,679,820
Health Insurance and Workers' Compensation Claims	8,895,020	8,995,000	9,585,562	9,458,950
Other (Note 2)	3,722,186	3,885,920	3,926,898	4,179,370
<b>Total</b>	<u>\$ 207,436,926</u>	<u>\$ 221,468,969</u>	<u>\$ 192,183,751</u>	<u>\$ 271,446,070</u>
Excess (Deficiency) Revenues Over (Under) Expenditures/Expenses	\$ (30,908,711)	\$ 56,932,380	\$ 53,522,041	\$ (91,720,222)
Fund Balance/Working Capital Beginning of Year	130,719,051	85,422,599	99,810,340	153,332,381
<b>Fund Balance/Working Capital End of Year</b>	<u>\$ 99,810,340</u>	<u>\$ 142,354,979</u>	<u>\$ 153,332,381</u>	<u>\$ 61,612,159</u>

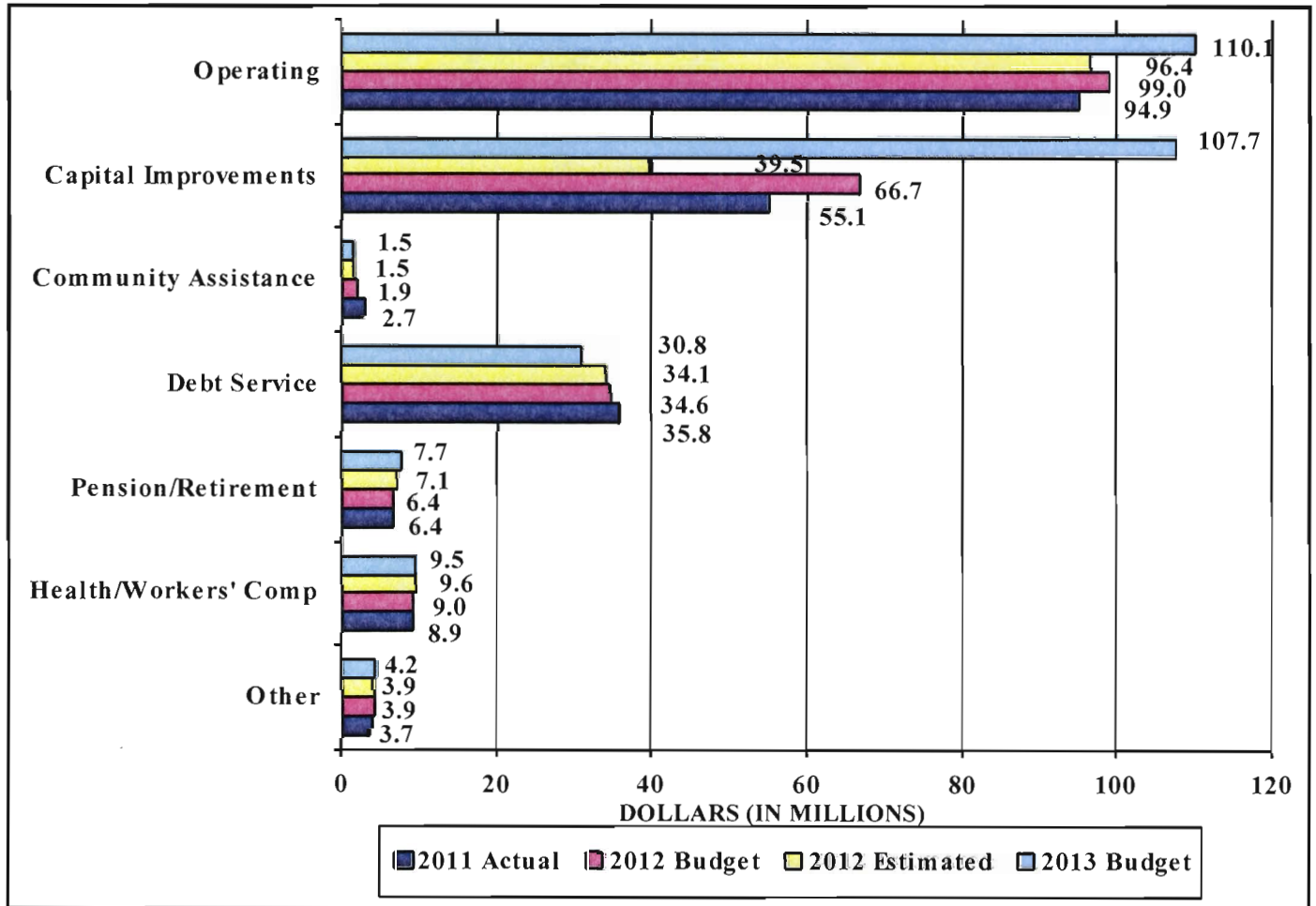
**Note 1:** Community Assistance includes the CDBG and HOME program as well as the historic preservation, federal transportation, and drug enforcement grant activity of the Special Grants Fund. Amounts for 2013 are: CDBG and HOME \$1,050,000; Special Grants \$450,000.

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

**Note 3:** The bond proceeds for FY11 actual were from closure of a small remaining balance; and, for the FY12 Budget and Estimated are the 2012 Sales & Use Tax Construction Bonds issued in May 2012.

# Comparative Summary - All Funds

## Expenditure/Expense



**City of Fort Smith  
FY13  
Fund List Summary**

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
<b>General</b>	\$ 6,897,451	\$ 46,564,524	\$ 49,907,869	\$ 3,554,106
<b>Special Revenue Funds:</b>				
Street Maintenance	1,905,949	6,743,564	7,776,100	873,413
Sales Tax	20,522,131	24,749,021	38,301,550	6,969,602
Community Development				
Block Grant	4,128	750,100	750,000	4,228
HOME Investment Partnership Act	-	300,000	300,000	-
Special Grants	115,268	410,400	450,000	75,668
Tilles Park	10,248	410	-	10,658
Advertising and Promotion	204,315	803,889	810,640	197,564
Arkansas LOPFI Contribution	8,449,024	5,976,104	7,679,820	6,745,308
Convention Center	407,118	1,393,850	1,498,950	302,018
Sub-Total	<u>31,618,181</u>	<u>41,127,338</u>	<u>57,567,060</u>	<u>15,178,459</u>
<b>Debt Service Fund:</b>				
Sales & Use Tax Bonds	<u>11,019,055</u>	<u>15,152,847</u>	<u>17,034,536</u>	<u>9,137,366</u>
<b>Capital Projects Funds:</b>				
Sales & Use Tax Construction	<u>69,411,592</u>	<u>25,000</u>	<u>58,735,733</u>	<u>10,700,859</u>
<b>Enterprise Funds:</b>				
Water and Sewer	24,258,335	51,415,428	59,995,151	15,678,612
Sanitation	8,157,042	15,356,321	16,989,131	6,524,232
Parking Authority	568,828	435,400	727,640	276,588
Sub-Total	<u>32,984,205</u>	<u>67,207,149</u>	<u>77,711,922</u>	<u>22,479,432</u>
<b>Internal Service Funds:</b>				
Working Capital	32,058	1,010,000	1,030,000	12,058
Employee Health & Wellness	881,374	7,856,450	8,380,800	357,024
Workers' Compensation	488,465	782,540	1,078,150	192,855
Sub-Total	<u>1,401,897</u>	<u>9,648,990</u>	<u>10,488,950</u>	<u>561,937</u>
<b>Total</b>	153,332,381	179,725,848	271,446,070	61,612,159
Interfund Transfers	-	(19,260,151)	(19,260,151)	-
<b>Adjusted Total</b>	<u>\$ 153,332,381</u>	<u>\$ 160,465,697</u>	<u>\$ 252,185,919</u>	<u>\$ 61,612,159</u>



City of Fort Smith  
 FY13  
 Comparative Summary with Detail Revenue Categories - All Funds

	Actual FY10	Actual FY11	Budget FY12	Estimated FY12	Budget FY13
<b>Revenues</b>					
<b>Intergovernmental</b>					
Federal	\$ 4,668,124	\$ 5,150,477	\$ 6,033,681	\$ 4,715,237	\$ 8,203,199
State	7,343,884	6,188,726	6,554,272	6,551,794	7,530,899
Local	6,851	14,093	4,800	14,058	10,000
<b>Taxes and Assessments</b>					
Ad Valorem	11,105,733	11,458,396	12,127,596	11,761,740	11,997,014
Franchise	6,492,100	6,571,993	6,191,500	6,059,139	6,119,730
Sales Tax - City	37,199,454	38,683,520	38,461,396	39,807,544	40,404,658
Sales Tax - County	14,892,017	15,155,032	15,257,500	15,471,768	15,665,165
Hotel/Motel Tax	678,718	710,400	738,330	769,231	800,789
Other	152,710	12,351	195,000	25,000	17,000
Licenses and Permits	1,343,739	1,628,157	1,370,000	1,560,702	1,475,000
Court Fines and Forfeitures	2,299,274	2,356,809	2,184,000	2,251,786	2,258,000
<b>Service Charges and Fees</b>					
Water & Sewer	38,509,851	40,818,042	38,610,050	38,949,445	37,737,268
Sanitation	13,246,801	12,337,186	12,345,000	12,313,828	13,529,200
General Fund	1,283,723	708,164	660,000	662,325	681,250
Internal Service	8,666,990	9,042,838	8,008,750	8,280,627	9,446,440
Convention Center	0	481,458	600,000	575,500	616,500
Parking Operations	189,286	183,480	188,600	182,119	185,000
Interest	265,229	35,255	77,575	75,737	74,152
Contributions	1,342,500	1,345,283	1,584,010	1,555,677	2,408,770
Bond Proceeds	3,595,000	40,764	106,000,000	72,934,621	0
Miscellaneous	1,484,555	2,835,309	1,365,954	1,812,708	1,305,663
Transfers In	25,692,914	20,770,482	19,843,335	19,375,206	19,260,151
<b>Total</b>	<b>\$ 180,459,453</b>	<b>\$ 176,528,215</b>	<b>\$ 278,401,349</b>	<b>\$ 245,705,792</b>	<b>\$ 179,725,848</b>
<b>Expenditures/Expenses</b>					
Operating	\$ 99,324,458	\$ 94,873,836	\$ 98,968,908	\$ 96,424,427	\$ 110,104,611
Capital Improvements	71,975,918	55,059,959	66,661,252	39,507,552	107,700,223
Community Assistance	2,692,635	2,690,663	1,870,539	1,522,120	1,500,000
Debt Service	39,252,841	35,806,636	34,642,150	34,100,788	30,823,096
Pension Benefits/Retirement					
Contributions	6,203,014	6,388,626	6,445,200	7,116,404	7,679,820
Health Insurance and Workers'					
Compensation Claims	8,982,407	8,895,020	8,995,000	9,585,562	9,458,950
Other	3,477,184	3,722,186	3,885,920	3,926,898	4,179,370
<b>Total</b>	<b>\$ 231,908,457</b>	<b>\$ 207,436,926</b>	<b>\$ 221,468,969</b>	<b>\$ 192,183,751</b>	<b>\$ 271,446,070</b>
<b>Excess (Deficiency) Revenues</b>					
Over (Under) Expenditures/Expenses	\$ (51,449,004)	\$ (30,908,711)	\$ 56,932,380	\$ 53,522,041	\$ (91,720,222)
<b>Fund Balance/Working Capital</b>					
Beginning of Year	182,168,055	130,719,051	85,422,599	99,810,340	153,332,381
<b>Fund Balance/Working Capital</b>					
<b>End of Year</b>	<b>\$ 130,719,051</b>	<b>\$ 99,810,340</b>	<b>\$ 142,354,979</b>	<b>\$ 153,332,381</b>	<b>\$ 61,612,159</b>

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

## Major Revenue Analyses-2013 Budget

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

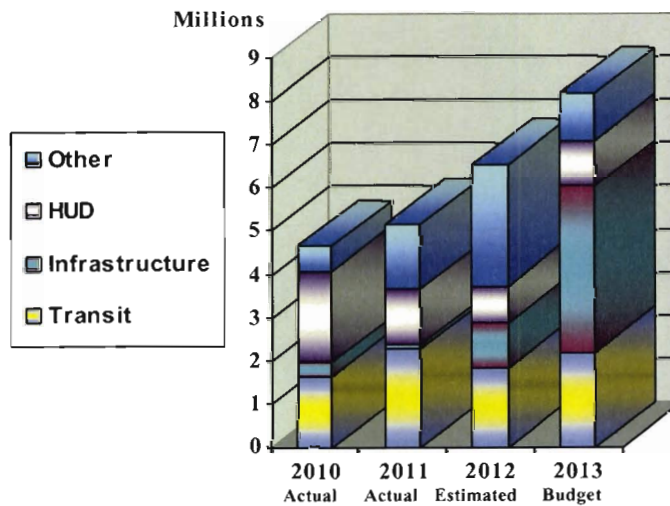
### Intergovernmental

#### Federal-

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

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

	Transit	Infrastructure Projects	HUD	Other	Total
2010 Actual	1,665,102	326,338	2,112,084	564,600	4,668,124
2011 Actual	2,289,807	83,565	1,309,586	1,467,519	5,150,477
2012 Est.	1,837,340	1,033,815	881,923	2,798,716	6,551,794
2013 Budget	2,212,691	3,870,000	1,050,000	1,070,508	8,203,199



2013 Revenue Estimates- The increase in 2013 is due to the DOT funding of \$3.5 million for the Jenny Lind road project. Also, the transit reimbursement is expected to increase between years due to some capital projects that will be reimbursed at 90% and 100% of total rather than 80% of total. These increases are offset by the \$1.7 million decrease in other grants as most of the ARRA funds for energy efficiency were received during 2012.

#### State-

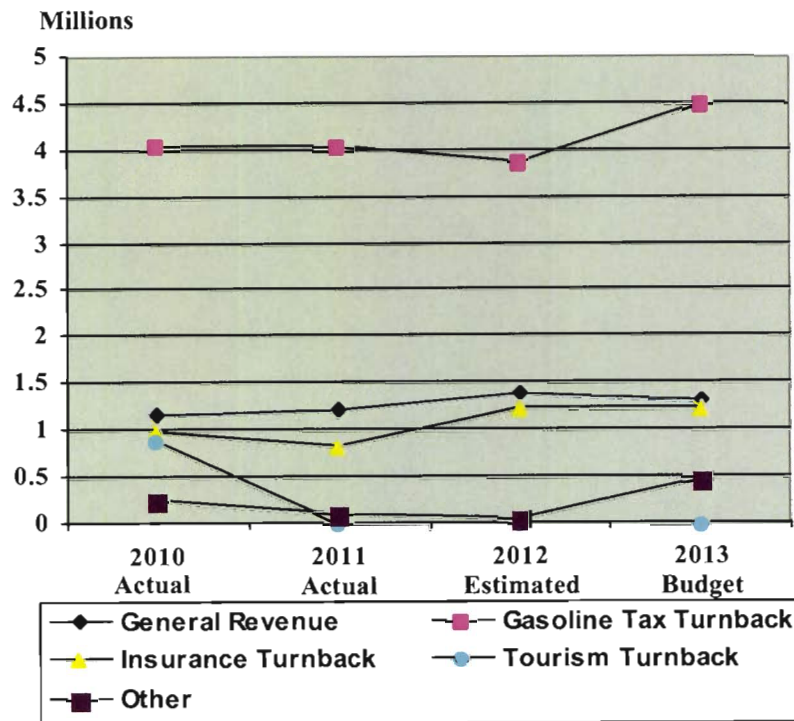
Revenue Description- state aid in the form of turnbacks from state tax levies, grants and special appropriations. The most significant state provided revenue is the gasoline tax turnback which is accounted for in the Street Maintenance Fund, the general revenue turnback, the insurance turnback for the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

**State (continued)-**

for the Convention Center Fund. The last receipt of the special turnback for the Convention Center occurred in June 2010. Beginning in July 2013, the City will receive a share of the newly approved ½% state sales tax for highways.

Revenue History- state funding represents an average of 3.6% of total revenues. However, the gasoline tax turnback represents an average of 64% of the Street Maintenance Fund annual revenue and the insurance turnback represents 20% of the Arkansas LOPFI Contribution Fund Revenue.

	General Revenue Turnback	Gasoline Tax/Hwy.Sales Tax Turnback	Insurance Turnback	Tourism Turnback	Other	Total
2010 Actual	1,161,147	4,052,226	986,895	888,273	255,343	7,343,884
2011 Actual	1,196,050	4,045,511	838,251	-	108,914	6,188,726
2012 Est.	1,392,275	3,866,474	1,238,324	-	54,721	6,551,794
2013 Budget	1,296,328	4,506,474	1,240,000	-	488,097	7,530,899



2013 Revenue Estimates- the amount of general revenue turnback, gasoline tax turnback, and the highway sales tax turnback is allocated on a per capita basis with annual estimates provided by the Arkansas Municipal League (AML). Beginning in July 2013, the City is estimated to receive \$640,000 in state highway sales tax turnback. In future years, the estimate will approximate \$1.5 million. The state amended the formula for distribution of insurance turnback for police and fire retirement that benefits the city. The City tourism turnback for 2010 of \$888,723 signified the end of state authorization for this turnback and is the reason for the decrease between 2010, 2011 and 2012. Other state revenue includes the recognition of Act 833 fire funds that are restricted for fire safety purposes. In 2013, approximately \$438,000 will be included in General Fund revenue to support the new fire training facility. In future years, the annual amount will approximate \$80,000.

**Taxes and Assessments:**

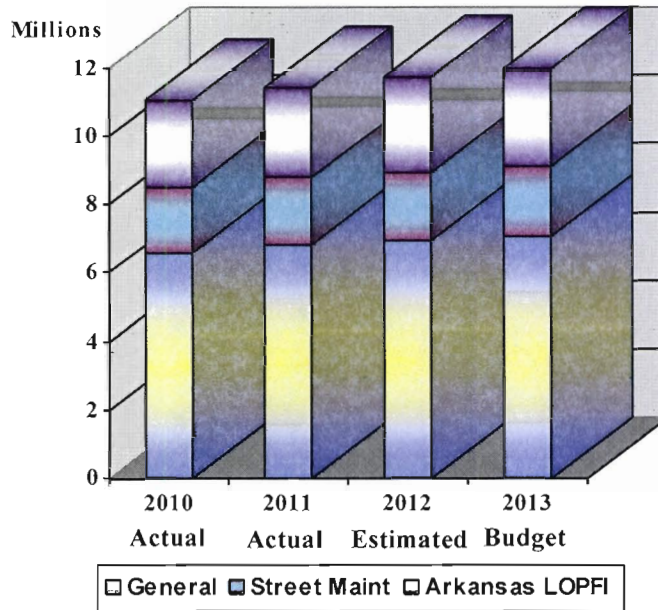
Ad Valorem-

Revenue Description- taxes upon the assessed value of taxable real and personal property as authorized by Sebastian County. The City levies 5 mills (.005) for the City's General Fund which is the maximum allowed by state law and 2 mills (.002) for the police and fire pension fund contributions. In accordance with state law, the City receives one-half of the county's three mills or 1.5 mills for the Street Maintenance Fund.

Revenue History- the City's share of ad valorem taxes totals 8.5 mills for the four years presented. Sebastian County is the assessment, bill and collection agency for all taxing entities. The property tax levy for the past five years is presented in graphic form on page 205 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 6% of total City revenues. The revenue for the three funds which receive property tax revenue since 2010 is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2010 Actual	6,604,632	1,927,607	2,573,494	11,105,733
2011 Actual	6,815,325	1,989,709	2,653,362	11,458,396
2012 Est.	6,951,600	2,029,500	2,780,640	11,761,740
2013 Budget	7,090,660	2,070,090	2,836,264	11,997,014



2013 Revenue Estimate-ad valorem taxes are expected to increase by approximately \$235,000 or 2% for 2013 due to expected growth in city property values.

Franchise Fees-

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

Revenue History- the two electric utilities and the gas utility gross revenues are directly related to rate adjustments and weather fluctuations. Franchise fees represent an average of 3.3% of total City revenues and an average 15.2% of total General Fund revenue.

	2010	2011	2012	2013
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Budget</u>
Electric	3,906,365	4,042,194	3,865,036	3,908,597
Gas	1,612,758	1,558,712	1,235,200	1,247,677
Cable	654,598	663,770	662,539	669,231
Telephone	308,454	294,317	283,214	664,231
Other	<u>9,925</u>	<u>13,000</u>	<u>13,150</u>	<u>10,150</u>
	<u>6,492,100</u>	<u>6,571,993</u>	<u>6,059,139</u>	<u>6,119,730</u>

2013 Revenue Estimate- franchise fees are anticipated to increase by approximately \$61,000 or 1% from 2012 estimated revenue. The increase is due to a slight increase in electric usage in 2013.

#### City Sales Taxes-

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

Revenue History- 1% of the City's local sales and use tax is dedicated for streets, bridges and associated drainage projects. The revenue is accounted for in the Sales Tax Fund and the tax has been in place since 1985. A 1% City sales and use tax is split between redemption of the 2012 sales and use tax bonds and for operating costs in the fire and parks departments in the General Fund. Beginning October 1, 2012, 3/4% of the tax is dedicated to the redemption of the 2012 Sales and Use Tax Bonds that were issued for a new fire station, existing fire station improvements and fire apparatus; an aquatic park facility in conjunction with Sebastian County; water improvements including the Lake Fort Smith 48" water transmission line; wastewater improvements including wet weather improvements in accordance with the EPA administrative order; and for refunding the remaining 2006, 2008 and 2009 Sales and Use Tax Bonds. The remaining 1/4% sales tax will be in place for 10 years to provide operations and capital purchases for the fire department and parks department. A form of this tax has been in place since 1997.

	<u>General Fund</u>	<u>Street Sales Tax Fund</u>	<u>Sales &amp; Use Tax Bond Fund</u>	<u>Total</u>
2010 Actual	-	18,599,727	18,599,727	37,199,454
2011 Actual	-	19,341,760	19,341,760	38,683,520
2012 Estimated	829,324	19,903,772	19,074,448	39,807,544
2013 Budget	5,050,582	20,202,329	15,151,747	40,404,658

2013 Revenue Estimate- City sales and use tax revenue is projected to increase 1.5% between years. The state, as collection agent, does not provide the City any information as to the various commodities which generate the tax, therefore, there are little forecasting techniques which would provide a trend analysis other than historical revenue.

#### County Sales Tax-

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



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

Actual 2010	14,892,017
Actual 2011	15,155,032
Estimated 2012	15,471,768
Budget 2013	15,665,165

2013 Estimated Revenue- the county sales tax is expected to increase 1.25% over 2012. As in the case of the City's sales tax levies, the state does not provide any trend information for this revenue source.

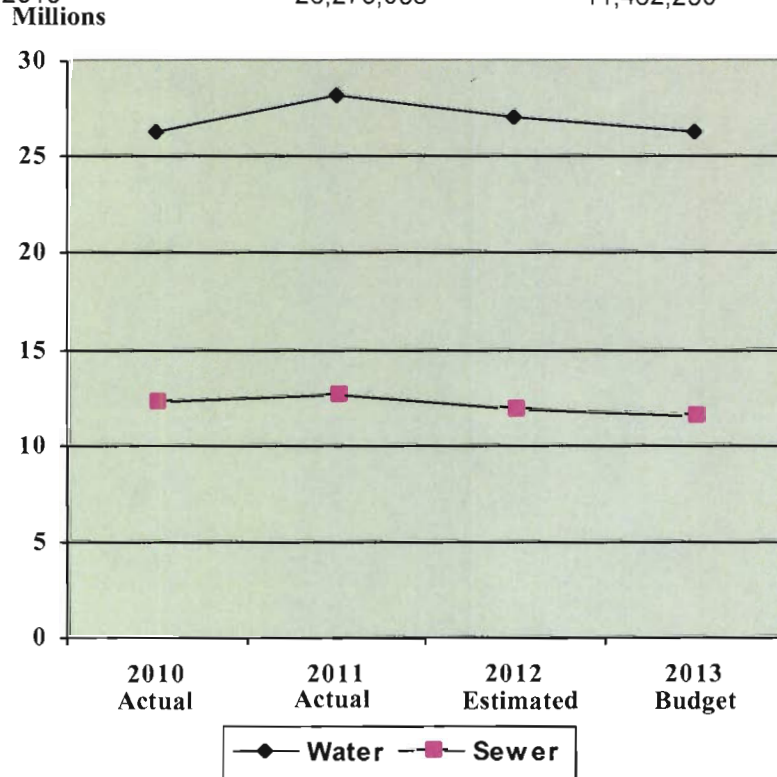
**Service Charges and Fees:**

**Water and Sewer-**

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

Revenue History- usage fluctuates due to winter and summer weather patterns. Rate increases for both water and sewer services are periodically increased by the Board. The most recent rate increases for water and sewer services became effective January 1, 2011 to fund operating expenses, and maintain adequate debt service coverage. There is also a temporary sewer rate increase that became effective July 1, 2009 to provide interim funding for the 2009 Sales and Use Tax Bonds. This temporary sewer rate increase was removed in July 2012. Combined water and sewer service charges and fees represent an average 20% of total city revenue.

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Actual 2010	26,315,877	12,193,974	38,509,851
Actual 2011	28,187,029	12,631,013	40,818,042
Estimated 2012	27,028,602	11,920,843	38,949,445
Budget 2013	26,275,038	11,462,230	37,737,268



2013 Revenue Estimate- The increases between 2010 and 2011 were a result of the rate increases that became effective January 1, 2011. Consumption also increased between 2010 and 2011 due to the extremely hot summer. Estimated 2012 revenue is 4.6% less than 2011 due to a less extreme weather pattern during 2012. The 2013 revenue is expected to decline 3.1% due to an expected normal weather pattern and a full year of discontinuing the temporary sewer rate increase.

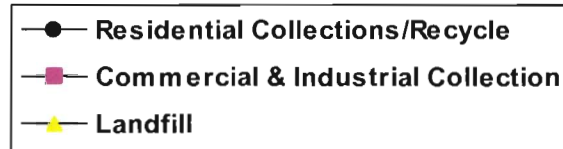
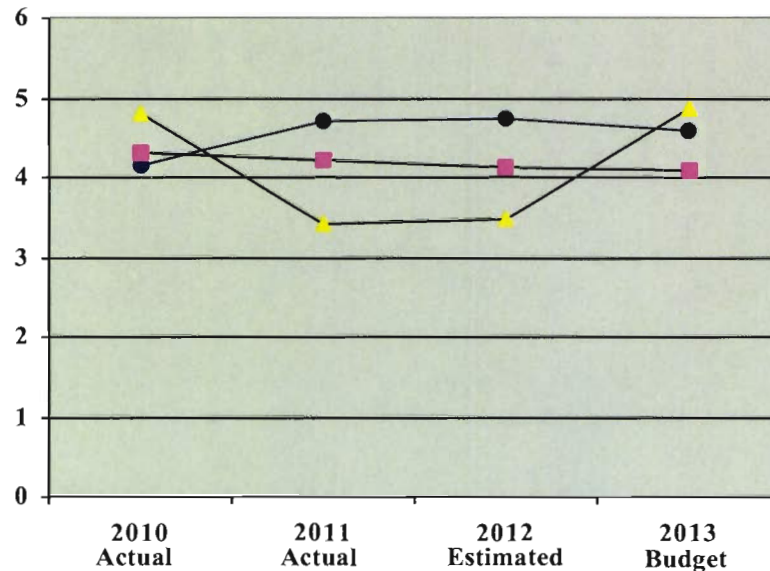
Sanitation-

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

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

	<u>Residential Collection/ Recycling</u>	<u>Commercial/ Industrial Collection</u>	<u>Landfill</u>	<u>Total</u>
Actual 2010	4,150,976	4,303,264	4,792,561	13,246,801
Actual 2011	4,720,097	4,203,757	3,413,332	12,337,186
Estimated 2012	4,731,324	4,113,190	3,469,314	12,313,828
Budget 2013	4,579,200	4,100,000	4,850,000	13,529,200

Millions



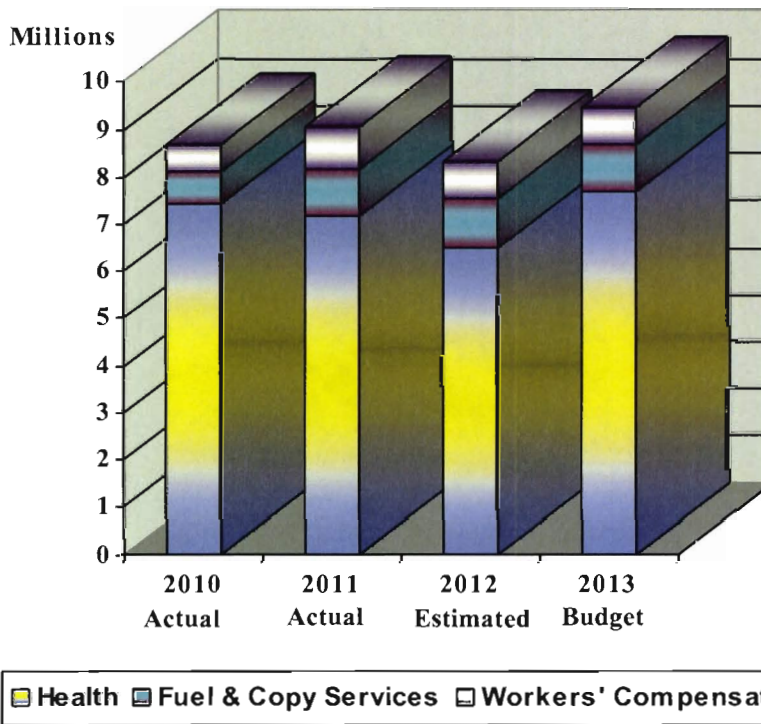
2013 Revenue Estimates- The 2013 budget does not include any rate increases. However, the 2013 budget does anticipate a rate reduction of approximately 7.7% in residential collections beginning July 1, 2013. Commercial collections are expected to be stable between years. The 2013 landfill revenue anticipates \$1.4 million additional waste disposal fees from the Zero Street pump station site remediation.

Internal Service Operations-

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

Revenue History- the cost to provide employee life, medical, and dental insurance has fluctuated from 2010-2013. Wellness programs as well as restructuring copayments and deductibles have allowed the health plan costs to remain manageable over the four years presented. Fuel and copy charges fluctuated during 2011 due to increased crude oil and subsequent gasoline price costs. The cost to provide workers' compensation claims to employees increased by 71% between 2010 and 2011 due to claims experience.

	<u>Health &amp; Welfare</u>	<u>Fuel &amp; Copy Services</u>	<u>Workers' Compensation</u>	<u>Total</u>
Actual 2010	7,394,859	674,940	597,191	8,666,990
Actual 2011	7,180,138	982,575	880,125	9,042,838
Estimated 2012	6,485,975	1,022,832	771,820	8,280,627
Budget 2013	7,654,650	1,010,000	781,790	9,446,440



2013 Revenue Estimate- The city contribution to the Employee Health and Wellness Fund is expected to increase by 18% due to the fact that there is no longer a surplus in the ending working capital balance as of December 31, 2012. The excess balance was used to reduce costs in 2011 and 2012. The city contribution to the Workers' Compensation Fund is expected to remain stable between 2012 and 2013. Fuel and copy services should remain stable between years.



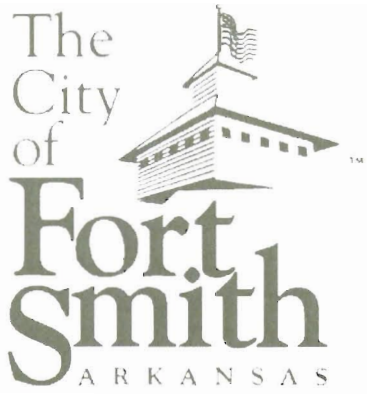
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## City of Fort Smith Financial Structure

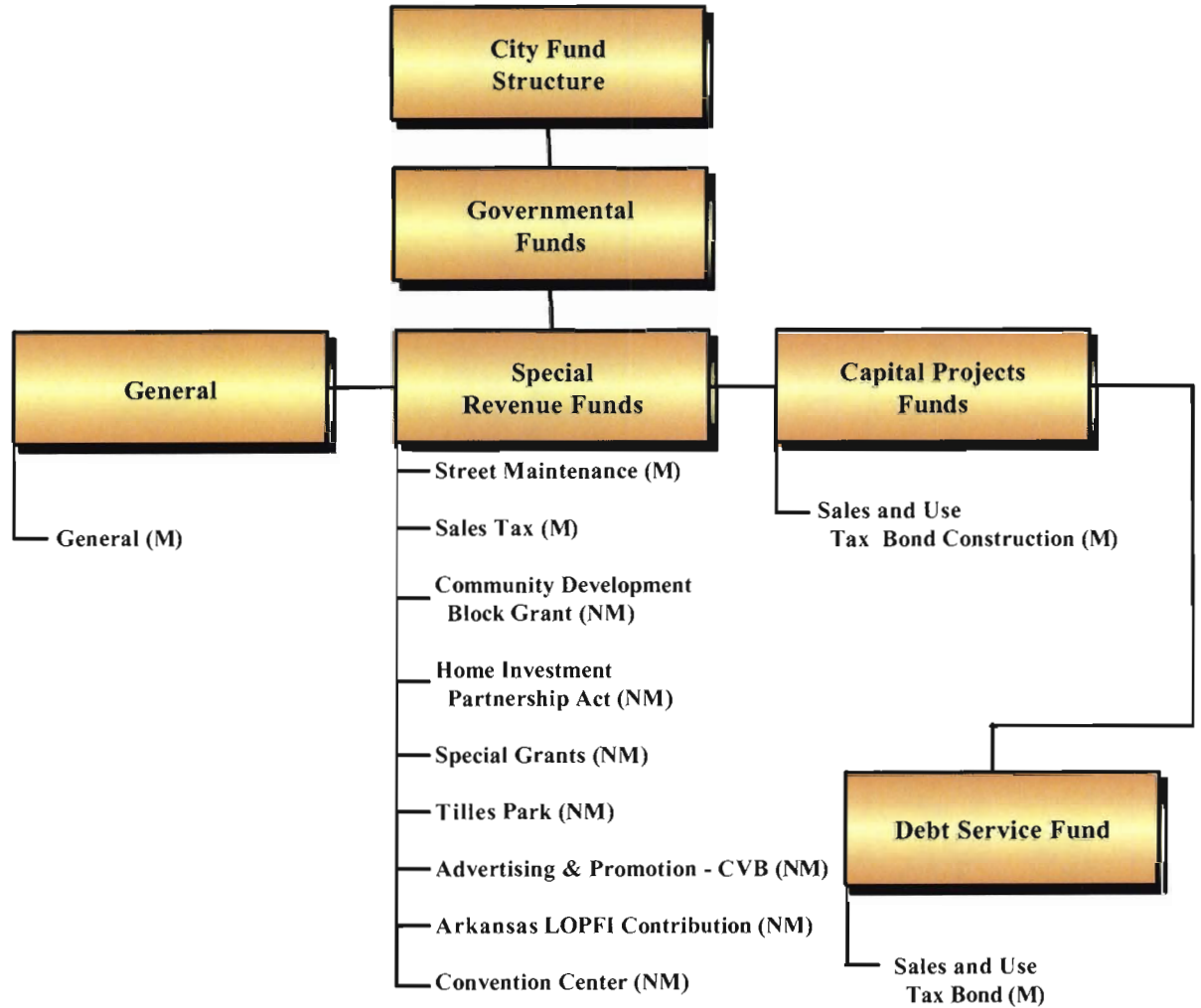
The City provides the full range of municipal services as provided by the City Charter. These include public safety, water, sewer, sanitation, public transportation, parking, public improvements, recreational and general administrative services.

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

The charts, on pages 48 and 49, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2013 Budget for each individual fund by fund type is presented.

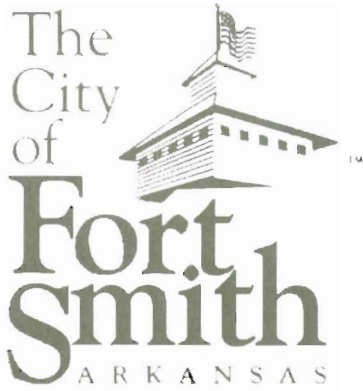


# City of Fort Smith, Arkansas Chart of Fund Types



**(M) - Major Fund**

**(NM) - Non-major Fund**



# City of Fort Smith, Arkansas Chart of Fund Types



## Definition of Fund Types and Individual Funds

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

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

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

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

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

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

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

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

Advertising and Promotion Fund- CVB- A special revenue fund to account for the proceeds of a three percent hotel/motel tax. Revenue derived from the tax is to be used for tourism development and promotion of Fort Smith. The Advertising and Promotion Commission governs this fund and the operation of the convention and visitors buread (CVB).

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

Convention Center Fund- A special revenue fund to account for the operations of the Convention Center. Revenue is provided by rental revenues from operations and a subsidy from the city's general fund. The City and the Advertising and Promotion Commission entered into an agreement whereby the A&P Commission manages the convention center.

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

Sales and Use Tax Bond Fund- A debt service fund to account for the City's special assessment of a three quarters percent (3/4%) sales and use tax for the repayment of the 2012 bonds, The 2012 bonds were issued to refund outstanding sales and use tax bonds 2006, 2008 and 2009 an dprovide construction funds for fire facilities and apparatus, a water park, wastewater improvements and water improvements.

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

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

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

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

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

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

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

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

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

Water and Sewer Bond Fund - An enterprise fund to account for the repayment of bonds for the Water and Sewer Revenue Refunding Bonds, Series 2005A, Water and Sewer Revenue Construction Bonds, Series 2005B, Water and Sewer Revenue Construction Bonds, Series 2007, Water and Sewer Refunding and Construction Bonds, Series 2008, and Water and Sewer Revenue Refunding Bonds, Series 2011.

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

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

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

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

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

**2013 Individual Fund Budgets-  
General Fund**

**Revenues**

Intergovernmental	\$ 4,667,624
Taxes and Assessments	33,943,137
Court Fines and Forfeitures	1,315,000
Licenses and Permits	2,110,000
Service Charges and Fees	681,250
Miscellaneous	987,163
Interest	5,000
Transfers In	<u>2,855,350</u>
 Total	 <u>\$ 46,564,524</u>

**Expenditures**

Operating:	
Policy and Administration Services	\$ 2,878,998
Management Services	2,630,293
Development Services	2,880,381
Police Services	16,893,690
Fire Services	13,886,200
Operation Services	8,029,018
Non-Departmental	<u>2,709,289</u>
 Total	 <u>\$ 49,907,869</u>

Excess (Deficiency) Revenues Over Expenditures	\$ (3,343,345)
 Fund Balance, Beginning of Year	 <u>6,897,451</u>
 <b>Fund Balance, End of Year</b>	 <u><u>\$ 3,554,106</u></u>



## Special Revenue Fund

	Street	Sales Tax	Community Development Block Grant	Home Investment Partnership Act
<b>Revenues</b>				
Intergovernmental -				
State Turnback	\$ 4,506,474	\$ 0	\$ 0	\$ 0
Federal Grant	0	3,870,000	750,000	300,000
State Grant	0	0	0	0
Local Grant	0	0	0	0
Taxes and Assessments -				
Ad Valorem Tax	2,070,090	0	0	0
Sales Tax	0	20,202,329	0	0
Hotel/Motel Tax	0	0	0	0
Licenses and Permits	160,000	0	0	0
Court Fines and Forfeitures	0	0	0	0
Service Charges & Fees	0	0	0	0
Interest	2,000	11,662	100	0
Contributions	0	663,030	0	0
Miscellaneous	5,000	2,000	0	0
Transfers In	0	0	0	0
<b>Total</b>	<b>\$ 6,743,564</b>	<b>\$ 24,749,021</b>	<b>\$ 750,100</b>	<b>\$ 300,000</b>
<b>Expenditures</b>				
Operating	\$ 7,776,100	\$ 0	\$ 0	\$ 0
Capital Improvements	0	38,301,550	0	0
Community Assistance -				
Development Services	0	0	308,410	0
Police Services	0	0	0	0
Public Works and Community				
Service Projects	0	0	191,590	0
Housing Assistance	0	0	250,000	300,000
Pension Benefits/Retirement Cont.	0	0	0	0
Other (Note 1)	0	0	0	0
<b>Total</b>	<b>\$ 7,776,100</b>	<b>\$ 38,301,550</b>	<b>\$ 750,000</b>	<b>\$ 300,000</b>
Excess (Deficiency) Revenues Over (Under) Expenditures	\$ (1,032,536)	\$ (13,552,529)	\$ 100	\$ 0
Fund Balance, Beginning of Year	1,905,949	20,522,131	4,128	0
<b>Fund Balance, End of Year</b>	<b>\$ 873,413</b>	<b>\$ 6,969,602</b>	<b>\$ 4,228</b>	<b>\$ 0</b>

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

Special Grants	Tilles Park	A&P CVB	Arkansas LOPFI Contribution	Convention Center	Total
\$ 0	\$ 0	\$ 0	\$ 1,240,000	\$ 0	\$ 5,746,474
350,000	0	0	0	0	5,270,000
50,000	0	0	0	0	50,000
10,000	0	0	0	0	10,000
0	0	0	2,836,264	0	4,906,354
0	0	0	0	0	20,202,329
0	0	800,789	0	0	800,789
0	0	0	148,000	0	148,000
0	0	0	0	616,500	616,500
400	10	100	8,000	350	22,622
0	400	3,000	1,742,340	0	2,408,770
0	0	0	1,500	0	8,500
0	0	0	0	777,000	777,000
<u>\$ 410,400</u>	<u>\$ 410</u>	<u>\$ 803,889</u>	<u>\$ 5,976,104</u>	<u>\$ 1,393,850</u>	<u>\$ 41,127,338</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,776,100
0	0	0	0	65,500	38,367,050
0	0	0	0	0	308,410
250,000	0	0	0	0	250,000
200,000	0	0	0	0	391,590
0	0	0	0	0	550,000
0	0	0	7,679,820	0	7,679,820
0	0	810,640	0	1,433,450	2,244,090
<u>\$ 450,000</u>	<u>\$ 0</u>	<u>\$ 810,640</u>	<u>\$ 7,679,820</u>	<u>\$ 1,498,950</u>	<u>\$ 57,567,060</u>
\$ (39,600)	\$ 410	\$ (6,751)	\$ (1,703,716)	\$ (105,100)	\$ (16,439,722)
115,268	10,248	204,315	8,449,024	407,118	31,618,181
<u>\$ 75,668</u>	<u>\$ 10,658</u>	<u>\$ 197,564</u>	<u>\$ 6,745,308</u>	<u>\$ 302,018</u>	<u>\$ 15,178,459</u>

**Debt Service Fund**

**Sales and Use Tax Bond Fund**

**Revenues**

Taxes and Assessments- Sales Tax	\$ 15,151,747
Interest	<u>1,100</u>
Total	\$ 15,152,847

**Expenditures**

Debt Service- Current	<u>17,034,536</u>
Excess Revenues Over Expenditures	\$ (1,881,689)
Fund Balance, Beginning of Year	<u>11,019,055</u>

<b>Fund Balance, End of Year</b>	<u><u>\$ 9,137,366</u></u>
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**Capital Projects Fund**

**Sales & Use  
Tax Bond  
Construction**

**Revenues**

Interest	\$	<u>25,000</u>
Total	\$	25,000

**Expenditures**

Capital Improvements		<u>58,735,733</u>
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Excess (Deficiency) Revenues Over (Under) Expenditures	\$	(58,710,733)
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Fund Balance, Beginning of Year		<u>69,411,592</u>
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<b>Fund Balance, End of Year</b>	\$	<u><u>10,700,859</u></u>
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**Enterprise Funds-  
Water and Sewer Funds**

	<u>Water and Sewer Operating</u>	<u>Water and Sewer Depreci- ation</u>	<u>Water and Sewer Bond</u>	<u>Water and Sewer Capital Improvement Projects</u>	<u>Total</u>
<b>Revenues</b>					
Service Charges and Fees	\$ 37,737,268	\$ 0	\$ 0	\$ 0	\$ 37,737,268
Interest	2,500	0	1,000	4,400	7,900
Miscellaneous	70,000	0	0	0	70,000
Transfers In	<u>0</u>	<u>0</u>	<u>13,600,260</u>	<u>0</u>	<u>13,600,260</u>
Total	<u>\$ 37,809,768</u>	<u>\$ 0</u>	<u>\$ 13,601,260</u>	<u>\$ 4,400</u>	<u>\$ 51,415,428</u>
<b>Expenses</b>					
Operating	\$ 39,365,191	\$ 0	\$ 0	\$ 0	\$ 39,365,191
Capital Improvements	0	0	0	6,979,700	6,979,700
Debt Service:					
Current	<u>0</u>	<u>0</u>	<u>13,650,260</u>	<u>0</u>	<u>13,650,260</u>
Total	<u>\$ 39,365,191</u>	<u>\$ 0</u>	<u>\$ 13,650,260</u>	<u>\$ 6,979,700</u>	<u>\$ 59,995,151</u>
Excess (Deficiency) Revenues Over (Under) Expenses	\$ (1,555,423)	\$ 0	\$ (49,000)	\$ (6,975,300)	\$ (8,579,723)
Working Capital, Beginning of Year	<u>8,851,339</u>	<u>500,000</u>	<u>2,246,337</u>	<u>12,660,659</u>	<u>24,258,335</u>
<b>Working Capital, End of Year</b>	7,295,916	500,000	2,197,337	5,685,359	15,678,612
Adjustment for CIP Projects Transfers	<u>(2,445,000)</u>	<u>0</u>	<u>0</u>	<u>2,445,000</u>	<u>0</u>
Adjusted Working Capital, End of Year	<u>\$ 4,850,916</u>	<u>\$ 500,000</u>	<u>\$ 2,197,337</u>	<u>\$ 8,130,359</u>	<u>\$ 15,678,612</u>

## Sanitation Funds

	<u>Sanitation Operating</u>	<u>Cleanup/ Demolition</u>	<u>Sanitation Sinking/ Landfill Construction</u>	<u>Total</u>
<b>Revenues</b>				
Service Charges and Fees	\$ 13,529,200	\$ 0	\$ 0	13,529,200
Interest	2,000	80	7,500	9,580
Miscellaneous	50,000	190,000	0	240,000
Transfers In	0	460,000	1,117,541	1,577,541
	<u>0</u>	<u>460,000</u>	<u>1,117,541</u>	<u>1,577,541</u>
Total	<u>\$ 13,581,200</u>	<u>\$ 650,080</u>	<u>\$ 1,125,041</u>	<u>\$ 15,356,321</u>
<b>Expenses</b>				
Operating	\$ 13,055,451	\$ 0	\$ 0	13,055,451
Capital Improvements	0	0	3,248,000	3,248,000
Other	0	685,680	0	685,680
	<u>0</u>	<u>685,680</u>	<u>0</u>	<u>685,680</u>
Total	<u>\$ 13,055,451</u>	<u>\$ 685,680</u>	<u>\$ 3,248,000</u>	<u>\$ 16,989,131</u>
<b>Excess (Deficiency)</b>				
Revenues Over (Under) Expenses	\$ 525,749	\$ (35,600)	\$ (2,122,959)	\$ (1,632,810)
<b>Working Capital</b>				
Beginning of Year	<u>1,705,267</u>	<u>87,311</u>	<u>6,364,464</u>	<u>8,157,042</u>
<b>Working Capital, End of Year</b>	2,231,016	51,711	4,241,505	6,524,232
Adjustment for CIP Transfers	<u>(1,300,000)</u>	<u>0</u>	<u>1,300,000</u>	<u>0</u>
Adjusted Working Capital, End of Year	<u>\$ 931,016</u>	<u>\$ 51,711</u>	<u>\$ 5,541,505</u>	<u>\$ 6,524,232</u>

## Parking Authority Fund

	<u>Enforcement</u>	<u>Facilities</u>	<u>Total</u>
<b>Revenues</b>			
Service Charges and Fees	\$ 30,000	\$ 155,000	\$ 185,000
Interest	0	400	400
Transfers In	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total	<u>\$ 280,000</u>	<u>\$ 155,400</u>	<u>\$ 435,400</u>
<b>Expenses</b>			
Capital Improvements	\$ 0	\$ 369,740	\$ 369,740
Other:			
Police Services	170,760	0	170,760
Finance	0	48,840	48,840
Debt Service:			
Current	0	138,300	138,300
Total	<u>\$ 170,760</u>	<u>556,880</u>	<u>727,640</u>
Excess (Deficiency) Revenues Over (Under) Expenses	\$ 109,240	\$ (401,480)	(292,240)
Working Capital, Beginning of Year	<u>0</u>	<u>568,828</u>	<u>568,828</u>
<b>Working Capital, End of Year</b>	<u><u>\$ 109,240</u></u>	<u><u>\$ 167,348</u></u>	<u><u>\$ 276,588</u></u>

## Internal Service Funds

	<u>Working Capital</u>	<u>Employee Health Wellness</u>	<u>Workers' Compensation</u>	<u>Total</u>
<b>Revenues</b>				
Service Charges and Fees	\$ 1,010,000	\$ 7,654,650	\$ 781,790	\$ 9,446,440
Interest	0	1,800	750	2,550
Transfers	0	200,000	0	200,000
	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total	<u>\$ 1,010,000</u>	<u>\$ 7,856,450</u>	<u>\$ 782,540</u>	<u>\$ 9,648,990</u>
<b>Expenses</b>				
Health Insurance and Workers' Compensation Claims	\$ 0	\$ 8,380,800	\$ 1,078,150	\$ 9,458,950
Other - Materials and Supplies	1,030,000	0	0	1,030,000
	<u>1,030,000</u>	<u>0</u>	<u>0</u>	<u>1,030,000</u>
Total	<u>\$ 1,030,000</u>	<u>\$ 8,380,800</u>	<u>\$ 1,078,150</u>	<u>\$ 10,488,950</u>
Excess (Deficiency) Revenues Over (Under) Expenses	\$ (20,000)	\$ (524,350)	\$ (295,610)	\$ (839,960)
Working Capital, Beginning of Year	<u>32,058</u>	<u>881,374</u>	<u>488,465</u>	<u>1,401,897</u>
Working Capital, End of Year	<u>\$ 12,058</u>	<u>\$ 357,024</u>	<u>\$ 192,855</u>	<u>\$ 561,937</u>



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## **OPERATING FUNDS BUDGET SUMMARIES**

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

The Budget Comparison Summary for the Operating Funds and individually for each fund compare FY12 Estimated to FY13 Budget.

The Statement of Revenue Comparisons for the Operating Funds and individually for each fund compares revenues based on Actual FY11, Budget and Estimated FY12, and Budget FY13. Projections for FY14 are presented for preliminary review purposes.

The Distribution of Appropriations for the Operating Funds is a schedule which reflects the allocation of each division's programs appropriation to each of the four Operating Funds as per the City's cost allocation formula. Distributions are presented for FY13 and FY14.

**City of Fort Smith  
FY13  
Budget Comparison Summary-Operating Funds**

	Estimated FY12	Budget FY13	Increase (Decrease)	Projected FY14
<b>Revenues</b>				
Intergovernmental	\$ 7,486,830	\$ 9,174,098	\$ 1,687,268	\$ 8,897,940
Taxes and Assessments	31,366,331	36,013,227	4,646,896	36,644,541
Court Fines and Forfeitures	2,104,786	2,110,000	5,214	2,110,000
Licenses and Permits	1,399,422	1,475,000	75,578	1,465,000
Service Charges and Fees	51,925,598	51,947,718	22,120	50,907,950
Miscellaneous	1,101,994	1,123,663	21,669	1,129,663
Transfers	3,152,781	2,855,350	(297,431)	2,926,180
<b>Total</b>	<b>\$ 98,537,742</b>	<b>\$ 104,699,056</b>	<b>\$ 6,161,314</b>	<b>\$ 104,081,274</b>
<b>Expenditures/Expenses</b>				
Policy and Administration Services	\$ 3,337,022	\$ 3,688,430	\$ 351,408	\$ 3,812,540
Management Services	6,412,132	6,459,390	47,258	6,733,610
Development Services	2,818,070	3,237,120	419,050	3,211,720
Police Services	15,065,295	16,893,690	1,828,395	17,729,550
Fire Services	10,093,311	13,886,200	3,792,889	14,259,570
Operation Services	53,649,663	60,882,178	7,232,515	60,570,880
Non-Departmental	5,048,934	5,057,603	8,669	4,822,500
<b>Total</b>	<b>\$ 96,424,427</b>	<b>\$ 110,104,611</b>	<b>\$ 13,680,184</b>	<b>\$ 111,140,370</b>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures/Expenses	\$ 2,113,315	\$ (5,405,555)	\$ (7,518,870)	\$ (7,059,096)
<b>Fund Balance/Working Capital, Beginning of Year</b>				
	19,696,691	19,360,006	(336,685)	10,209,451
<b>Fund Balance/Working Capital, End of Year</b>				
	\$ 21,810,006	\$ 13,954,451	\$ (7,855,555)	\$ 3,150,355
<b>Adjustment for CIP Transfers</b>				
	(2,450,000)	(3,745,000)	(1,295,000)	(2,200,000)
<b>Adjusted Fund Balance/ Working Capital, End of Year</b>				
	<b>\$ 19,360,006</b>	<b>\$ 10,209,451</b>	<b>\$ (9,150,555)</b>	<b>\$ 950,355</b>

**City of Fort Smith  
FY13  
Budget Comparison Summary-General Fund**

	Estimated FY12	Budget FY13	Increase (Decrease)	Projected FY14
<b>Revenues</b>				
Intergovernmental	\$ 3,620,356	\$ 4,667,624	\$ 1,047,268	\$ 3,495,904
Taxes and Assessments	29,336,831	33,943,137	4,606,306	34,533,141
Court Fines and Forfeitures	2,104,786	2,110,000	5,214	2,110,000
Licenses and Permits	1,399,422	1,315,000	(84,422)	1,315,000
Service Charges and Fees	662,325	681,250	18,925	681,250
Miscellaneous	991,194	992,163	969	998,163
Transfers	2,786,030	2,855,350	69,320	2,926,180
<b>Total</b>	<b>\$ 40,900,944</b>	<b>\$ 46,564,524</b>	<b>\$ 5,663,580</b>	<b>\$ 46,059,638</b>
<b>Expenditures</b>				
Policy and Administration Services	\$ 2,636,051	\$ 2,878,998	\$ 242,947	\$ 2,982,488
Management Services	2,579,000	2,630,293	51,293	2,759,866
Development Services	2,509,518	2,880,381	370,863	2,868,049
Police Services	15,065,295	16,893,690	1,828,395	17,729,550
Fire Services	10,093,311	13,886,200	3,792,889	14,259,570
Operation Services	5,077,439	8,029,018	2,951,579	7,960,330
Non-Departmental	2,922,078	2,709,289	(212,789)	2,570,000
<b>Total</b>	<b>\$ 40,882,692</b>	<b>\$ 49,907,869</b>	<b>\$ 9,025,177</b>	<b>\$ 51,129,853</b>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	\$ 18,252	\$ (3,343,345)	\$ (3,361,597)	\$ (5,070,215)
<b>Fund Balance, Beginning of Year</b>	<b>6,879,199</b>	<b>6,897,451</b>	<b>18,252</b>	<b>3,554,106</b>
<b>Fund Balance, End of Year</b>	<b>\$ 6,897,451</b>	<b>\$ 3,554,106</b>	<b>\$ (3,343,345)</b>	<b>\$ (1,516,109)</b>

**City of Fort Smith**  
**FY13**  
**Budget Comparison Summary-Street Maintenance Fund**

	Estimated FY12	Budget FY13	Increase (Decrease)	Projected FY14
<b>Revenues</b>				
Intergovernmental	\$ 3,866,474	\$ 4,506,474	\$ 640,000	\$ 5,402,036
Taxes and Assessments	2,029,500	2,070,090	40,590	2,111,400
Licenses and Permits	0	160,000	160,000	150,000
Miscellaneous	6,800	7,000	200	7,000
Transfers	366,751	0	(366,751)	0
<b>Total</b>	<b>\$ 6,269,525</b>	<b>\$ 6,743,564</b>	<b>\$ 474,039</b>	<b>\$ 7,670,436</b>
<b>Expenditures</b>				
Policy and Administration Services	\$ 142,103	\$ 159,257	\$ 17,154	\$ 163,475
Management Services	398,705	404,813	6,108	422,516
Development Services	70,912	78,197	7,285	78,751
Operation Services	5,487,587	6,754,860	1,267,273	7,061,810
Non-Departmental	337,702	378,973	41,271	432,500
<b>Total</b>	<b>\$ 6,437,009</b>	<b>\$ 7,776,100</b>	<b>\$ 1,339,091</b>	<b>\$ 8,159,052</b>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	\$ (167,484)	\$ (1,032,536)	\$ (865,052)	\$ (488,616)
Fund Balance, Beginning of Year	2,073,433	1,905,949	(167,484)	873,413
Fund Balance, End of Year	<u>\$ 1,905,949</u>	<u>\$ 873,413</u>	<u>\$ (1,032,536)</u>	<u>\$ 384,797</u>

**City of Fort Smith**  
**FY13**  
**Budget Comparison Summary-Water and Sewer Operating Fund**

	Estimated FY12	Budget FY13	Increase (Decrease)	Projected FY14
<b>Revenues</b>				
Services Charges and Fees	\$ 38,949,445	\$ 37,737,268	\$ (1,212,177)	\$ 38,249,300
Miscellaneous	72,500	72,500	0	72,500
<b>Total</b>	<b>\$ 39,021,945</b>	<b>\$ 37,809,768</b>	<b>\$ (1,212,177)</b>	<b>\$ 38,321,800</b>
<b>Expenses</b>				
Policy and Administration				
Services	\$ 376,109	\$ 443,024	\$ 66,915	\$ 454,020
Management Services	2,665,272	2,652,995	(12,277)	2,748,126
Development Services	237,640	278,542	40,902	264,920
Operation Services	32,814,147	35,607,230	2,793,083	35,600,680
Non-Departmental	377,884	383,400	5,516	387,500
<b>Total</b>	<b>\$ 36,471,052</b>	<b>\$ 39,365,191</b>	<b>\$ 2,894,139</b>	<b>\$ 39,455,246</b>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	\$ 2,550,893	\$ (1,555,423)	\$ (4,106,316)	\$ (1,071,118)
<b>Working Capital, Beginning of Year</b>	<b>8,050,446</b>	<b>8,851,339</b>	<b>800,893</b>	<b>4,850,917</b>
<b>Working Capital, End of Year</b>	<b>\$ 10,601,339</b>	<b>\$ 7,295,916</b>	<b>\$ (3,305,423)</b>	<b>\$ 3,779,799</b>
<b>Adjustment for CIP Transfers</b>	<b>(1,750,000)</b>	<b>(2,445,000)</b>	<b>(1,585,000)</b>	<b>(1,500,000)</b>
<b>Adjusted Working Capital, End of Year</b>	<b>\$ 8,851,339</b>	<b>\$ 4,850,916</b>	<b>\$ (4,890,423)</b>	<b>\$ 2,279,799</b>

**City of Fort Smith**  
**FY13**  
**Budget Comparison Summary-Sanitation Operating Fund**

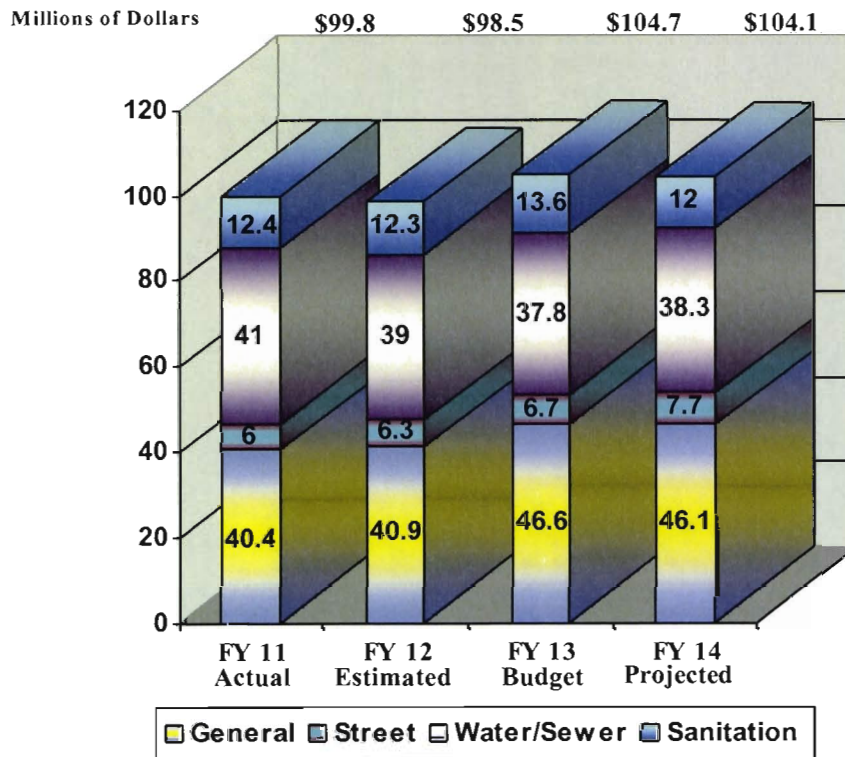
	Estimated FY12	Budget FY13	Increase (Decrease)	Projected FY14
<b>Revenues</b>				
Service Charges and Fees	\$ 12,313,828	\$ 13,529,200	\$ 1,215,372	\$ 11,977,400
Miscellaneous	31,500	52,000	20,500	52,000
Total	<u>\$ 12,345,328</u>	<u>\$ 13,581,200</u>	<u>\$ 1,235,872</u>	<u>\$ 12,029,400</u>
<b>Expenses</b>				
Policy and Administration				
Services	\$ 182,759	\$ 207,151	\$ 24,392	\$ 212,557
Management Services	769,155	771,289	2,134	803,102
Operation Services	10,270,490	10,491,070	220,580	9,948,060
Non-Departmental	1,411,270	1,585,941	174,671	1,432,500
Total	<u>\$ 12,633,674</u>	<u>\$ 13,055,451</u>	<u>\$ 421,777</u>	<u>\$ 12,396,219</u>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	\$ (288,346)	\$ 525,749	\$ 814,095	\$ (366,819)
<b>Working Capital, Beginning of Year</b>				
	<u>2,693,613</u>	<u>1,705,267</u>	<u>(988,346)</u>	<u>931,015</u>
<b>Working Capital, End of Year</b>				
	\$ 2,405,267	\$ 2,231,016	\$ (174,251)	\$ 564,196
<b>Adjustment for CIP Transfers</b>				
	<u>(700,000)</u>	<u>(1,300,000)</u>	<u>(200,000)</u>	<u>(700,000)</u>
<b>Adjusted Working Capital, End of Year</b>				
	<u>\$ 1,705,267</u>	<u>\$ 931,016</u>	<u>\$ (374,251)</u>	<u>\$ (135,804)</u>

**Combined Operating Funds  
Statement of Revenue Comparisons**

	<u>Actual FY11</u>	<u>Budget FY12</u>	<u>Estimated FY12</u>	<u>Budget FY13</u>	<u>Projected FY14</u>
Intergovernmental	\$ 7,744,808	\$ 7,320,214	\$ 7,486,830	\$ 9,174,098	\$ 8,897,940
Taxes and Assessments	30,544,410	30,728,044	31,366,331	36,013,227	36,644,541
Court Fines and Forfeitures	2,226,844	2,050,000	2,104,786	2,110,000	2,110,000
Licenses and Permits	1,442,781	1,370,000	1,399,422	1,475,000	1,465,000
Service Charges and Fees	53,863,392	51,615,050	51,925,598	51,947,718	50,907,950
Miscellaneous	1,356,160	1,170,454	1,101,994	1,123,663	1,129,663
Transfers	2,653,602	2,786,030	3,152,781	2,855,350	2,926,180
<b>Total</b>	<u>\$ 99,831,997</u>	<u>\$ 97,039,792</u>	<u>\$ 98,537,742</u>	<u>\$ 104,699,056</u>	<u>\$ 104,081,274</u>

**Combined Operating Funds**

Comparison of Total Revenue





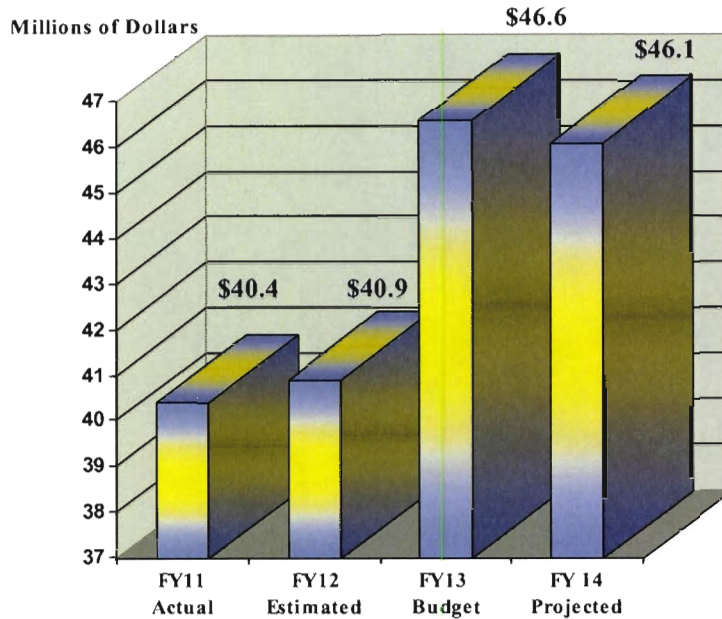
# General Fund Statement of Revenue Comparisons

	Actual FY11	Budget FY12	Estimated FY12	Budget FY13	Projected FY14
Intergovernmental					
State Turnback - General	\$ 1,196,050	\$ 1,379,344	\$ 1,392,275	\$ 1,296,328	\$ 1,296,328
Transit Reimbursement	2,289,807	1,578,614	1,837,340	2,212,691	1,580,000
Airport Security Reimbursement	155,928	150,000	150,000	109,500	109,500
State Act 833 Fire Funds	-	-	-	438,097	80,000
SAFER Grant	-	-	123,413	493,680	370,260
COPS Grant	57,512	117,328	117,328	117,328	59,816
Taxes and Assessments					
Franchise	6,571,993	6,191,500	6,059,139	6,119,730	6,180,900
Ad Valorem	6,815,325	7,133,880	6,951,600	7,090,660	7,232,500
County Sales Tax	15,155,032	15,257,500	15,471,768	15,665,165	15,978,400
1/4% City Sales Tax-Fire & Parks	-	-	829,324	5,050,582	5,126,341
Gasoline Tax Refund-Transit	12,351	5,000	25,000	17,000	15,000
Court Fines and Forfeitures	2,226,844	2,050,000	2,104,786	2,110,000	2,110,000
Licenses and Permits					
Privilege	16,843	20,000	20,000	20,000	20,000
Construction	767,053	680,000	650,079	650,000	650,000
Alcohol	548,324	540,000	545,559	545,000	545,000
Other	110,561	130,000	183,784	100,000	100,000
Service Charges and Fees					
Community Center	38,314	36,000	37,863	36,500	36,500
Fire Protection Contracts	72,462	72,500	72,462	72,400	72,400
Port Authority	28,369	12,000	12,000	12,000	12,000
Parks & Aquatics	205,556	210,000	210,000	210,000	210,000
Oak Cemetery	65,493	55,000	55,000	55,000	55,000
Animal Control	836	2,500	850	850	850
False Alarm Fees	40,514	15,000	17,150	17,500	17,500
Mobile Data Support Fees	53,040	62,000	62,000	62,000	62,000
Transit System	203,580	195,000	195,000	215,000	215,000
Miscellaneous					
Reimbursement from Airport	3,163	3,163	3,163	3,163	3,163
Interest Earned	1,771	5,000	5,000	5,000	5,000
Sebastian County Participation	525,642	581,791	535,248	535,000	540,000
Reimbursement from Enhanced 9-1-1 Fund	255,000	255,000	255,000	255,000	255,000
Reimbursement from FSPS for SRO Positions	38,605	38,000	42,783	44,000	45,000
Other	288,330	150,000	150,000	150,000	150,000
Transfers					
Sales Tax Fund	2,385,810	2,505,100	2,505,100	2,568,000	2,632,200
A&P Fund	21,312	22,150	22,150	22,150	22,150
Street Maintenance Fund	82,160	86,260	86,260	88,400	90,610
Water and Sewer Operating Fund	82,160	86,260	86,260	88,400	90,610
Sanitation Operating Fund	82,160	86,260	86,260	88,400	90,610
<b>Total</b>	<b>\$ 40,397,900</b>	<b>\$ 39,712,150</b>	<b>\$ 40,900,944</b>	<b>\$ 46,564,524</b>	<b>\$ 46,059,638</b>

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

# General Fund

## Comparison of Total Revenue



## Revenue Comment

Total revenue of the General Fund FY13 Budget is estimated to increase by approximately \$5.7 million or 13.9% from FY12 Estimated. This is primarily due to the 1/4% city sales tax that is allocated between Fire and Parks departments. The tax is estimated at \$5.1 million for FY13. Collections for this purpose began October 1, 2012.

The general turnback from the state was \$13.87 per capita for FY11. The estimate for FY12 is \$16.15, and is anticipated to be \$15.04 per capita for FY13 and FY14.

The transit reimbursement for FY13 is \$375,000 more than FY12 Estimated due to reimbursements for capital projects at higher federal funding rates.

The franchise tax rate is 4% assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenue is expected to increase by 1% in FY13 over FY12 fees. The increase is expected from higher usage for FY13.

The property tax assessment for General Fund use remains at 5.0 mills for all four years presented. This is the maximum rate allowed by state statutes. The ad valorem tax revenue is a product of the millage rate assessed upon the real estate and personal property values within the city limits. Projections for FY13 reflect a 2% increase over FY12 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY13 is 1.25% above the estimated FY12 revenue. The FY14 projection reflects a 2% increase in sales tax revenue.

# Street Maintenance Fund

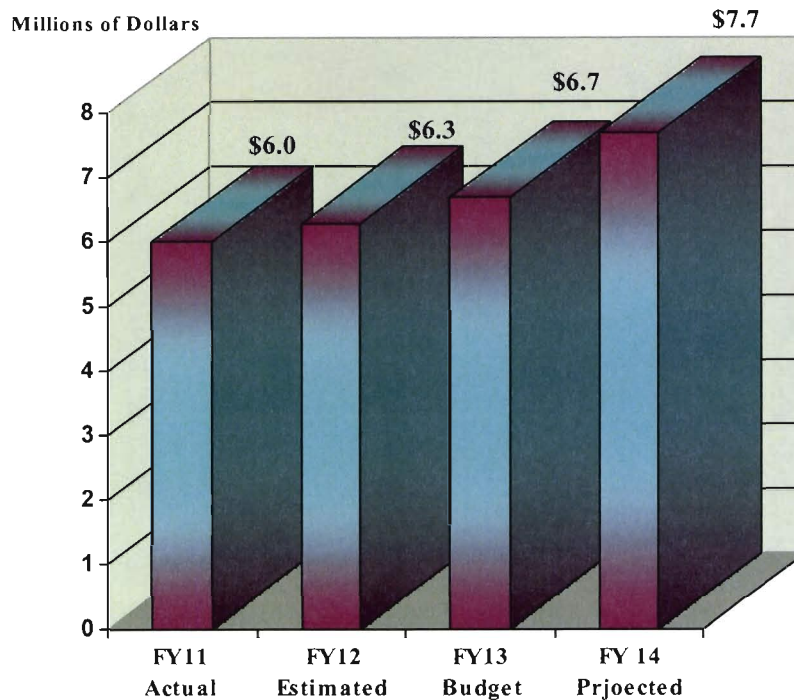
## Statement of Revenue Comparisons

	Actual FY11	Budget FY12	Estimated FY12	Budget FY13	Projected FY14
Intergovernmental					
State Turnback -					
Gasoline Tax	\$ 4,045,511	\$ 4,094,928	\$ 3,866,474	\$ 3,866,474	\$ 3,866,474
Highway Sales Tax	-	-	-	640,000	1,535,562
Taxes and Assessments					
Ad Valorem	1,989,709	2,140,164	2,029,500	2,070,090	2,111,400
Licenses and Permits					
Sidewalk Permit Assessments	-	-	-	160,000	150,000
Miscellaneous					
Interest Earned	1,004	5,000	1,800	2,000	2,000
Other	10,460	5,000	5,000	5,000	5,000
Transfers					
Sidewalk Construction Fund	-	-	366,751	-	-
<b>Total</b>	<b>\$ 6,046,684</b>	<b>\$ 6,245,092</b>	<b>\$ 6,269,525</b>	<b>\$ 6,743,564</b>	<b>\$ 7,670,436</b>

See page 188 for an explanation of each revenue source.

# Street Maintenance Fund

Comparison of Total Revenue



## Revenue Comment

The major revenue source of the Street Maintenance Fund is the gasoline tax turnback from the state. This accounts for an average of 64% of total revenue for the four years presented. The state returns a portion of its levy of motor vehicle fees and gasoline tax to municipalities based upon population. The Arkansas Municipal League (AML) provides annual estimates for the per capita allocation to cities. The per capita turnback for the four years presented in the graph is \$46.93 for FY11, and \$44.85 for FY12 Estimated, FY13 and FY14.

Beginning July 1, 2013, the city will receive a share of the 1/2% state sales tax dedicated to highway improvements. The FY13 revenue is estimated at \$640,000 with future annual revenues estimated at \$1.5 million. This shared revenue will be allocated on the basis of population. The AML will provide estimates each year.

Ad valorem tax revenue for the Street Maintenance Fund is anticipated to increase approximately 2% in FY13. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes. The increase is a result of increased property values.

The Streets and Traffic Control Department has assumed the construction and repair of sidewalks beginning in the second half of 2012. The Sidewalk Construction Fund balance was transferred to this fund at the end of FY12. The permit assessment fees applied to building permits will now be accounted for in the Street Maintenance Fund beginning in FY13.

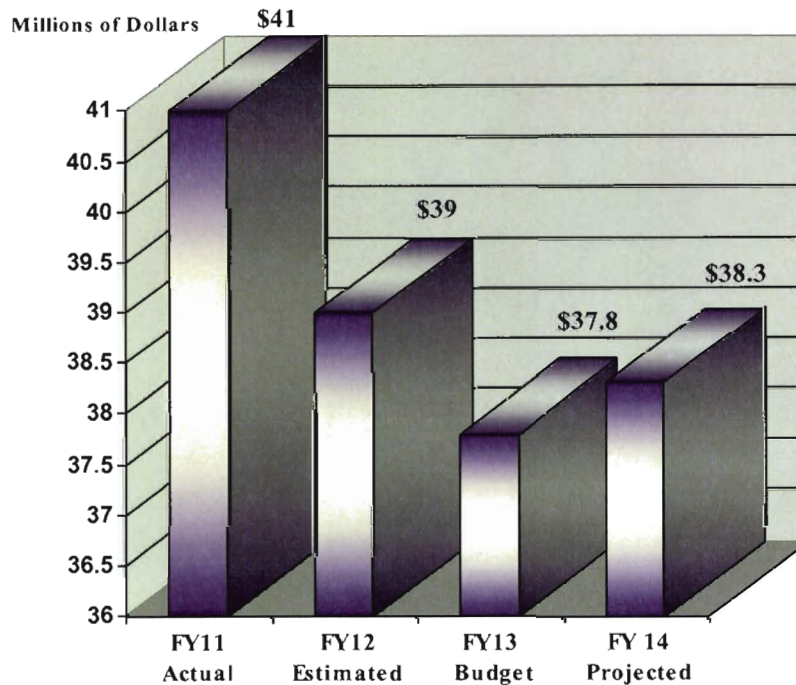
## Water and Sewer Operating Fund Statement of Revenue Comparisons

	Actual FY11	Budget FY12	Estimated FY12	Budget FY13	Projected FY14
Service Charges and Fees					
Water Sales	\$ 20,087,116	\$ 18,456,250	\$ 18,657,896	\$ 18,642,542	\$ 18,829,000
Monthly Customer Charges	454,784	458,000	422,932	425,000	425,000
Contract Water Sales	7,449,375	7,150,000	7,771,174	7,028,996	7,250,700
Fire Protection	33,562	34,000	33,500	33,500	33,500
Installations - Water Service	162,192	175,000	143,100	145,000	145,000
Sewer Service Charges	12,539,235	12,221,800	11,786,170	11,374,230	11,431,100
Sewer Connection Charges	55,630	60,000	46,100	50,000	50,000
Industrial Waste Monitoring Fees	36,148	55,000	88,573	38,000	85,000
Miscellaneous					
Interest Earned	1,093	2,500	2,500	2,500	2,500
Other	136,199	70,000	70,000	70,000	70,000
<b>Total</b>	<b>\$ 40,955,334</b>	<b>\$ 38,682,550</b>	<b>\$ 39,021,945</b>	<b>\$ 37,809,768</b>	<b>\$ 38,321,800</b>

See pages 189 for an explanation of each revenue source.

## Water and Sewer Operating Fund

Comparison of Total Revenue



## Revenue Comment

Service charges and fees account for approximately 99% of total revenue for this fund. Total revenue of the fund in FY13 is anticipated to be \$1.2 million, or 3.1% below FY12 revenue. This is due to the collection in FY12 of approximately \$581,000 in additional water charges from Van Buren for the years 2006 through 2008. This will not occur in FY13. Furthermore, the rate of consumption for the past two years has been higher than normal but the level for FY13 is anticipated to decrease.

Water sales from residential, commercial, and industrial users is expected to remain flat between FY12 and FY13. Water sales to Van Buren and the other contract users is anticipated to decrease by 9.6% between years due to the special water fees paid by Van Buren in FY12 that will not occur in FY13. Sewer service charges for FY13 are expected to decline by \$412,000 or 3.5% to account for a full year of the supplemental rate increase that was removed July 1, 2012.

There are no water and sewer rate adjustments included in the FY13 budget.



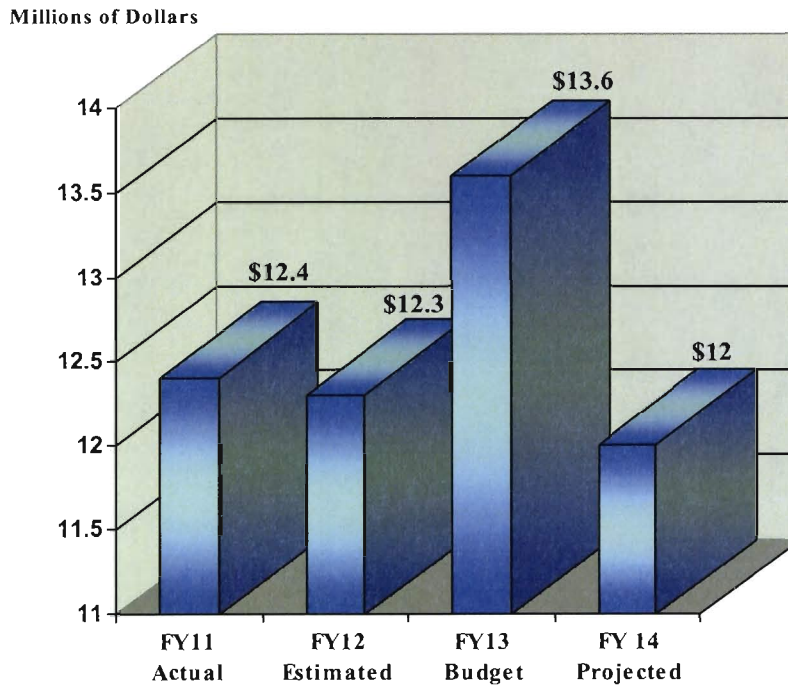
# Sanitation Operating Fund Statement of Revenue Comparisons

	Actual FY11	Budget FY12	Estimated FY12	Budget FY13	Projected FY14
<b>Service Charges and Fees</b>					
Residential Collections	\$ 4,606,134	\$ 4,575,000	\$ 4,631,324	\$ 4,479,200	\$ 4,327,400
Commercial Collections	2,291,274	2,280,000	2,267,670	2,250,000	2,250,000
Sanitary Landfill Operations	3,185,230	3,250,000	3,268,060	4,650,000	3,250,000
Roll-Off Collections	1,912,483	1,950,000	1,845,520	1,850,000	1,850,000
Sale of Methane Gas	228,102	190,000	201,254	200,000	200,000
Recycling Operations	113,963	100,000	100,000	100,000	100,000
<b>Miscellaneous</b>					
Interest Earned	928	5,000	1,500	2,000	2,000
Other	93,965	50,000	30,000	50,000	50,000
<b>Total</b>	<u>\$ 12,432,079</u>	<u>\$ 12,400,000</u>	<u>\$ 12,345,328</u>	<u>\$ 13,581,200</u>	<u>\$ 12,029,400</u>

See page 190 for an explanation of each revenue source.

## Sanitation Operating Fund

Comparison of Total Revenue



## Revenue Comment

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

The collection rates and disposal rates were amended during 2007 and are expected to remain at that level for FY13 except for the residential rates. Due to the efficiencies of the automated trash collections for residential customers, the Board may enact a rate decrease of \$1.10 per month for these customers. The FY13 Budget for residential collections reflects such a decrease effective July 1, 2013. Revenues generated by commercial collections, roll-off collections, sale of methane gas, and recycling operations are expected to remain stable between FY12 and FY13.

Landfill operations are expected to increase by \$1.4 million for FY13 due to the disposal of materials from the cleanup of a wastewater project site. This is a one-time increase in revenue and, as such, one-half of the net revenue to this fund of \$1.2 million or \$600,000 is being set aside for future landfill expansion.



## Distribution of Appropriations to the Operating Funds FY13 Budget

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Policy and Administration Services Division</b>					
4100 Mayor	\$ 225,190	\$ 96,832	\$ 18,015	\$ 83,320	\$ 27,023
4101 Board of Directors	133,560	57,430	10,685	49,418	16,027
4102 City Administrator	694,280	298,540	55,543	256,884	83,313
4111 Economic Development	377,460	377,460	0	0	0
4201 District Court	1,539,220	1,539,220	0	0	0
4202 Prosecutor	180,100	180,100	0	0	0
4203 Public Defender	86,330	86,330	0	0	0
4204 City Attorney	253,870	126,934	63,468	0	63,468
4206 District Court-Seb. Co.	54,090	54,090	0	0	0
4405 Internal Audit	144,330	62,062	11,546	53,402	17,320
<b>Total Policy and Administration Services Division</b>	<b>\$ 3,688,430</b>	<b>\$ 2,878,998</b>	<b>\$ 159,257</b>	<b>\$ 443,024</b>	<b>\$ 207,151</b>
<b>Management Services Division</b>					
4104 Human Resources	\$ 553,570	\$ 348,749	\$ 38,750	\$ 116,250	\$ 49,821
4105 City Clerk	308,460	132,638	24,677	114,130	37,015
4301 Finance	1,178,730	506,854	94,298	436,130	141,448
4303 Collections	390,670	167,987	31,254	144,548	46,881
4304 Utility Billing/Cust Service	1,729,260	86,463	86,463	1,296,945	259,389
4306 Purchasing	550,150	236,565	44,012	203,556	66,017
4401 Info. & Tech. Services	1,707,180	1,109,667	85,359	341,436	170,718
6912 Parking Deck-Personnel	41,370	41,370	0	0	0
<b>Total Management Services Division</b>	<b>\$ 6,459,390</b>	<b>\$ 2,630,293</b>	<b>\$ 404,813</b>	<b>\$ 2,652,995</b>	<b>\$ 771,289</b>
<b>Development Services Division</b>					
4103 Engineering	\$ 1,563,940	\$ 1,329,349	\$ 78,197	\$ 156,394	\$ 0
4106 Planning and Zoning	814,320	692,172	0	122,148	0
4108 Building Safety	858,860	858,860	0	0	0
<b>Total Development Services Division</b>	<b>\$ 3,237,120</b>	<b>\$ 2,880,381</b>	<b>\$ 78,197</b>	<b>\$ 278,542</b>	<b>\$ 0</b>
<b>Police Services Division</b>					
4701 Administration	\$ 961,780	\$ 961,780	\$ 0	\$ 0	\$ 0
4702 Support Services	4,471,120	4,471,120	0	0	0
4703 Criminal Investigations	3,004,760	3,004,760	0	0	0
4704 Patrol Operations	7,711,700	7,711,700	0	0	0
4705 Radio Communications	551,780	551,780	0	0	0
4706 Airport Security	192,550	192,550	0	0	0
<b>Total Police Services Division</b>	<b>\$ 16,893,690</b>	<b>\$ 16,893,690</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water and Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Fire Services Division</b>					
4801 Administration	\$ 1,000,790	\$ 1,000,790	\$ 0	\$ 0	\$ 0
4802 Suppression and Rescue	9,733,990	9,733,990	0	0	0
4803 1/8% SUT Operations	3,151,420	3,151,420	0	0	0
<b>Total Fire Services Division</b>	<b>\$ 13,886,200</b>	<b>\$ 13,886,200</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Streets and Traffic Control</b>					
5101 Administration	\$ 464,530	\$ 0	\$ 464,530	\$ 0	\$ 0
5302 Street Construction	775,630	0	775,630	0	0
5303 Street Drainage	1,180,250	0	1,180,250	0	0
5304 Street Maintenance	968,830	0	968,830	0	0
5305 Sidewalk Construction	917,900	0	917,900	0	0
5401 Traffic Control Operations	751,550	0	751,550	0	0
5402 Signals	174,320	0	174,320	0	0
5403 Street Lighting	1,100,000	0	1,100,000	0	0
5404 Sign Shop	114,980	0	114,980	0	0
<b>Total Streets and Traffic Control</b>	<b>\$ 6,447,990</b>	<b>\$ 0</b>	<b>\$ 6,447,990</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Water and Sewer</b>					
5501 Utility Administration	\$ 1,688,240	\$ 0	\$ 0	\$ 1,688,240	\$ 0
5601 Water and Wastewater Treatment Administration	229,650	0	0	229,650	0
5603 Sewer Treatment	3,388,590	0	0	3,388,590	0
5604 Water Treatment	4,471,360	0	0	4,471,360	0
5605 Laboratory Services	873,440	0	0	873,440	0
5606 Wastewater Equipment Maintenance	1,712,520	0	0	1,712,520	0
5609 Industrial Waste Monitoring	395,850	0	0	395,850	0
5610 Water Line Maintenance	2,468,880	0	0	2,468,880	0
5611 Sewer Line Maintenance	2,364,300	0	0	2,364,300	0
5613 Metering/Transmission Line Maintenance	2,041,740	0	0	2,041,740	0
5615 Water and Wastewater Line Maintenance Administration	1,002,180	0	0	1,002,180	0
5616 Water Stationary Equipment Maintenance	1,370,220	0	0	1,370,220	0
6700 Debt Service	13,600,260	0	0	13,600,260	0
<b>Total Water and Sewer</b>	<b>\$ 35,607,230</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 35,607,230</b>	<b>\$ 0</b>

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

	<b>TOTAL FUNDS</b>	<b>GENERAL FUND</b>	<b>STREET MAINTENANCE FUND</b>	<b>WATER AND SEWER OPERATING FUND</b>	<b>SANITATION OPERATING FUND</b>
<b>Operation Services Division - Parks and Community Services</b>					
6101 Health	\$ 119,980	\$ 119,980	\$ 0	\$ 0	\$ 0
6201 Parks Maintenance	1,763,130	1,456,260	306,870	0	0
6202 Oak Cemetery	168,120	168,120	0	0	0
6204 Community Centers	186,780	186,780	0	0	0
6205 Aquatics	241,220	241,220	0	0	0
6206 Riverfront	282,510	282,510	0	0	0
6207 The Park at West End	36,240	36,240	0	0	0
6208 1/8% SUT Operations	2,498,108	2,498,108	0	0	0
<b>Total Parks and Community Services</b>	<b>\$ 5,296,088</b>	<b>\$ 4,989,218</b>	<b>\$ 306,870</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Sanitation</b>					
6301 Administration	\$ 751,170	\$ 0	\$ 0	\$ 0	\$ 751,170
6302 Residential Collection	2,736,590	0	0	0	2,736,590
6303 Commercial Collection	1,460,220	0	0	0	1,460,220
6304 Fleet & Grounds Maint.	1,055,340	0	0	0	1,055,340
6305 Sanitary Landfill	3,477,120	0	0	0	3,477,120
6307 Roll-Off Collection	1,010,630	0	0	0	1,010,630
<b>Total Sanitation</b>	<b>\$ 10,491,070</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,491,070</b>
<b>Operation Services Division - Transit</b>					
6550 Public Transit	\$ 3,039,800	\$ 3,039,800	\$ 0	\$ 0	\$ 0
<b>Total Operation Services Division</b>	<b>\$ 60,882,178</b>	<b>\$ 8,029,018</b>	<b>\$ 6,754,860</b>	<b>\$ 35,607,230</b>	<b>\$ 10,491,070</b>
<b>Non-Departmental</b>					
6600 Non-Departmental	\$ 5,057,603	\$ 2,709,289	\$ 378,973	\$ 383,400	\$ 1,585,941
<b>Total Appropriations</b>	<b>\$ 110,104,611</b>	<b>\$ 49,907,869</b>	<b>\$ 7,776,100</b>	<b>\$ 39,365,191</b>	<b>\$ 13,055,451</b>

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

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Policy and Administration</b>					
<b>Services Division</b>					
4100 Mayor	\$ 225,850	\$ 97,116	\$ 18,068	\$ 83,564	\$ 27,102
4101 Board of Directors	140,070	60,230	11,206	51,826	16,808
4102 City Administrator	704,450	302,913	56,356	260,647	84,534
4111 Economic Development	442,850	442,850	0	0	0
4201 District Court	1,565,750	1,565,750	0	0	0
4202 Prosecutor	171,910	171,910	0	0	0
4203 Public Defender	88,480	88,480	0	0	0
4204 City Attorney	261,230	130,614	65,308	0	65,308
4206 District Court-Seb. Co.	55,240	55,240	0	0	0
4405 Internal Audit	156,710	67,385	12,537	57,983	18,805
<b>Total Policy and Administration Services Division</b>	<b>\$ 3,812,540</b>	<b>\$ 2,982,488</b>	<b>\$ 163,475</b>	<b>\$ 454,020</b>	<b>\$ 212,557</b>
<b>Management Services Division</b>					
4104 Human Resources	\$ 540,070	\$ 340,244	\$ 37,805	\$ 113,415	\$ 48,606
4105 City Clerk	354,810	152,568	28,385	131,280	42,577
4301 Finance	1,230,860	529,270	98,469	455,418	147,703
4303 Collections	403,820	173,643	32,306	149,413	48,458
4304 Utility Billing/Cust Service	1,758,710	87,935	87,935	1,319,033	263,807
4306 Purchasing	582,040	250,277	46,563	215,355	69,845
4401 Info. & Tech. Services	1,821,060	1,183,689	91,053	364,212	182,106
6912 Parking Deck-Personnel	42,240	42,240	0	0	0
<b>Total Management Services Division</b>	<b>\$ 6,733,610</b>	<b>\$ 2,759,866</b>	<b>\$ 422,516</b>	<b>\$ 2,748,126</b>	<b>\$ 803,102</b>
<b>Development Services Division</b>					
4103 Engineering	\$ 1,575,020	\$ 1,338,767	\$ 78,751	\$ 157,502	\$ 0
4106 Planning and Zoning	716,120	608,702	0	107,418	0
4108 Building Safety	920,580	920,580	0	0	0
<b>Total Development Services Division</b>	<b>\$ 3,211,720</b>	<b>\$ 2,868,049</b>	<b>\$ 78,751</b>	<b>\$ 264,920</b>	<b>\$ 0</b>
<b>Police Services Division</b>					
4701 Administration	\$ 1,036,750	\$ 1,036,750	\$ 0	\$ 0	\$ 0
4702 Support Services	4,633,780	4,633,780	0	0	0
4703 Criminal Investigations	3,149,460	3,149,460	0	0	0
4704 Patrol Operations	8,180,790	8,180,790	0	0	0
4705 Radio Communications	526,280	526,280	0	0	0
4706 Airport Security	202,490	202,490	0	0	0
<b>Total Police Services Division</b>	<b>\$ 17,729,550</b>	<b>\$ 17,729,550</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Fire Services Division</b>					
4801 Administration	\$ 1,064,510	\$ 1,064,510	\$ 0	\$ 0	\$ 0
4802 Suppression and Rescue	9,975,360	9,975,360			
4803 1/8% SUT Operations	<u>3,219,700</u>	<u>3,219,700</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fire Services Division</b>	<u>\$ 14,259,570</u>	<u>\$ 14,259,570</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Operation Services Division - Streets and Traffic Control</b>					
5101 Administration	\$ 479,730	\$ 0	\$ 479,730	\$ 0	\$ 0
5302 Street Construction	815,030	0	815,030	0	0
5303 Street Drainage	1,161,000	0	1,161,000	0	0
5304 Street Maintenance	1,010,890	0	1,010,890	0	0
5305 Sidewalk Construction	1,053,200	0	1,053,200	0	0
5401 Traffic Control Operations	721,920	0	721,920	0	0
5402 Signals	181,900	0	181,900	0	0
5403 Street Lighting	1,200,000	0	1,200,000	0	0
5404 Sign Shop	<u>117,280</u>	<u>0</u>	<u>117,280</u>	<u>0</u>	<u>0</u>
<b>Total Streets and Traffic Control</b>	<u>\$ 6,740,950</u>	<u>\$ 0</u>	<u>\$ 6,740,950</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Operation Services Division - Water and Sewer</b>					
5501 Utility Administration	\$ 1,801,210	\$ 0	\$ 0	\$ 1,801,210	\$ 0
5601 Water and Wastewater Treatment Administration	232,380	0	0	232,380	0
5603 Sewer Treatment	3,428,520	0	0	3,428,520	0
5604 Water Treatment	4,276,700	0	0	4,276,700	0
5605 Laboratory Services	845,700	0	0	845,700	0
5606 Wastewater Equipment Maintenance	1,537,230	0	0	1,537,230	0
5609 Industrial Waste Monitoring	400,070	0	0	400,070	0
5610 Water Line Maintenance	2,534,610	0	0	2,534,610	0
5611 Sewer Line Maintenance	2,469,990	0	0	2,469,990	0
5613 Metering/Transmission Line Maintenance	2,087,440	0	0	2,087,440	0
5615 Water and Wastewater Line Maintenance Administration	1,022,990	0	0	1,022,990	0
5616 Water Stationary Equipment Maintenance	1,365,440	0	0	1,365,440	0
5618 Debt Service	<u>13,598,400</u>	<u>0</u>	<u>0</u>	<u>13,598,400</u>	<u>0</u>
<b>Total Water and Sewer</b>	<u>\$ 35,600,680</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,600,680</u>	<u>\$ 0</u>

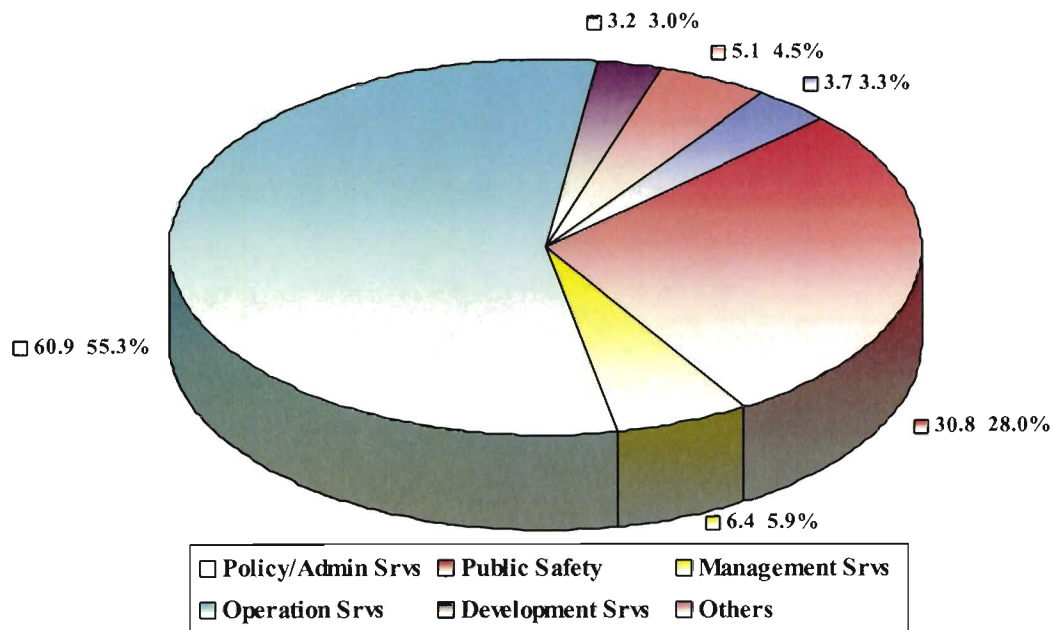
**Distribution of Appropriations to the Operating Funds  
FY14 Projected Budget (Continued)**

	<u>Total Funds</u>	<u>General Fund</u>	<u>Street Maintenance Fund</u>	<u>Water and Sewer Operating Fund</u>	<u>Sanitation Operating Fund</u>
<b>Operation Services Division - Parks and Community Services</b>					
6101 Health	\$ 135,600	\$ 135,600	\$ 0	\$ 0	\$ 0
6201 Parks Maintenance	1,805,130	1,484,270	320,860	0	0
6202 Oak Cemetery	258,200	258,200	0	0	0
6204 Community Centers	193,820	193,820	0	0	0
6205 Aquatics	249,710	249,710	0	0	0
6206 Riverfront	336,690	336,690	0	0	0
6207 The Park at West End	38,990	38,990	0	0	0
6208 1/8% SUT Operations	2,627,590	2,627,590	0	0	0
<b>Total Parks and Community Services</b>	<b>\$ 5,645,730</b>	<b>\$ 5,324,870</b>	<b>\$ 320,860</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Operation Services Division - Sanitation</b>					
6301 Administration	\$ 752,720	\$ 0	\$ 0	\$ 0	\$ 752,720
6302 Residential Collection	2,886,770	0	0	0	2,886,770
6303 Commercial Collection	1,026,950	0	0	0	1,026,950
6304 Fleet & Grounds Maintenance	907,300	0	0	0	907,300
6305 Sanitary Landfill	3,468,830	0	0	0	3,468,830
6306 Debt Service	0	0	0	0	0
6307 Roll-Off Collection	905,490	0	0	0	905,490
<b>Total Sanitation</b>	<b>\$ 9,948,060</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 9,948,060</b>
<b>Operation Services Division - Transit</b>					
6550 Public Transit	\$ 2,635,460	\$ 2,635,460	\$ 0	\$ 0	\$ 0
<b>Total Operation Services Division</b>	<b>\$ 60,570,880</b>	<b>\$ 7,960,330</b>	<b>\$ 7,061,810</b>	<b>\$ 35,600,680</b>	<b>\$ 9,948,060</b>
<b>Non-Departmental</b>					
6600 Non-Departmental	\$ 4,822,500	\$ 2,570,000	\$ 432,500	\$ 387,500	\$ 1,432,500
<b>Total Appropriations</b>	<b>\$ 111,140,370</b>	<b>\$ 51,129,853</b>	<b>\$ 8,159,052</b>	<b>\$ 39,455,246</b>	<b>\$ 12,396,219</b>

## Combined Division Summary Operating Funds

	Actual FY11	Amended Budget FY12	Estimated FY12	Budget FY13	Projected FY14
<b>By Division Classification</b>					
Policy and Administration					
Services	\$ 3,162,164	\$ 3,614,760	\$ 3,337,022	\$ 3,688,430	\$ 3,812,540
Management Services	6,058,269	6,572,960	6,412,132	6,459,390	6,733,610
Development Services	2,791,908	2,966,850	2,818,070	3,237,120	3,211,720
Police Services	15,183,754	15,725,997	15,065,295	16,893,690	17,729,550
Fire Services	9,545,602	10,496,444	10,093,311	13,886,200	14,259,570
Operation Services	52,495,694	56,674,170	53,649,663	60,882,178	60,570,880
Non-Departmental	4,971,444	4,910,259	5,048,934	5,057,603	4,822,500
<b>Budget Appropriations</b>	<b>\$ 94,208,835</b>	<b>\$ 100,961,440</b>	<b>\$ 96,424,427</b>	<b>\$ 110,104,611</b>	<b>\$ 111,140,370</b>

## 2013 Operating Budget Appropriations by Division Classification \$110,104,611

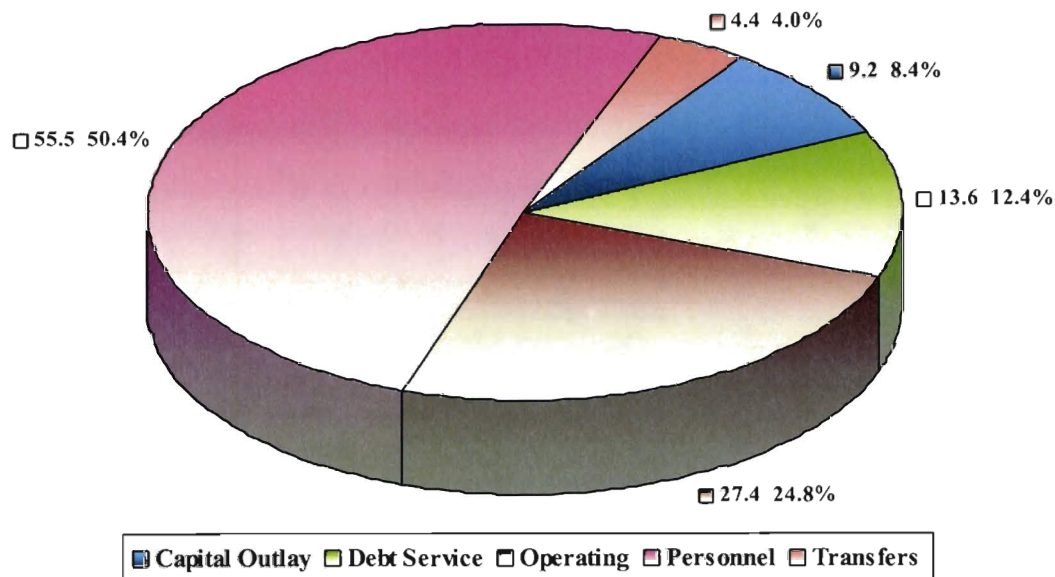


In Millions

## Combined Division Summary Operating Funds

	Actual FY11	Amended Budget FY12	Estimated FY12	Budget FY13	Projected FY14
<b>By Expenditure/Expense Classification</b>					
Personnel	\$ 48,564,093	\$ 51,101,310	\$ 48,855,045	\$ 55,526,530	\$ 57,468,950
Operating	23,034,294	26,721,461	24,844,721	27,381,250	28,928,070
Operating Budget	\$ 71,598,387	\$ 77,822,771	\$ 73,699,766	\$ 82,907,780	\$ 86,397,020
Capital Outlay	3,752,527	4,823,281	4,748,729	9,245,468	6,657,450
Debt Service	15,153,596	14,705,295	13,430,765	13,600,260	13,598,400
Transfers	3,704,325	3,610,093	4,545,167	4,351,103	4,487,500
<b>Budget Appropriations</b>	<b>\$ 94,208,835</b>	<b>\$ 100,961,440</b>	<b>\$ 96,424,427</b>	<b>\$ 110,104,611</b>	<b>\$ 111,140,370</b>

## 2013 Operating Budget Appropriations by Expenditure/Expense Class \$110,104,611



In Millions

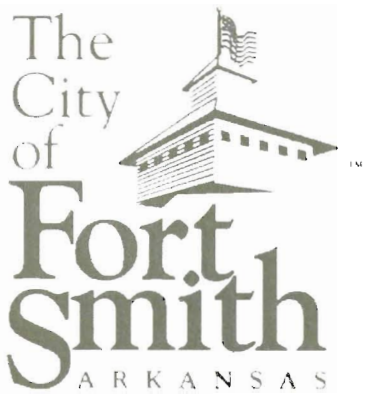


## **DIVISION SUMMARIES**

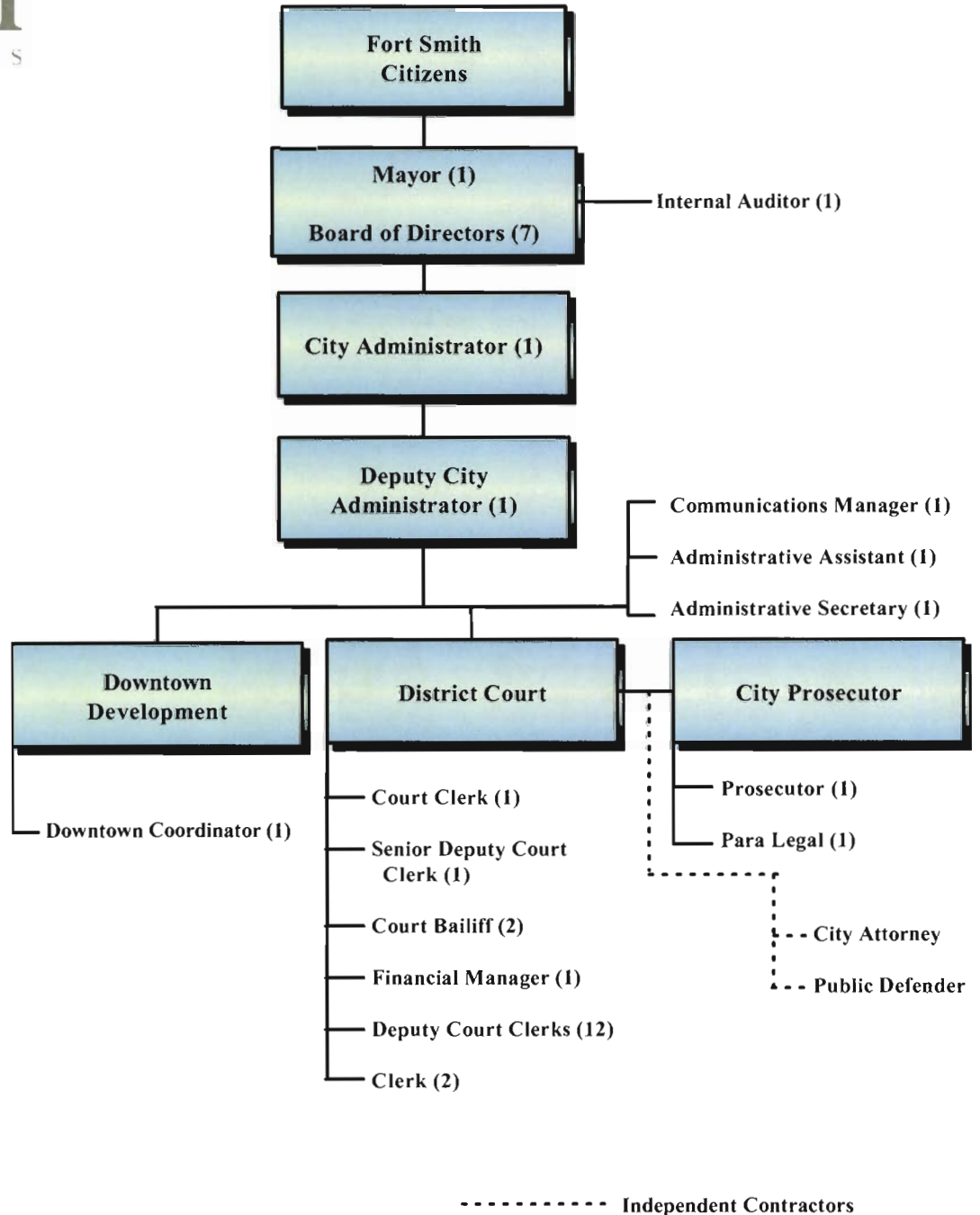
This section provides position and budget summaries for all divisions of the City. The position summaries are based on January 1 authorizations with the exception of Estimated FY12 which is based on September 30, 2012 authorizations. The dollar summaries reflect Actual FY11, Budget FY12, Estimated FY12, Budget FY13 and projected for Budget FY14.

Also, provided is a narrative of each division which reflects the purpose, overview, 2013 service objectives, 2012 service objectives and outcomes, service measures/key performance indicators, and workload/demand statistics.

A line-item budget detail for each program within each division is provided in the FY13 Budget Supplement.



# Policy and Administration Services



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

## POLICY/ADMINISTRATION OVERVIEW:

Policy and Administration is comprised of four programs: 4100 Mayor, 4101 Board of Directors, 4102 City Administrator, and 4111 Downtown Development. The Mayor serves the City in a leadership and public relations role. The Board of Directors sets policy for the City. The City Administrator manages the operations of the City. Downtown Development is involved with promoting downtown development and the CBID.

The FY13 Budget is \$21,080 or 1.5% less than the FY12 Budget level due to lower operating costs.

Major priorities planned for 2013 are those that follow in the Budget Message and highlighted as:

enhance communication with citizens; improve customer service with training of employees; enhance services to the homeless with a campus facility; provide additional recreational opportunities; improve accountability and performance measurement in the budget; continue advocacy of I-49 project with federal participation; update or prepare a new comprehensive plan-Vision 2025 Plan; initiate and develop economic growth strategies for job market improvement; and enhance the appearance and curb appeal of the city.

Total personnel for these programs is 14FTE for FY13 which is the same as FY12.

POLICY & ADMINISTRATION	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 587,968	\$ 663,560	\$ 643,122	\$ 689,550	\$ 702,570
Operating Expenditures	633,148	663,010	487,203	620,940	684,650
Operating Budget	\$ 1,221,116	\$ 1,326,570	\$ 1,130,325	\$ 1,310,490	\$ 1,387,220
Capital Outlay	0	125,000	50,207	120,000	126,000
Budget Appropriation	\$ 1,221,116	\$ 1,451,570	\$ 1,180,532	\$ 1,430,490	\$ 1,513,220
Authorized Positions	14.00	14.00	14.00	14.00	14.00

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

### POLICY/ADMINISTRATION 2013 SERVICE OBJECTIVES

#### Mayor:

1. Focus efforts on economic development; In conjunction with the Fort Smith Regional Chamber of Commerce and the Arkansas Economic Development Commission, work with businesses and industries to retain existing jobs and support efforts to attract new jobs.
2. Take a leadership role emphasizing regional development, including partnering with organizations such as Western Arkansas Planning and Development District, Frontier Metropolitan Planning Organization, Regional Intermodal Transportation Authority and area city and county governments.
3. Re-energize efforts focusing on city clean-up and beautification.
4. Maintain close working relationships with local, state and federal elected officials and staff members.
5. Develop and maintain effective contacts with agencies impacting Fort Smith, including the Corps of Engineers, Federal Highway Administration, Federal Aviation Administration, Arkansas Highway and Transportation Department and the Environmental Protection Agency.
6. Represent the City at appropriate events and activities.
7. Recognize individuals and organizations contributing to the city's growth and progress.
8. Continue to work in the following areas:
  - Good Neighbors Program
  - Orchid Awards
  - Visual and Performing Arts
  - Patriotic and historical events and activities
9. Promote Fort Smith to residents, businesses and visitors.

**Board of Directors:**

1. Enhance communication with citizens through social media and other forums.
2. Improve citizen service by providing customer service training for employees.
3. Enhance services for the homeless by supporting construction and operation of a homeless campus in Fort Smith.
4. Provide additional recreation opportunities by planning and constructing two softball fields and an aquatics center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.
5. Improve the accountability and performance measurement of our budget by including key performance indicators for all departments.
6. Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators and the Federal Highway Administration to develop time frames for its completion.
7. Plan for Fort Smith's future by updating or preparing a new comprehensive plan-Vision 2025 Plan.
8. Initiate and develop economic growth strategies to improve the job market with higher paying jobs as well as support the construction of the regional intermodal freight facilities and Interstate 49.
9. Enhance Fort Smith appearance and curb appeal through the beautification and other efforts to stimulate quality of place and community pride.

**Administration:**

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

**Downtown Development:**

1. Continue to work with property owners on the uses and conditions of their buildings. More pressure will be placed on the owners who are leaving buildings vacant and not maintained appropriately based on the Design Standards for the district. In addition, work with business owners to keep their store fronts attractive. For 2013, plan training through the Main Street program to assist the business owners on store design and window dressing.
2. Continue efforts to relocate the Pioneer Rail Yard just west of the Glass Pavilion. In addition to changes in the truck route, adding green spaces and designing a new splash park will be considered in the project. We will need to find resources in the private sector which will be predicated on the amount of the city/public resources. Once public monies are located the private sector will assist.
3. Introduce the new marketing package for the Downtown Riverfront. This will be immediately available to AEDC, site selectors and organizations throughout the United States. This will be played on-line for easy referral to individuals interested in relocating their corporate headquarters.
4. Marketing the District as a whole has been key to the success and revitalization of Downtown Fort Smith. Downtown Fort Smith is now considered an economic development tool. Now it is time to bring in and focus on our greatest underutilized asset, the Downtown Riverfront. Increase efforts in branding the Downtown Riverfront is an important part of Downtown. Continue outdoor advertising and increase internal marketing efforts by using visual graphics we have created for the relocation of the railroad maintenance yard and the new Marketing Plan. Promote the area as planned, the Riverfront and Historic District as one destination.
5. Fund a feasibility study for additional residential space. In addition to the study, promote further discussions of off campus satellite residential activity with UAFS.
6. Fund a feasibility study for an additional parking lot or possible parking garage. The property acquisition and actual construction may be accomplished through a public private partnership. However, funding will need to be located for a large portion of the project.
7. Complete the inventory of buildings within the CBID boundary based on occupancy and valuation. Comparables should include any renovation investment dollars used for improvements.
8. Plan the first phase of streetscape for Towson to begin at Garrison and Towson and go south. Increase the efforts to improve Towson Avenue through added communication with the property and business owners. Look for funding opportunities through AHTD for additional streetscape improvements.

- Promote the use of the Downtown web site to encourage citizens and tourists to enjoy the Historic Plaques using QR Codes, which were donated by private sponsorships and have been installed in Downtown. The total inventory of plaques in and around the community has been included to increase the visitors enjoyment of the experience. There are between 70 and 80 plaques. We will need to partner with the A&P to create a map for tourists. In addition, directly contact the Visitors Center on I-40 to distribute these maps.

## BOARD OF DIRECTORS 2012 SERVICE OBJECTIVES AND OUTCOMES

- Service Objective:** *Develop a master plan for the Riverfront Development that includes a buy-in from property owners. Review design standards and modify as necessary. Plan for phased infrastructure (water, sewer, roadway) extensions, complete with financing plans.*  
**Outcome:** Water and sewer improvements along Riverfront Drive have begun, and will provide an infrastructure backbone for further development. Additional options for traffic and street configurations are being developed for Board consideration. The City is cooperating in a joint effort with the Chamber of Commerce and the property owners to market the property to potential developers.
- Service Objective:** *Continue advocacy of the Interstate 49 project by lobbying AHTD, federal and state legislators, and the Federal Highway Administration to develop time frames for its completion.*  
**Outcome:** Over \$57 million has been invested in I-49 near Chaffee Crossing. The City has lobbied heavily in Washington D.C. for continued funding for I-49, including six direct-contact visits in the past 4 1/2 years.
- Service Objective:** *Enhance Fort Smith's recreational offerings by pursuing water park and athletic/recreation field improvements at Ben Geren Regional Park.*  
**Outcome:** In March 2012, Fort Smith voters overwhelmingly approved a 3/4% sales and use tax to support bonds to fund construction of an aquatics facility at Ben Geren Park, as well as a 1/4% sales and use tax to fund operation of the facility and additional capital improvements such as softball fields at Ben Geren and Chaffee Crossing. Construction of these projects will begin in 2013.
- Service Objective:** *Vision 2025 Plan. Assess progress of implementing the existing comprehensive land use plan. Incorporate newer components such as the TIP strategies report, riverfront opportunity analysis, and beautification. Learn from other cities' experiences and develop a game plan, including economic health tied to distribution center and tourism, make downtown happen, and address quality of life/place issues to attract younger citizens and knowledge-based jobs for young professionals.*  
**Outcome:** Funding was allocated in the 2012 Budget to begin the evaluation process. Planning and Development staff will facilitate selection of a planning consulting firm to be in place by December.
- Service Objective:** *Improve public safety by constructing an additional fire station, by replacing aging fire apparatus, and re-deploying aerial fire companies. Involve insurance agents to help communicate the need to the public. Public education in support of securing funding through an election to authorize partial use of an existing retail sales and use tax.*  
**Outcome:** In March 2012, Fort Smith voters overwhelmingly approved a 3/4% sales and use tax to support bonds to fund construction of Fire Station No. 11 at Chaffee Crossing, as well as a 1/4% sales and use tax to fund the fire department operations, including additional aerial serial company personnel. An architect and construction manager have been hired, design is underway and construction of the station is expected to be complete by the end of 2013. In addition, the order of six pieces of fire apparatus was approved by the Board in June 2012.
- Service Objective:** *Continue commitment to wet weather sanitary sewer system improvements by securing authorization from the voters to fund the next four years of improvement projects through continuation of an existing retail sales and use tax.*  
**Outcome:** In March 2012, Fort Smith voters overwhelmingly approved a 3/4% sales and use tax to support bonds to continue wet weather sanitary sewer improvements in the City, among other projects including water system, fire service, and recreation facility improvements. Work in the Sunnymede neighborhood is being finalized with this funding, and phases of work in the Mill Creek, Zero Street, and Cavanaugh basins are underway.

## CITY ADMINISTRATOR 2012 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Transfer the Communications component of Economic Development to the City Administrator program and broaden its focus city-wide through the use of the Communications Manager position.*

**Outcome:** The Communications Manager position was transferred to this program, and serves with a city-wide perspective in developing and producing electronic, print, and social media components of communication with the public. The Focus newsletter was discontinued, but replaced with the Fast Focus electronic newsletter.

2. **Service Objective:** *Direct the Citizens Academy (CA) program, provide staff support to the Citizens Academy Alumni Association, and act as a resource for all City departments in reaching out directly to citizens and through traditional and social media.*

**Outcome:** Citizens Academy continued through 2012 with spring and fall sessions, bringing the total number of classes to 12. As the number of classes grows, the CA Alumni Association also grows, and this group continues to be active in support of CA programming. Even though the CA is independent from the City organization, it is important for staff to maintain its relationship with the Association as a way to reinforce the lessons learned at the Citizen's Academy and continue the experience for those involved. Communications is encouraging all departments to examine the ways in which they communicate with the public, especially two-way communication (and the use of social media) related to service delivery and citizen satisfaction. Communications also managed the National Citizen Survey project in 2012, which will provide important information on service delivery and help guide budget objectives for the next several years.

3. **Service Objective:** *Develop and implement aggressive and innovative ideas for transparent communication with the public about city services, programs, economic development, and quality of place related issues, in collaboration with community partners. Engage local media decision makers and reporters through regular lunch conversations with administration and senior staff. Improve inter-department communication as part of this effort in order to help provide a better overall product to the public.*

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

4. **Service Objective:** *Develop and implement a citizen centered approach to customer service.*

**Outcome:** Department head meetings were utilized as a venue for communicating customer service objectives to departments and discussing service delivery, often in the context of specific instances where customer service suffered for one reason or another and how the response could have been improved. This service objective will continue through 2013 with possibly a more formalized approach.

5. **Service Objective:** *Identify and promote funding sources for ongoing operations and capital improvements to the Board of Directors and to the public. This is particularly challenging in departments and programs supported by the General Fund. Promote the use of innovation and technology to better utilize resources.*

**Outcome:** The March 2012 election and voter approval of the 1/4% Sales and Use Tax for Fire and Parks & Recreation programs provides additional funding for operations in those two General Fund supported programs. Funds are dedicated for staffing, operations, and capital improvements. It will be important to emphasize the success of this funding each year, as the tax will need to go before the voters again in 2022. The Fire Department also was able to secure SAFER grant funds to support \$987,000 in personnel costs over the next two years, which will allow general fund dollars to be stretched further for needed improvements in the Fire Department. Both of these examples will allow the City to do more with its General Fund dollars starting in 2013.



6. **Service Objective:** *Continue to identify and promote energy efficient and "green" initiatives in all city operations, for both economic and environmentally responsible purposes.*
- Outcome:** The Fire Department installed energy efficient lighting, air filters, new window glazing, insulation and used Energy Efficient Community Block Grant funding to replace the HVAC systems in 10 fire stations. Four departments, (Police, Fire, Transit and Customer Service) received grants from the Arkansas Energy Office to convert fleet vehicles to Compressed Natural Gas fueling systems, and are currently evaluating performance to determine if conversion of additional fleet vehicles is feasible. Paperless Board meeting packets were implemented in July via the use of iPad tablet devices, thereby reducing paper consumption and saving staff time.
7. **Service Objective:** *Refine performance measurement initiatives in five initial departments to provide measures that will better help us allocate resources and evaluate progress. Implement city-wide in FY2013 Budget.*
- Outcome:** Performance measurement initiatives were included in the FY2012 departmental budgets for Finance, Sanitation, Streets, and District Court. All departments will identify key performance indicators for their FY2013 budgets.

## DOWNTOWN DEVELOPMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Continue to work with Downtown property owners in the Central Business Improvement District to encourage the sale, lease or renovation of their properties. Work with new Downtown business owners during the permitting process and opening of their businesses in the District. As we do this, we will focus on attracting quality businesses.*
- Outcome:** As of August, we have opened 8 new businesses in Downtown. Two of the new businesses are high quality antique stores to add to our antique tourism. In addition, we have plans for another new restaurant at 5th and Garrison. Discussion has begun on the renovation of the 400 block of North Garrison.
2. **Service Objective:** *Create a data base of numbers which will include growth patterns, property and business inventories, employment and increased property values.*
- Outcome:** This project has been started and is targeted to be complete by the end of FY2013. This service objective will be on-going. A feasibility study indicated the need for additional residential spaces within the boundary of the CBID. We have interest from investors to create more residential spaces and this will be helpful to tie to the marketing package we are currently working on for the Riverfront.
3. **Service Objective:** *Implement the first phase of the streetscape program on Towson beginning at Garrison and continuing south.*
- Outcome:** The final phase of the streetscape program along Garrison is currently underway. Once this portion has been completed, work on the first phase of the streetscape on Towson will begin at Towson and Garrison.
4. **Service Objective:** *Work on the continuation of the Riverfront Master Plan, including additional improvements to the area along the Riverfront Drive. Other possible projects include, a splash park in the area of Compass Park as well as working with the railroad to clean up the area just west of the Glass Pavilion. Continue to seek out funding for the construction of shelters for the municipal parking lot at 2nd and Garrison.*
- Outcome:** The Riverfront Master Plan has been updated, and excellent progress has been made on the relocation of the railroad maintenance yard as well as improvements to Compass Park. These improvements received unanimous support from the Board. Funding options for the improvements to the 2nd street lot are being explored. Through private donation, garbage collections cans were added to the lot on North 2nd. They will be installed in and around the area of the Park at West End as soon as they are painted.
5. **Service Objective:** *In partnership with the Chamber, develop a marketing plan to be used for the purpose of promoting a 50,000 square foot corporate headquarters along the Riverfront.*
- Outcome:** Good progress has been made and this tool will be introduced by the end of 2013. This will assist the department as well as others involved in the development of the Riverfront in Downtown to attract a corporate headquarters to the district. It will include several forms of promotional pieces including a DVD, and fold out with information about the region and Downtown Fort Smith focusing on the benefits of the Riverfront area. The dirt is moving along the Riverfront Drive thanks to a Board decision to install infrastructure of water and sewer to encourage development. This will greatly improve the success of the Riverfront for Downtown.

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

**Outcome:** Our branding efforts are ongoing and very successful. Other organizations have picked up on our efforts and have started using Downtown in most of their marketing pieces. The Park at West End continues to thrive and has become an icon. In addition, the new Bass Reeves Statue was installed this year and also became a destination for citizens and tourists every day.

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

**Outcome:** This is a very successful expenditure for citizen satisfaction. We are known for our music events on the river and have grown at the national level. By adding the newest Festival on the Border, we have increased our recognition with site selectors for companies who desire a high level of entertainment for their employees to experience. We have to continue to provide activities at this level to attract the economic boost that large venues bring to the Downtown area and actually the region. Through restaurant tickets, retail numbers and hotel rooms, we have seen the value to our area of various levels. Site selectors are constantly asking what there is to do for entertainment in the community.

8. **Service Objective:** *Continue to work with elected officials on a local and state level to lobby for visits on the various efforts to improve Downtowns in Arkansas and the United States.*

**Outcome:** Some success was realized in 2012 by gaining the interest of AECD with the Downtown Riverfront. We continue to improve our image throughout the United States by participating in state organizations efforts to promote Arkansas.

9. **Service Objective:** *Continue to work with other city departments to improve the maintenance standards that we are able to use as tools to increase neighboring property values.*

**Outcome:** This continues to be a challenge in Downtown. We have reduced the amount of absentee property ownership greatly. We are now at about 3 owners who continue to ignore our revitalization efforts. In partnership with the other departments, we will work harder to place pressure on owners to either renovate or sell their neglected properties.



## LEGAL DEPARTMENT OVERVIEW:

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

City Attorney services are provided by a local firm selected through the professional services review. The Public Defender is accounted for by Sebastian County and the funding provided in the 2013 Budget represents the City's share of costs for the year.

The FY13 Budget is \$71,990 or 3.5% more than the FY12 Budget for these programs. The increase is due to the FY13 pay increases.

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

LEGAL DEPARTMENT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 1,596,251	\$ 1,735,620	\$ 1,689,428	\$ 1,809,710	\$ 1,839,610
Operating Expenditures	239,299	306,000	348,171	303,900	303,000
Operating Budget	\$ 1,835,550	\$ 2,041,620	\$ 2,037,599	\$ 2,113,610	\$ 2,142,610
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 1,835,550	\$ 2,041,620	\$ 2,037,599	\$ 2,113,610	\$ 2,142,610
Authorized Positions	21.00	21.00	21.00	21.00	21.00

## LEGAL DEPARTMENT 2013 SERVICE OBJECTIVES

### District Court:

1. Cross training of court's support personnel to ensure efficient and high quality service to patrons of the court. The court will continue to emphasize education and the development of the Court's personnel in areas of procedure, professional skills and statutory basis for the Court's operations. The Court will also work toward certification through state training and the Arkansas City and District Court Clerk's Association and the National Association for Court Management.
2. Increase court revenues by utilizing resources available to the Court to reduce expenditures and through aggressive collection procedures/programs.
3. Review and update the Court's Procedural Manual to implement legislative changes.
4. Increase technology and automation by implementing a new case management software program.
5. Continue to identify further measures to improve court services and performance by 1.) establishing data collection methods for reporting the court's administrative functions. 2.) Case processing clearance rate-% set for trial; 3.) Contempt warrant clearance rate-% of warrant for failing to pay fines; 4.) Accounts receivable clearance rate-assess how much is owed to the court and what % is past due.

### City Prosecutor:

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

## DISTRICT COURT 2012 SERVICE OBJECTIVE AND OUTCOMES

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

**Outcome:** 8 employees were required to learn a new position. All employees are cross-trained in each position within the department. Employees are required to rotate into a new position annually. Key positions within the department are Financial Administrator, Senior Deputy Clerk and the Court Clerk. The three employees holding these positions have been cross-trained in all 3 positions.

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

**Outcome:** District Court began accepting online payments in 2011 as an additional method of payment. In 2011 the Court received 3,751 payments in the amount of \$345,605. It is estimated that the Court will receive 5,051 payments in the amount of \$450,750 for 2012, increasing utilization of this service provided by the court by 30%. Auditing procedures to review jail billing, has resulted in a savings for incarcerating prisoners. Daily billing audits are conducted by the Court. The monthly bill is also reviewed by the Court before submission to the Police Department for payment. 18% of the Court's collections were derived from methods such as the State Tax Intercept Program, commissary account withholdings, credit card payments, bond forfeitures and the use of a collection agency. 42% of the warrants issued were administratively handled by the District Court Business Office without law enforcement involvement or use of the detention center. Court collections have declined 2% in comparison to 2011, a product of the economy. Procedures have been introduced to reduce the number of prisoners and the number of days that a prisoner serves in the detention center, i.e. reducing jail sentences, court ordered community service in lieu of jail time, electronic monitoring, consideration of signature bonds, meritorious good time jail credits, etc. The City's share of revenue derived from court collections the previous year exceeds expenditures by \$1,238,267. The County's share of revenues exceeds expenditures by \$759,267.

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

**Outcome:** The Court is implementing a new case management software program, therefore rewriting all procedures and processes is necessary. This objective is expected to be ongoing in 2013 and possibly 2014.

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

**Outcome:** Implementation of Case Management System will be late 2012, early 2013. Once the system is in place, it will be configured in a way that increases technology and automation. Areas of focus will be accuracy of data for statistical reporting, paperless files/warrants/dockets, reducing redundancy within the process and procedures, electronic reporting of dispositions to outside agencies, more efficient case flow, better access to records and automating manual processes. 2013 is the expected completion date.

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

**Outcome:** Objective will begin when the new case management software has been implemented. Ongoing through 2013.

## CITY PROSECUTOR 2012 SERVICE OBJECTIVE AND OUTCOMES

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

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

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

**Outcome:** On-going

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

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

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

**Outcome:** Goal is on-going and being met.

## DISTRICT COURT

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

	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ESTIMATED FY12</u>
<b>Traffic Cases</b>			
Workload	24,051	20,859	25,315
Completed	21,125	18,721	22,604
Completion Rate	87%	89%	89%
<b>Criminal Cases</b>			
Workload	13,517	12,986	14,244
Completed	11,255	11,084	11,998
Completion Rate	83%	85%	84%
<b>Civil Cases</b>			
Workload	2,056	1,740	1,520
Completed	1,884	1,823	1,626
Completion Rate	91%	104%	106%

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

Assessed	\$6,057,576	\$5,715,725	\$5,948,027
Collected	\$5,406,835	\$5,328,445	\$5,542,913

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

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

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

	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ESTIMATED FY12</u>
Issued by the Court	8,700	8,596	7,404
Served by Law Enforcement	3,132	2,780	2,451
Resolved by Court	3,582	3,548	3,124
<b>% Served by Law Enforcement</b>			
	36%	32%	33%
<b>% Resolved by the Court</b>			
	41%	41%	42%
<b>% Outstanding Warrants</b>			
	23%	27%	25%
Total	100%	100%	100%

**INTERNAL AUDIT OVERVIEW:**

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

The FY13 Budget is \$22,760 or 18.7% more than the FY12 Budget. The increase is related to classifying additional consultant work with the internal audit plan from Finance to this program.

INTERNAL AUDIT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 101,165	\$ 101,310	\$ 98,419	\$ 107,310	\$ 109,690
Operating Expenditures	4,333	20,260	20,472	37,020	47,020
Operating Budget	\$ 105,498	\$ 121,570	\$ 118,891	\$ 144,330	\$ 156,710
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 105,498	\$ 121,570	\$ 118,891	\$ 144,330	\$ 156,710
Authorized Positions	1.00	1.00	1.00	1.00	1.00

**INTERNAL AUDIT 2013 SERVICE OBJECTIVES**

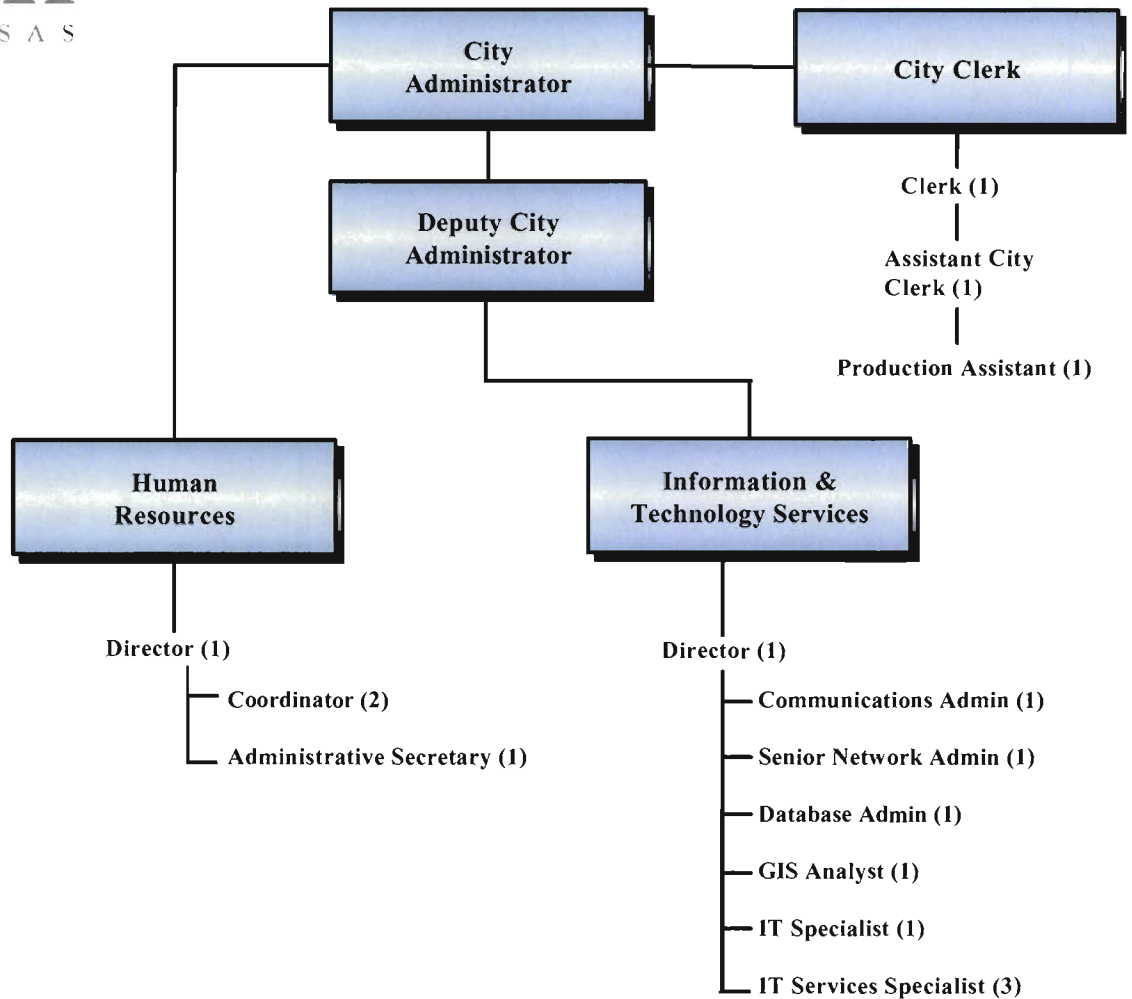
1. Assist departments with required audit procedures for outside regulating entities.
2. Perform performance audits determined based on risk assessment and audit plan approval.
3. Aid departments in establishing key performance indicators so that administration and the Board of Directors as well as the public can see the continuous improvement that all city departments strive for.
4. Implement key performance measures in the internal audit department as follows:

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

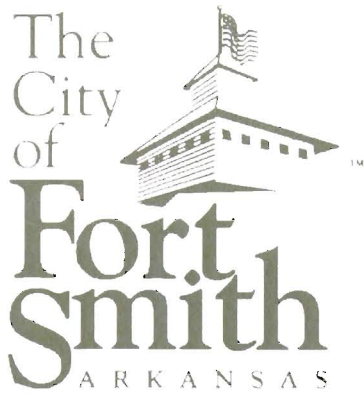
## INTERNAL AUDIT 2012 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** Assist departments with required audit procedures for outside regulating entities.  
**Outcome:** Goal achieved, this is an on-going process.
2. **Service Objective:** *Perform performance audits as considered necessary.*  
**Outcome:** Goal achieved, this is an on-going process. Audits not complete by year end will be included in the 2013 plan.
3. **Service Objective:** *Develop internal procedures city-wide to aid in the process of continuous auditing and monitoring.*  
**Outcome:** The Homestead credit monitoring is working well. Several incorrect classifications are being changed monthly.
4. **Service Objective:** *Educate managers and department heads in the benefits of internal controls focusing on reducing the risk of highest fraud risk areas in the city.*  
**Outcome:** Ethics training implemented for department heads and front line supervisors with continued training to be held in 2013.
5. **Service Objective:** *Assist departments in establishing key performance indicators so that administration, Board, and the public can see the continuous improvement that all city departments strive to achieve.*  
**Outcome:** Four City departments implemented key performance measures in the 2012 document. Remaining departments submitted key performance indicators for 2013. Internal audit will continue to assist departments in the improvement of the measurement process.

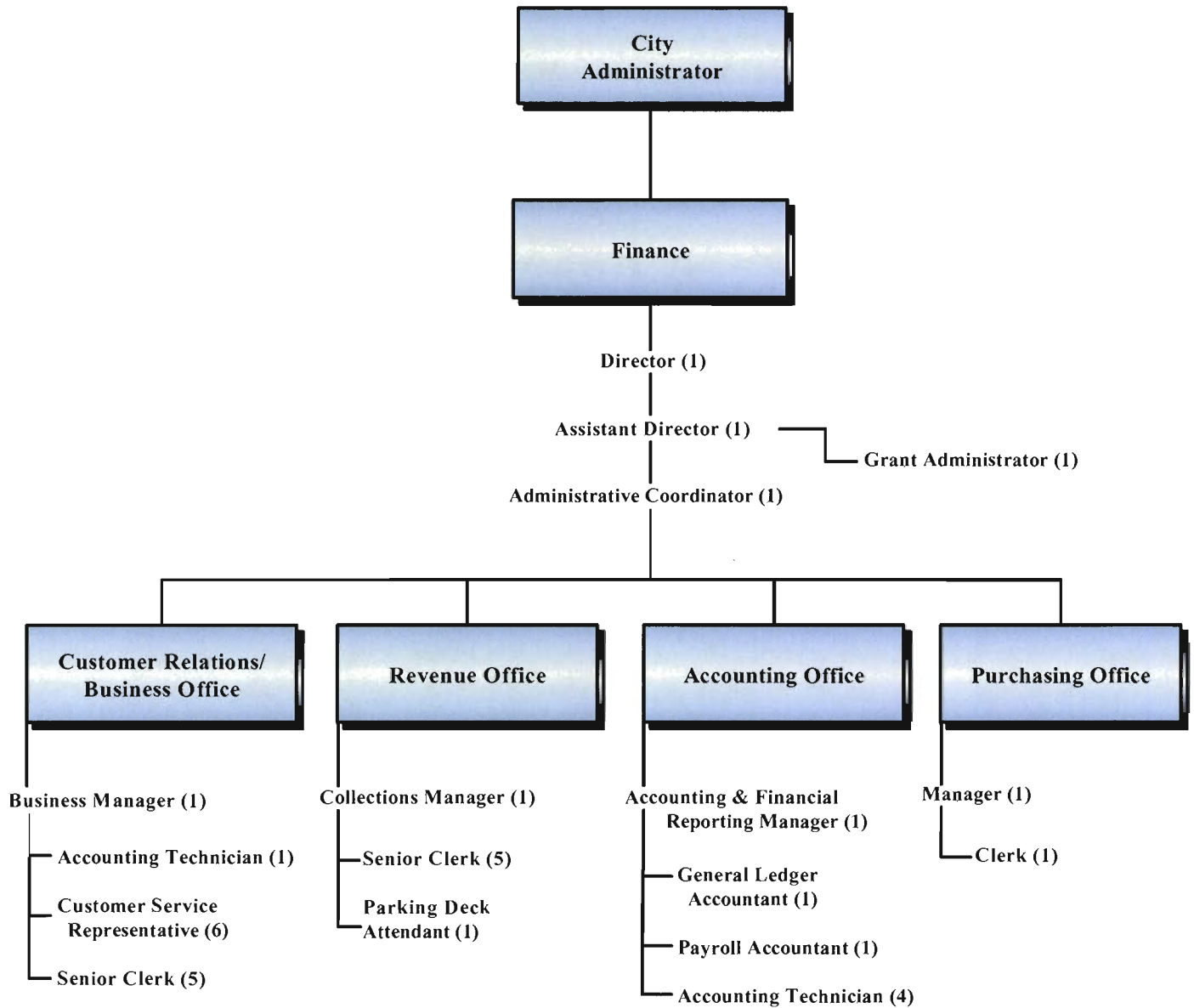
# Management Services



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



# Management Services



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

**HUMAN RESOURCES OVERVIEW:**

The Human Resources department, Program 4104, processes personnel applications; manages the employee insurance and workers' compensation benefit plans and risk management programs; manages and provides training and safety programs; and coordinates civil service policy and administration.

The FY13 Budget is comparable with the FY12 Budget.

Total Human Resource Department personnel is 4.0FTE. There is no change in the level of positions for 2013.

HUMAN RESOURCES	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 439,621	\$ 446,210	\$ 400,318	\$ 420,970	\$ 428,970
Operating Expenditures	105,408	110,100	86,945	132,600	111,100
Operating Budget	\$ 545,029	\$ 556,310	\$ 487,263	\$ 553,570	\$ 540,070
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 545,029	\$ 556,310	\$ 487,263	\$ 553,570	\$ 540,070
Authorized Positions	4.00	4.00	4.00	4.00	4.00

**HUMAN RESOURCES DEPARTMENT 2013 SERVICE OBJECTIVES**

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

**HUMAN RESOURCES  
2012 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Maintain and administer a fair and competitive wage and compensation system.*  
**Outcome:** This is an on-going process. Based on our annual salary survey, the City is very competitive with our peers.
2. **Service Objective:** *Update and revise employee policies and procedures manual.*  
**Outcome:** Completed.
3. **Service Objective:** *Manage the medical insurance benefit program to provide quality healthcare at an affordable fair cost to the City's employees and families.*



**Outcome:** This is an on-going process. Based on our 2012 projection for costs, we are having a difficult health year.

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

**Outcome:** This is an on-going process. Based on our 2012 projection for costs, we are on budget.

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

**Outcome:** Project is on hold.

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

**Outcome:** Project is on hold.

### HUMAN RESOURCES WORKLOAD/DEMAND STATISTICS

	<u>ACTUAL FY11</u>	<u>BUDGET FY12</u>	<u>ESTIMATED FY12</u>	<u>BUDGET FY13</u>
Employees governed by personnel policies and procedures (FTE)	913.28	913.28	916.03	936.31
Civil Service Commission Meetings	6	5	4	4
Civil Service applicant tests administered	6	5	5	4
Employment Applications Received	2,500	2,500	2,500	2,500

**CITY CLERK DEPARTMENT OVERVIEW:**

The City Clerk, Program 4105, office maintains all official records of the city; responds to citizen requests; receives candidate and initiative petitions and coordinates city elections; coordinates the agenda process for the Board of Directors meetings and records the proceedings of said meetings; provides assistance to departments in researching state laws; provides guidance to departments in drafting of resolutions and ordinances; codifies and publishes city ordinances; oversees operation of the city's cable access channel to keep citizens informed on local government services and community events; and performs other duties/responsibilities as directed by the City Administrator, Mayor and Board of Directors. The primary purpose of this department is to 1) deliver quality essential services in a cost effective, timely manner and 2) help make City government more accessible by keeping citizens better informed of the effectiveness of City services.

The FY13 Budget is \$43,290 or 12.3% less than the FY12 Budget for this program. The decrease is due to the city elections during FY12 that will not be held in FY13.

The department has 3FTE which is the same as FY12.

CITY CLERK	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 186,834	\$ 191,680	\$ 188,222	\$ 209,590	\$ 212,950
Operating Expenditures	104,484	160,070	156,339	98,870	141,860
Operating Budget	\$ 291,318	\$ 351,750	\$ 344,561	\$ 308,460	\$ 354,810
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 291,318	\$ 351,750	\$ 344,561	\$ 308,460	\$ 354,810
Authorized Positions	3.00	3.00	3.00	3.00	3.00

**CITY CLERK 2013 SERVICE OBJECTIVES**

1. Render expeditious processing of official documents, legal publications, and codification of ordinances.
2. Provide various administrative services to the public, Mayor, Board of Directors, Administration and staff.
3. Provide educational opportunities to staff to ensure knowledge and skills are increased to better benefit staff and citizens.
4. Furnish up to date information on departments web page.
5. Provide quality programming on Government Access Channel 6, including televised regular meetings of the Board of Directors.
6. Coordinate implementataion of additional Government Access Channel (U-Verse) provided by AT&T.

**CITY CLERK  
2012 SERVICE OBJECTIVES AND OUTCOMES**

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

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

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

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

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

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

4. **Service Objective:** *Provide up to date information on the department web page.*

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

5. **Service Objective:** *Ensure quality programming of the Government Access Channel 6, including live telecast and rebroadcast of regular meetings of the Board of Directors.*

**Outcome:** An average of 270 announcements aired continually providing information on city services and events, and promoting activities of community organizations. The following videos aired in 2012:

Live it Up Downtown Fort Smith      Downtown Development production (2)

Farmer's Market

Tales of the Crypt-2012

Parks Department production

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

6. **Service Objective:** *Conduct 2012 municipal elections in compliance with city and state codes.*

**Outcome:** A special election was held in March 2012 to continue an existing 1% city sales tax for multiple projects using sales and use tax bonds. A city primary was held August 14, for Ward Director and a municipal general election will be held November 6, for remaining director positions.

7. **Service Objective:** *Green Initiative-Paperless board packets.*

**Outcome:** Fully accomplished in June 2012.

## CITY CLERK 2012 PERFORMANCE MEASURE STATISTICS

Ordinances published within two weeks of adoption by the Board of Directors.	100%
Draft minutes of Board of Directors meetings prepared within five (5) days.	98%
Meeting Agenda packets available to City officials within 4 days of meeting	100%
Meeting agenda packets and audio recordings posted on website	100%
Response to FOIA requests within 3 days	100%
Response to citizen requests within 7 days	100%
Government Access Channel 6 announcements received/airing	100%
Municipal Code of Ordinances semiannual updates	50%
Document imaging of records (a daily process)	100%
Issuance of Oak Cemetery Deeds (33 at 8/8/12)	100%

**CITY CLERK  
SERVICE MEASURES/PERFORMANCE INDICATORS**

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

**CITY CLERK  
WORKLOAD/DEMAND STATISTICS**

	<u>ACTUAL FY11</u>	<u>BUDGET FY12</u>	<u>BUDGET FY13</u>	<u>BUDGET FY14</u>
Board Meetings attended (voting sessions)	29	28	28	28
Agendas prepared	55	50	50	50
Ordinances and Resolutions Adopted	336	425	425	425
Minutes Prepared	29	30	30	30
Action Center Contacts	1,900	1,900	1,900	1,900
Coordinate Elections	2	2	0	2
Permanent Records Retention	34,000	36,000	36,000	36,000
Government Channel Ads	300	300	300	300
Staff Hours for Government Channel Productions	2,080	2,080	2,080	2,080
1 Government Channel Total Cablecast Hours	8,760	8,760	8,760	8,760

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

## FINANCE DEPARTMENT OVERVIEW:

The Finance Department contains six programs: 4301 Finance Administration, 4303 Collections, 4304 Utility Billing/ Customer Service, 4306 Purchasing, 6912 Parking Deck Personnel, and 6921 Parking Facilities (operations only). The Finance Department provides support services to the entire organization, including: budget compilation, development, and monitoring; grant and intergovernmental revenue administration; business registration administration; alcoholic beverage tax and fee billing, collection and monitoring; hospitality tax billing, collection and monitoring; property and equipment risk management and loss control; banking relations; investments of funds on hand; debt service analysis and bond payments; utility billing and related customer service; purchasing management; parking facilities operations; and financial reporting.

The FY13 Budget is \$170,330 or 4% more than FY12 Budget. The increase is due to structural repairs to the parking deck of \$369,740 in FY13. The FY12 budget included approximately \$105,000 for a portion of these repairs but these will be made in FY13. This increase is offset by a reduction in data processing fees with Data-Tronics Corp.

Total FY13 Finance Department personnel is 33FTE which is consistent with FY12.

FINANCE	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 1,998,547	\$ 2,053,260	\$ 2,012,980	\$ 2,145,280	\$ 2,173,800
Operating Expenditures	1,785,544	2,091,200	1,921,685	1,910,240	2,091,800
Operating Budget	\$ 3,784,091	\$ 4,144,460	\$ 3,934,665	\$ 4,055,520	\$ 4,265,600
Capital Outlay	17,050	132,270	57,792	391,540	22,890
Budget Appropriation	\$ 3,801,141	\$ 4,276,730	\$ 3,992,457	\$ 4,447,060	\$ 4,288,490
Authorized Positions	33.00	33.00	33.00	33.00	33.00

## FINANCE DEPARTMENT 2013 SERVICE OBJECTIVES

1. Refine the web based system for the general ledger for implementation by the end of 2013.
2. Enhance the "green initiative" by notifying mailing lists for budgets and CAFR's that these documents are available on the City's web site. This will reduce costs and paper use.
3. Improve customer service by implementing municipal utility bill sign-up for services online. This should be available during 2013. Continue to enhance off-site payment processing options for customers.
4. Develop and implement financial systems information for departmental budget management and tracking.
5. Continue to develop and monitor Finance's key performance indicators.

Finance Department-Key Performance Indicators

Name	Frequency	Purpose	Measurement
Number of days to close the year/month	Yearly/Monthly	Each month and yearly period requires that the accounting records be closed to complete the cycle of transactions. The duration of the close shows the efficiency of the entire process including the journal entries, reconciliations, and other required steps.	Manual measurement at the beginning of the closing period until the ending of the closing period. Target: for month & quarter end-10th day of the following month; for year-end-by February 5 of the following year. Monthly closings met 95% in FY12 to date.
Bond rating	Yearly	The Bond rating determines the interest rate the City is able to receive on long-term debt issuances. This rating is determined by a series of measurements including financial condition, internal controls, and other similar items. It relates to the financial health of the City.	Report from the appropriate bond rating agency. Target: S&P rating of A for senior bonds. Maintained ratings for 2012 W/S Revenue bonds and 2012 SUT Bonds.
Average days outstanding - A/P	Yearly/Monthly	The average days outstanding for accounts payable transactions provides a good measurement for the efficiency and effectiveness of the process. If invoices are not smoothly moving from receipt to payment, the average days outstanding will likely increase.	Calculation on the average invoice date versus check date. Target: 30 days or less. Currently conductg data analysis.
Net collection ratio - A/R	Yearly/Monthly	The net collection ratio of accounts receivable measures the percentage average of collections against total accounts receivable. It is a good barometer of the effectiveness of the A/R collection process.	Calculation based on the total received versus outstanding receivables for the period. Target for Water-95% or higher Target-for others-80% or higher. To be measured at year end.
Quick ratio	Quarterly	The quick ratio shows the basic liquidity of the City by taking the cash and short-term investments (nearly cash) and dividing it by the current liabilities. This ratio provides a good performance measurement of short-term cash availability for operations.	Calculation on a quarterly basis compared to prior quarter. Target: 85% liquidity. For first 3 quarters of FY12, average of 691% for all four operatings funds, average of 231%.
Efficiency hours recognized	Yearly	Each employee will examine their day to day duties to determine any steps that may be eliminated or could be automated in order to take less time to perform. More efficient equals less expensive in the long-term.	Calculation performed on a yearly basis. Target: 5%-7% hours saved per department; \$ savings reported. To be measured at year end.

## FINANCE DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Adopt and implement key performance indicators (KPI) relevant to the department.*  
**Outcome:** KPI's were adopted and implemented for the 2012 budget year. Measurement of the KPI's will be provided at the end of October 2012 and December 2012 in a report to the Board.
2. **Service Objective:** *Refine a web based system for the general ledger for implementation by the end of 2013.*  
**Outcome:** Preliminary planning will take place by the end of 2012. This objective will be carried forward as a 2013 service objective.
3. **Service Objective:** *Continue succession planning for financial reporting within the department in lieu of adding a senior management position that was recommended by the Audit Advisory Committee.*  
**Outcome:** A review of the Finance Department's succession planning was made during the July 24, 2012 study session with the Board. Training of current employees for financial reporting procedures is ongoing. Finance will update its succession plans annually.
4. **Service Objective:** *Initiate and develop financial alternatives and budgets for the fire department capital assets and operations needs; recreational opportunities with Sebastian County; and water and sewer capital asset requirements.*  
**Outcome:** The successful sales tax continuation in March 2012 provides funding capital assets for wastewater, water, fire, and parks/aquatic improvements. Finance has worked with the relevant departments regarding spending patterns for the bond funds. The 2013 Budget will encompass the operating portion of the sales tax for the Fire and Parks Department.
5. **Service Objective:** *Enhance financial systems programs to include more access for outside departments and employees; internet access for customers; and real time reporting.*  
**Outcome:** Design and implementation of the Human Resources functions for on-line personnel status change forms and more access to employee records will be completed by the end of 2012. Also, dashboard information will be available by the end of 2012 for some departments by using Tableau software for payment and personnel data details and charting.

**FINANCE DEPARTMENT  
WORKLOAD/DEMAND STATISTICS**

	<u>ACTUAL FY11</u>	<u>BUDGET FY12</u>	<u>ESTIMATED FY12</u>	<u>BUDGET FY13</u>
CAFR Prepared	1	1	1	1
Budgets Prepared	1	1	1	1
City's Bond Rating-				
Revenue	A	A	A	A
Sales Tax	AA	AA	AA	AA
Bond Issues	12	10	7	7
Debt Management	\$417M	\$336M	\$387M	\$352M
Interim Reports	160	160	160	160
Investments Managed	\$177M	\$191M	\$115M	\$110M
Funds Maintained	34	34	34	34
Bank Accounts Managed	10	11	12	11
Revenue/Exp Accounts	5,019	5,700	5,070	5,700
A/P Checks Issued	14,937	15,500	15,032	15,500
1099 Forms Issued	179	185	182	185
Purchase Orders	1,623	1,800	1,800	1,800
Formal Bids Awarded	38	40	42	40
Payroll Checks Issued	1,578	1,788	1,736	1,788
Payroll Direct Deposits	22,767	23,123	22,892	23,123
W-2 Forms Issued	1,024	1,066	1,045	1,066
401(a) Loans Processed	266	276	271	276
Utility Accounts Billed/Month	33,008	33,700	33,500	33,700
Utility Deposits	4,800	4,900	4,900	4,900
Utility Payments	363,000	367,000	365,004	367,000
License Registration	5,407	5,640	5,406	5,640
Alcohol Licenses	231	250	240	250
Value of Fixed Assets	\$770M	\$850M	\$790M	\$850M



## INFORMATION AND TECHNOLOGY SERVICES (ITS) DEPARTMENT OVERVIEW:

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

The FY13 Budget is \$41,880 or 2.4% less than the FY12 Budget. The decrease is due to reducing computer equipment replacement as well as reducing other operating accounts in an effort to be fiscally responsible. The decrease is offset by the pay increases for FY13.

The ITS Department continues with 9.0FTE.

INFORMATION & TECHNOLOGY/GIS	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 695,911	\$ 711,790	\$ 737,465	\$ 757,680	\$ 767,060
Operating Expenditures	906,551	1,037,270	1,012,539	949,500	1,054,000
Operating Budget	\$ 1,602,462	\$ 1,749,060	\$ 1,750,004	\$ 1,707,180	\$ 1,821,060
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 1,602,462	\$ 1,749,060	\$ 1,750,004	\$ 1,707,180	\$ 1,821,060
Authorized Positions	9	9	9	9	9

## INFORMATION & TECHNOLOGY DEPARTMENT 2013 SERVICE OBJECTIVES

1. Provide timely and effective support of personal computers, related peripherals and communication technology to Administration, and staff of the City. ITS will implement 2 new tools to enhance the efficiency of support requests submission and subsequent tracking.
2. Provide technical assistance, leadership and project management services to departments as needed.
3. Develop a mobile-friendly version of the main City website to bring frequently accessed information from the main City website to a light-weight version designed to be accessed from smart devices (e.g., phones, tablets).
4. Identify and implement a branded, mobile application giving citizens the ability to communicate concerns to the City using an iPhone/iPad, Android or Blackberry device. The application will be tethered to the City's ongoing social media efforts and provide feedback throughout the resolution of the concern.
5. Develop a City-wide Technology Plan to identify and implement policies, infrastructure, applications, and technologies to facilitate department efforts to provide efficient and effective services to city staff, citizens, businesses and visitors to the city. The Plan will outline an overall approach for the selection, use, and support of technology that aligns City resources, business needs and processes.
6. Continue to provide GIS support to the Fort Chaffee Redevelopment Authority (FCRA), enhancing their ability to pursue their economic development and management goals using GIS and mapping technology. Continue maintenance of the online Chaffee Crossing GIS portal.
7. Re-design the City's online GIS presence to accommodate the growing use of mobile or smart devices by the public. GIS staff will redesign most of the more popular GIS sites using up to date technology to complete cross-browser as well as mobile device compatibility.
8. Continue to expand the existing private wireless network to allow a greater number of users to access internal services for more locations.
9. Expand the wireless network coverage to include more public sites, providing for users conducting City business seamless access to business services in a variety of locations from a variety of devices.
10. Convert numerous site links to wireless backhaul technology that will be managed in house. This will allow the City to move away from third-party providers.
11. Implement key performance indicators to measure the effectiveness of the Information and Technology Services (ITS) department as presented in chart on the following page:

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

## INFORMATION & TECHNOLOGY DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

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

**Outcome:** As in previous years, the backlog of support requests/trouble tickets has consistently been held to less than 10-15 at any given time. Maintaining communication with users throughout the resolution process has ensured a high level of customer satisfaction.

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

**Outcome:** ITS assisted with several related projects during 2012 including: assisting the Communications Director with streamlining the application process for Citizens Academy, CBID with content management and application development for their web portal, the Police Department with completion of their Disaster Recovery center by providing assistance with the implementation of redundant communications system, Finance with meeting stringent Payment Card Industry (PCI) compliance standards, and Sanitation with constructing a fiber optic network to support media and business processes.

3. **Service Objective:** *Update the Voice-Over-Internet-Protocol (VOIP) Telephone system. The upgrade will allow redundancy of the voicemail system as well as the emergency 911 system and other sub-systems.*

**Outcome:** Update completed in June 2012. Anticipated savings should be measurable within a 12 month period.

4. **Service Objective:** *In order to continue with the City's ITS virtualization strategy, additional storage is required. ITS plans to purchase an additional SAN solution to complement the existing SAN purchase a few years ago. The existing SAN has reached capacity and additional is required to support more virtual servers.*

**Outcome:** Process is ongoing. At print time, the virtualization effort has enabled ITS to effectively "turn off" fifteen physical server machines, providing a measurable benefit in terms of power consumption, cooling load and maintenance costs.

5. **Service Objective:** *Continue to promote the RequestPartner web portal in an effort to advance technology-based interaction between citizens and City staff.*

**Outcome:** In-progress. The ITS Director regularly appears on the KWHN morning show and public speaking engagements to promote the use of the RequestPartner application.

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

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

7. **Service Objective:** *Begin utilizing more cloud-based data for public-facing GIS portal. This effort will help minimize traffic across the City's infrastructure and serve as a first step toward future utilization of Software-As-A-Service (SaaS) within the GIS Department.*

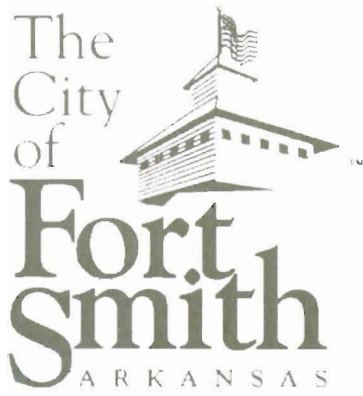
**Outcome:** At print time, five GIS map services have been developed and/or re-configured to use cloud-based data for city maps. This has resulted in a reduction of local data storage as well as local back-end-user server processing. The cloud based map data resides cached for fast display and is consumed free of charge.

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

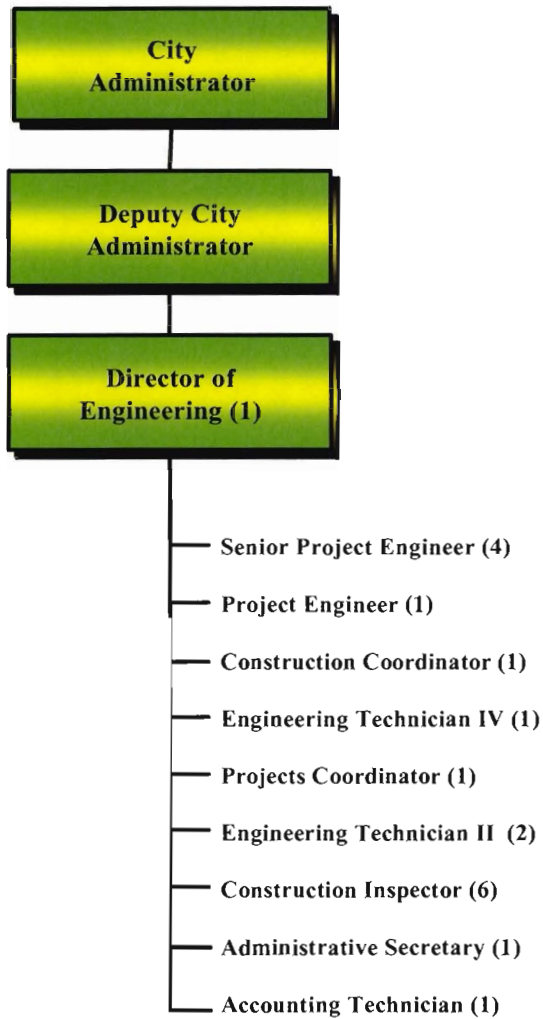
**Outcome:** At print, wireless service has been implemented and augmented in several city buildings. Work continues in the Stephens Building to improve the wireless signal by placing additional wireless antennas in hallways to avoid the "Faraday Cage" effect caused by older construction methods. New wireless antennas have been placed at the Convention Center, Sanitation/Landfill and Kelley Highway Operations Building.

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

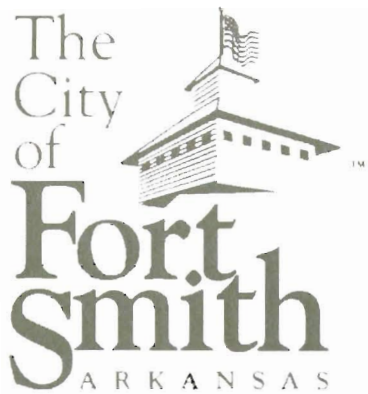
**Outcome:** Ongoing effort to replace aging/outdated PCs and related equipment continues through 2012. Presently, all desktop PC's are within the existing replacement program and current with ITS standards for content and applications. In 2013 we anticipate the replacement of those PCs deployed in the first year of the program which meet the criteria for replacement.



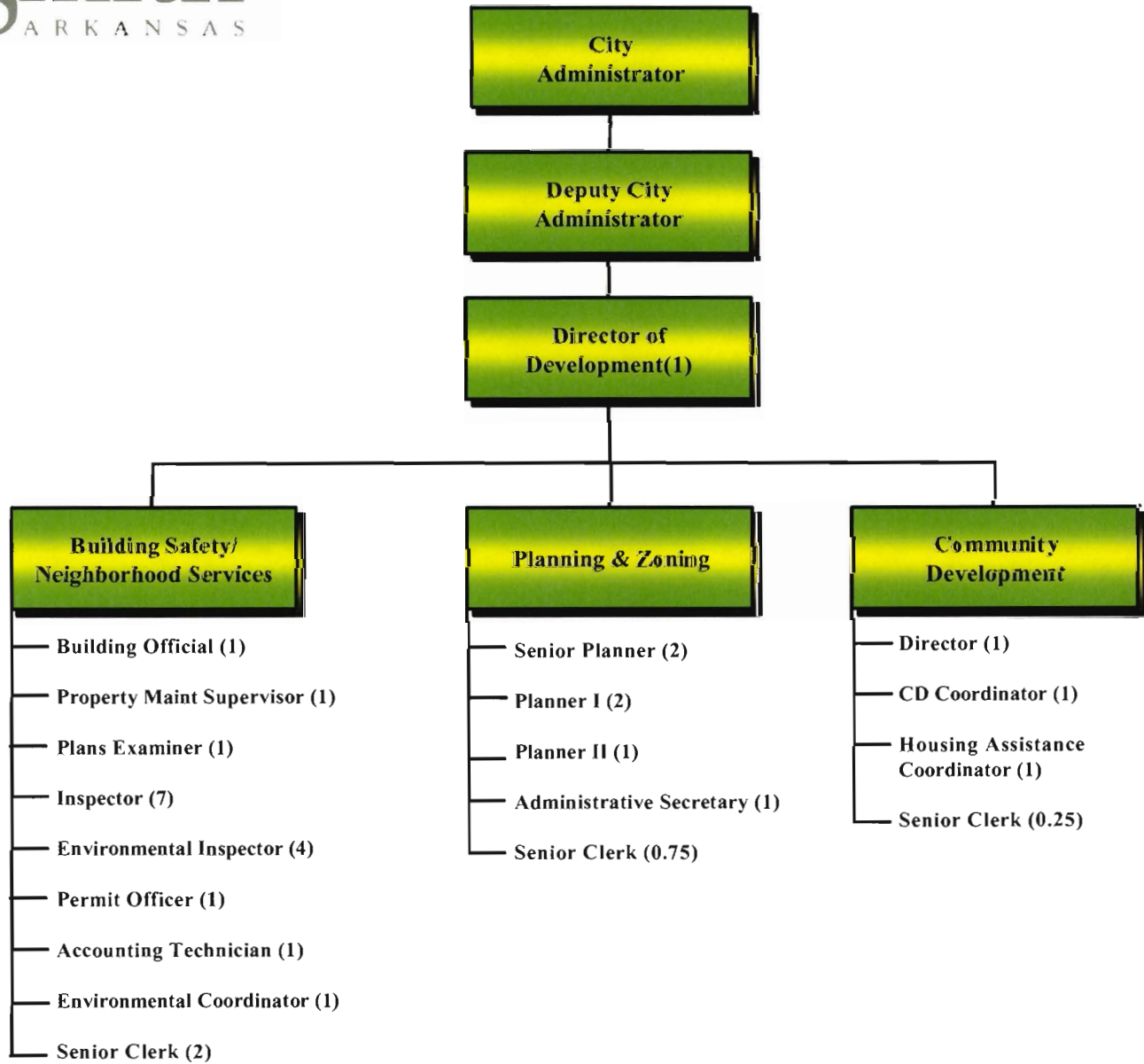
# Development Services



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



# Development Services



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

**ENGINEERING DEPARTMENT OVERVIEW:**

The Engineering Department, Program 4103, is responsible for the design and inspection of the City's sales tax CIP for streets and drainage. This Department also reviews plans for other City infrastructure projects including the sidewalk program.

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

The FY13 Budget is \$70,820 or 4.7% more than the FY12 Budget authorization. The increase is due to the pay increases for FY13.

The Engineering Department has 19.0FTE positions for FY13 which is the same level as FY12.

ENGINEERING	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 1,366,473	\$ 1,394,020	\$ 1,343,863	\$ 1,464,140	\$ 1,491,020
Operating Expenditures	61,798	77,700	56,027	78,000	84,000
Operating Budget	\$ 1,428,271	\$ 1,471,720	\$ 1,399,890	\$ 1,542,140	\$ 1,575,020
Capital Outlay	13,866	21,400	18,354	21,800	0
Budget Appropriation	\$ 1,442,137	\$ 1,493,120	\$ 1,418,244	\$ 1,563,940	\$ 1,575,020
Authorized Positions	19.00	19.00	19.00	19.00	19.00

**ENGINEERING DEPARTMENT 2013 SERVICE OBJECTIVES**

1. Support the livability of neighborhoods by constructing street overlays/reconstruction projects, sidewalk projects and by alleviating drainage problems, all as identified in the 2013 Capital Improvement Program.
2. Implement special projects which evolve during the year.
3. Implement key performance measures as outlined below.

KEY PERFORMANCE INDICATORS			
Activity	FY 2012	FY 2013	FY 2013
	Actual	Target	Actual
Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by October 31.	10/2/2012	10/1/2013	
Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1.	5/24/2012	6/1/2013	
Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%	100%	
Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	98%	100%	

## ENGINEERING DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Support the livability of neighborhoods by constructing street overlays/reconstruction projects, sidewalk and by alleviating drainage problems as identified in the 2012 Capital Improvement Program.*

**Outcome:** The 2012 projects include three overlay/reconstruction projects, five drainage projects, one sidewalk project, one streetscape project, and five drainage projects. Construction contracts for the three resurfacing projects are underway, the new street construction project is currently advertised for bids and the sidewalk project is under construction. The remaining projects are under design with construction scheduled to begin later in 2012.

2. **Service Objective:** *Encourage economic development and enhance traffic flow by contracting and completing thoroughfare projects as follows: Jenny Lind thoroughfare project between Zero Street and Cavanaugh Road in 2012-2013.*

**Outcome:** The construction plans are generally complete and the right of way acquisition process is ongoing with fifty-seven (57) tracts being acquired. Twelve (12) tracts have been obtained, twelve (12) have offers that have been extended, twenty-one (21) have appraisals that are currently under review by the Arkansas Highway and Transportation Department, eleven (11) have appraisals currently being developed and one tract was donated. Pending completion of the appraisal and right of way acquisition process, the anticipated start of construction for this section of Jenny Lind Road is late spring 2013.

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

**Outcome:** Several projects have been added which include: Flagstone Road Extension, Phase 2; Evaluation of the North A&B Streets Downtown truck route; and the North 9th Streetscape project.

4. **Service Objective:** *Manage construction contracts to maintain change orders to within 10% of original contract amount.*

**Outcome:** During the first six months of the 2012, seven construction projects with a combined total contract amount of \$13.45 million were finalized. Five of these projects were under the original contract amount by a total of \$1.07 million (8.0%) while two were over contract by a total of \$10,502 (0.1%). Overall the average for these seven projects were under contract by 7.9%.

### 2012 PERFORMANCE MEASURES

Building Permit Site Plan Reviews	78
Subdivision Plat Reviews	70
Construction Plan Reviews	35
Miscellaneous Reviews ( Rezoning, conditional use, street/alley closures)	82
Floodplain Development Permits Issued	8
Grading Permits	7
Lane Miles of Street Resurfaced	18.2
Miles of Sidewalk Built/Reconstructed	2.1

### 2012 OUTCOME MEASURES

Percent of Time Staff Provided Review Comments Within Allotted Time Frame	97%
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## **DEVELOPMENT DEPARTMENT OVERVIEW:**

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

### **4106-**

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

### **4107-**

This program is responsible for administering the costs and charges related to the planning and implementation of community development projects funded in whole or in part by the Community Development Block Grant (CDBG) and HOME Grant Programs. Administration activities include providing general project management, annual planning ensuring compliance with Fair Housing Standards and Environmental Review as well as other statutory requirements. Program activities include responsibility for the rehabilitation of privately owned residential properties for low and moderate income households and other programs to help provide affordable housing. The program also seeks and administers grants for economic development, state, and federal grant programs.

### **4108-**

The purpose of this program is to protect the public's life, health, and welfare in the building environment. The department issues permits for buildings and structures and inspects buildings, structures and property for safety and health and code compliance. Permits are issued and inspections are made to the construction, enlargement, alteration, repairs on, the moving of, demolition, occupancy or change of occupancy of a building or structure and for the installment, enlargement, alteration, repair, removal, conversion of electrical, gas, mechanical, and plumbing systems as well as the erection or replacement of signs, driveways and swimming pools. Drawings with construction details and specifications are submitted for review to obtain permits for construction. Properties and buildings are inspected and codes are enforced to ensure safe and healthy conditions.

### **6900-**

The purpose of this division is to protect the public's life, health, and welfare by enforcing the requirements of Ordinance No. 3105 on all developed properties in the City. The division inspects properties for overgrown and unkempt, vegetation trash and abandoned vehicles to ensure safe and healthy conditions. The work includes having the properties cleared by supervising contractors that mow and clean the properties.

This Department has 30FTE positions for FY13 that is the same as for FY12.

The FY13 Budget is \$226,240 or 9.3% more than the FY12 Budget. The increase is due to the pay increases for FY12 as well as including \$125,000 for an update to the city's comprehensive plan.



DEVELOPMENT DEPARTMENT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 1,930,223	\$ 1,921,290	\$ 1,887,450	\$ 2,070,520	\$ 2,103,650
Operating Expenditures	396,190	519,740	447,175	572,050	521,170
Operating Budget	\$ 2,326,413	\$ 2,441,030	\$ 2,334,625	\$ 2,642,570	\$ 2,624,820
Capital Outlay	0	0	0	24,700	96,240
Budget Appropriation	\$ 2,326,413	\$ 2,441,030	\$ 2,334,625	\$ 2,667,270	\$ 2,721,060
Authorized Positions	31.00	30.00	30.00	30.00	30.00

### DEVELOPMENT DEPARTMENT 2013 SERVICE OBJECTIVES

1. Improve the quality of life and place by developing neighborhood friendly programs and ordinances. Continue to expand the Good Neighbors Program by partnering with World Changers. We will also continue implementation and citizen awareness of the neighborhood related codes and ordinances.
2. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs. The staff will continue to implement the described objectives contained within the Five Year Consolidated Program which will be more challenging given the funding cuts to the Program Year 2011 programs, cuts to HOME Program Year 2012 and we are anticipating increased funding for both programs in FY2013.
3. Work towards the completion of the Vision 2025 Plan. Begin implementation of the goals identified for the development services department.
4. Continue to work with the Old Fort Homeless Coalition to implement the recommendations of the Homelessness Task Force and the Board of Directors.
5. Continue to review, revise and edit portions of the development codes and maps such as zoning map, Unified Development Ordinance, ETJ planning area and other development maps.

### DEVELOPMENT DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

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

**Outcome:** Staff continues to implement ordinances and programs that strengthen neighborhoods, including the Property Maintenance Code as well as parking and fencing regulations for residential properties. Staff also regularly participates in community events such as the Greater Fort Smith Home Show and UA Fort Smith "City Night" to disseminate information and gather input from citizens. We also continue to implement the Good Neighbors Program. In 2012, we again organized and collaborated with World Changers to host a week long event. Approximately 350 volunteers made repairs to 25 owner-occupied homes. The projects varied from siding work, painting, roofing and general repair.

2. **Service Objective:** *The CDBG program will implement a new 5 year Consolidated Plan for Program Years 2011-2015.*

**Outcome:** The 5 Year Consolidated Plan for Program Years 2011-2015 was approved by the Board of Directors by Resolution R-201-10 on November 16, 2010. Implementation of projects and activities recommended by CDAC and subsequently approved by the Board of Directors by Resolution R-72-12 for Program Year 2012 is scheduled to start on July 1, 2012 or when the U.S. Department of Housing and Urban Development has transmitted the grant agreement to the Mayor for execution. The CDBG program was awarded \$772,819 (a slight increase) and the HOME program award was \$321,925 which represents a substantial cut to the program. A detailed report which contains performance measures, objectives and outcomes is available online and titled as the Consolidated Annual Performance Evaluation Report (CAPER).

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

**Outcome:** Staff worked with all departments on a complete review of the 2002 Comprehensive Plan. This review allowed all departments, including Development Services to continue to implement the goals set forth in the plan. Further, this discussion set the stage for Vision 2025.

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

**Outcome:** Staff transitioned to paperless board packets for the Board of Directors. Further, the Planning Division places Planning Commission packets online in order to move towards paperless packets. We also have the development applications online in a format that is easily filled out and submitted. Finally, staff continues to enter and keep information available electronically versus printing.

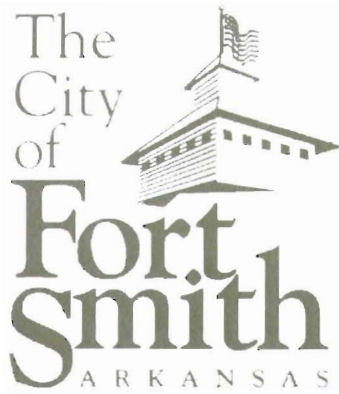
5. **Service Objective:** *Continue to work with the Old Fort Homeless Coalition to implement the recommendations of the Homelessness Task Force and the Board of Directors.*

**Outcome:** Planning staff continues to participate in meetings with the Homeless Campus Development Study Ad Hoc Committee. An existing building and property owned by Riverside Furniture at 301 South E has been identified by the committee as a potential site for the campus. Work is underway to enable the Old Fort Homeless Coalition to obtain grant funds to purchase the property and renovate the site as a homeless campus.

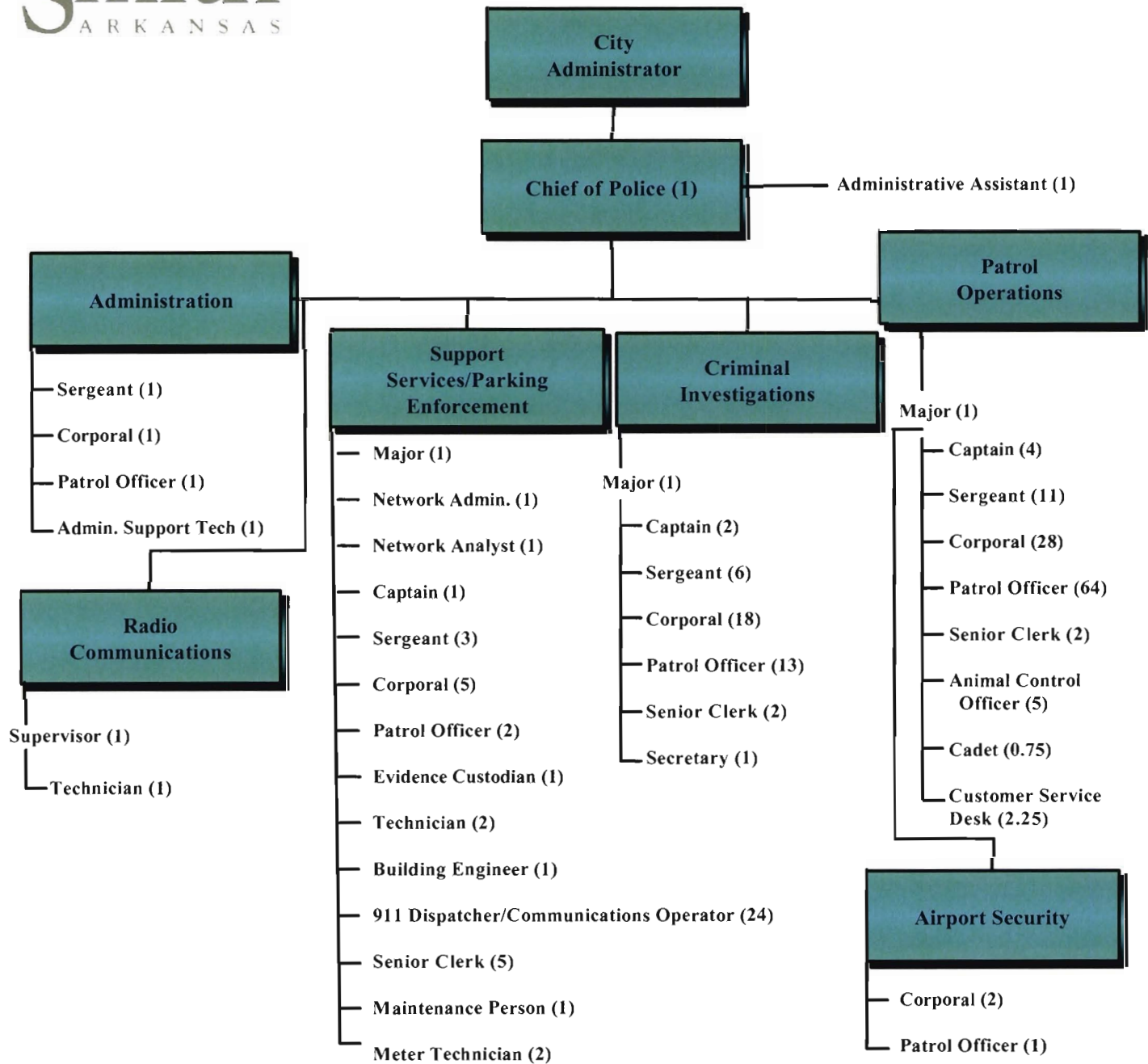
6. **Service Objective:** *Continue to review and edit portions of the development codes and maps such as the Unified Development Ordinance, zoning map, coordinate planning area, ETJ and other development maps.*

**Outcome:** We continue to review and edit portions of the Unified Development Ordinance. Several amendments to the code have been adopted and other amendments are in process. These amendments were a collaboration of city staff and stakeholders within the community and provide for more interpretive understanding.

Key Performance Indicator	Actual FY 11	Estimated FY 12	Projected FY 13
To process all Building, Plumbing, Mechanical, and Electrical inspections within 24 hours.			
Workload	11,504	14,500	14,500
Completed	11,504	14,500	14,500
Completion Rate	100%	100%	100%
To enforce nuisance codes through property inspections.			
Workload	12,057	11,200	11,200
Completed	12,057	11,200	11,200
Completion Rate	100%	100%	100%
To begin implementation of Vision 2025			
Recommended Tasks Completed	Not	New Indicator	New Indicator
Goal	Applicable	N/A	2
Completion Rate		New Indicator	New Indicator
To send a customer service survey to every applicant after a Planning Commission meeting and/or permit.			
Number of Applicants	Not	New Indicator	New Indicator
Number of Surveys Sent	Applicable	New Indicator	New Indicator
Completion Rate		New Indicator	New Indicator
Support construction and operation of a homeless campus.			
Meetings Attended	21	18	18
CDBG Funds Committed	\$133,443*	\$241,003	\$115,000
Percentage of CDBG Funds Available	17%	24.9%	15%
*Buddy Smith Home Construction – 500 N. 9 <sup>th</sup> St.			



# Police Services



**Purpose:** To provide competent, professional and responsible law enforcement services in a rapid and efficient manner.

## POLICE DEPARTMENT OVERVIEW:

The Police Department includes eight programs: 4701 Administration, 4702 Support Services, 4703 Criminal Investigations, 4704 Patrol, 4705 Radio Communication, 4706 Airport Security, 6911 Police Grant and 6920 Public Parking Enforcement. These programs provide intelligence unit services, public affairs, internal affairs, information desk, central records training, 911 communications, facilities management, evidence, vice/narcotics, juvenile services, investigation, identification, troop services, traffic enforcement, crime prevention, animal control, City radio communications, airport security, downtown parking meter collection and enforcement, and public parking deck and lot enforcement.

The FY13 Budget is \$1.17 million or 7.3% more than the FY12 Budget. The increase is primarily due to the planned pay increases for FY13 as well as higher employee insurance contributions for FY13. Operating costs are more for FY13 due to the lease for computer related systems at the emergency and training center. Capital for FY13 is approximately \$300,000 more than FY12 budget for the replacement of 10 patrol cars.

The Police Department has 222FTE positions for FY13 that is continued from FY12.

POLICE DEPARTMENT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 11,740,022	\$ 12,147,740	\$ 11,817,761	\$ 12,825,390	\$ 13,139,790
Operating Expenditures	3,496,330	3,762,097	3,372,456	3,954,370	4,322,980
Operating Budget	\$ 15,236,352	\$ 15,909,837	\$ 15,190,217	\$ 16,779,760	\$ 17,462,770
Capital Outlay	148,959	25,000	58,955	321,490	477,840
Budget Appropriation	\$ 15,385,311	\$ 15,934,837	\$ 15,249,172	\$ 17,101,250	\$ 17,940,610
Authorized Positions	229.75	222.00	222.00	222.00	222.00

## POLICE DEPARTMENT 2013 SERVICE OBJECTIVES

### ADMINISTRATION DIVISION

Continue the implementation of performance measures begun in 2012. By the end of 2012, the police department will implement a Vision Statement for the Department based upon personal and social competencies that reflect a culture of quality and commitment to our Mission and Values.

### SUPPORT SERVICES

Support Services will develop and plan a proposed expansion project to the building in order to provide sufficient additional evidence storage to meet current and future secure storage needs.

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

The Training Unit will research and implement a more detailed volunteer program in order to aid the Department in achieving operational goals while reducing personnel costs to achieve these goals.

### CRIMINAL INVESTIGATIONS

Due to attrition, the Criminal Investigations Division currently has one (1) licensed polygraph examiner. In 2013, a detective will be selected and sent to the necessary training. Upon successful completion of the training and required testing, there will be a six month period of training under the guidance of a licensed polygraph examiner. We expect this process to be completed in the fourth quarter of 2013.

During 2013, the department would like to establish two temporary positions, one in general investigations and one in narcotics. The purpose would be twofold: (1) to have patrol officers rotate through in order to give them additional training, which will create more efficient officers, and (2) support succession planning by identifying interested and capable officers and by introducing them to the type and nature of work done in investigations. These positions would be filled as manpower constraints allow.

## PATROL DIVISION

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

## POLICE DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

### Administration Division

**Service Objective:** *The department will develop and implement performance measures that quantify and qualify nine dimensions of contemporary policing, including external performance measures.*

**Outcome:** Most of the internal performance measures have been computed covering seven of the nine dimensions. Staff will utilize interns to assist in completing the first time performance measures, but will need to extend implementation time through the end of 2013.

### Support Services

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

- 1. Design and implement network and wireless infrastructure that will support installation of City VOIP phones and data services back to the police department headquarters. Complete by the end of the second quarter of 2013.*
- 2. Design a disk to disk (D2D) backup solution. Critical data and servers will be replicated to the EOC as part of the FSPD Business Continuity/Disaster Recovery Plan. Project will drastically reduce the current backup window and time to recover from a system failure. Complete by the end of the third quarter 2013.*
- 3. Design an EOC VM server infrastructure. This project will be partially be completed in the D2D backup project. This project will require time in 2012 and through additional budget cycles to complete and will require the purchase of additional equipment as funds are available.*

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

**Outcome:** EOC Project: Funding was recently approved for these projects. Equipment will likely not be available until the fourth quarter of 2012. This project will continue into 2013.

Virtual Desktop Integration Project: Evaluation of VDI has been completed and found to be a viable solution. Funding was recently approved as part of a combined project package, with implementation expected during the first half of 2013.

### Criminal Investigations Division

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

**Outcome:** In March 2012, the two remaining members of our computer forensics team received their EnCase certifications, bringing the total to three certified examiners on the team.



## Patrol Division

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

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

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

**Outcome:** Call Load Differential: Currently working to place the Private Property Accident Report on the Fort Smith Police Department website. However, sufficient advance media notifications must be made before this change can take place. In the meantime, Patrol Supervisors will finalize a list of minor offenses that will qualify for online reporting purposes and make them accessible on the Fort Smith Police Department website. Plans are underway to finalize this goal by the end of the fourth quarter.

B.E.A.T. Plan: To date, officers have submitted their individual beat plans. Submitted plans range in complexity from developing a city-wide program with the Fort Smith Public School System that establishes an "active shooter" drill to those that simply address a particular criminal or traffic issue. All beat plans are identified with a Call for Service number and progress is tracked through supplemental reports that denote work progress and results.

Beat Health: During 2012, the Patrol Division received a Community Oriented Policing grant to staff two officers to the Beat Health Program. These officers were assigned to Patrol Operations and tasked to identify problem areas within the city that foster criminal behavior or quality of life problems. These officers and their supervisor received civil abatement and public nuisance training. Officers are working with the Sebastian County Prosecuting Attorney's office to finalize implementation plans of civil property seizures when property owners fail to comply with abatement procedures, as directed by the prosecutor's office and/or Neighborhood Services. While this process is underway, Beat Health officers continue to work closely with citizens to resolve quality of life issues identified at Neighborhood Problem solving meetings and have developed a close collaborative working relationship with Neighborhood Services personnel.

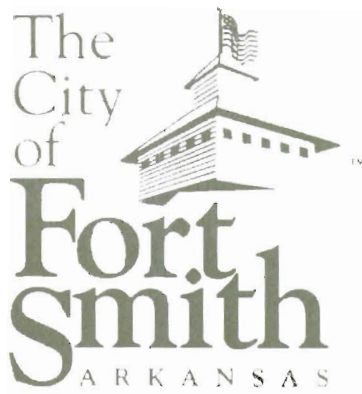
### SERVICE MEASURES/PERFORMANCE INDICATORS

	<u>ACTUAL FY09</u>	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL FY12 thru 11/12</u>
Community Relations-				
PCR Programs Performed	237	222	81	86
PCR Program Attendance	14,550	9,674	4,687	5,723
Crime Stopper Calls	343	307	340	262
Training-				
In Service/Officers	1,208	2,010	2,458	1,307
In Service/Hours	14,562	12,935	18,270	13,492
Schools and Seminars/Officers	118	127	188	226
Schools and Seminars/Hours	5,038	2,292	3,013	1,707

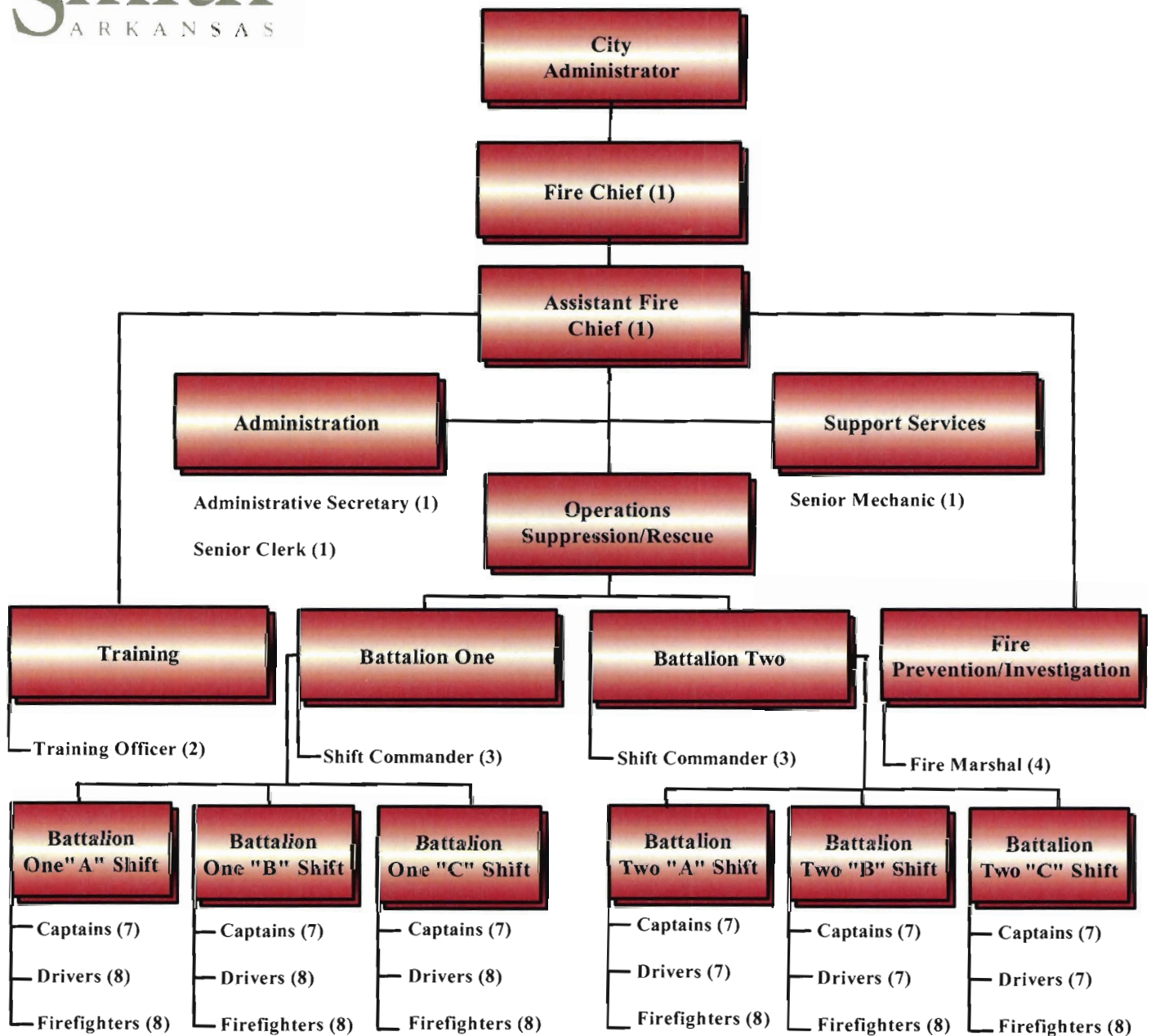
## WORKLOAD/DEMAND STATISTICS

	<u>ACTUAL FY09</u>	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL FY12 thru 11/12</u>
Murder-Manslaughter-				
Reported	7	6	6	6
Cleared	5	6	6	6
Rape-				
Reported	133	141	69	75
Cleared	117	115	55	65
Robbery-				
Reported	144	126	61	85
Cleared	101	96	47	67
Battery-				
Reported	2,514	2,535	1,392	1,245
Cleared	1,878	2,113	1,100	1,001
Burglary-				
Reported	1,129	1,083	1,140	1,017
Cleared	183	226	203	227
Larceny-				
Reported	3,977	3,618	3,532	3,413
Cleared	986	1,113	1,057	988
Vehicle Theft-				
Reported	209	223	192	179
Cleared	111	180	136	112
Arrests-				
Adults	9,010	8,998	7,903	7,844
Juvenile	766	1,075	917	855
Calls for Assistance-				
Total Calls	92,426	75,747	73,999	69,510
Burglar Alarms	6,123	5,951	3,401	2,710
Actual Alarm Responses	3,963	3,359	541	338
Animal Control-				
Complaints Received	9,083	8,499	9,769	7,959
Animals Captured	3,072	3,180	3,123	2,526
Animal Bites Investigated	102	87	81	88
Parking Meter Collections	\$ 83,060	\$ 84,768	\$ 82,696	\$ 75,846
Overtime Parking Tickets Issued	5,702	7,622	5,984	5,123
Overtime Ticket Collections	\$ 30,091	\$ 42,209	\$ 34,990	\$ 30,832





# Fire Services



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

## FIRE DEPARTMENT OVERVIEW:

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

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

The Fire Department consists of three programs: 4801 Administration, Prevention and Training, 4802 Suppression, and 4803 1/8% Sales Tax Operations. The 4801 program includes management of all fire services for the City, code enforcement, investigations, construction reviews, fire prevention education, inspections, and training. The training is certified through the Arkansas State Fire Academy. Program 4802 responds to all emergencies that may occur within the City of Fort Smith. These emergencies may include fire suppression, emergency medical, rescue operations and hazardous materials releases. This program also assists citizens with fire protection and prevention problems and fire pre-plans of commercial businesses for familiarization in the event of an emergency. They are also responsible for routine maintenance and testing fire hydrants in conjunction with regular daily schedule of building, grounds, and equipment maintenance. Program 4803 includes the operating and capital costs supported by the 1/8% local sales and use tax. Personnel in this program will staff the new fire station to be built at Chaffee Crossing by the end of FY13. A fire training facility will be funded through this program as well as the purchase of replacement apparatus for the department.

The FY13 Budget is \$3.4 million or 32.3% more than FY12 Budget. The increase is due to the allocation of a 1/8% local sales tax for staffing and operating the eleventh station in the city. Nine sworn positions were hired October 1, 2012 through the SAFER grant that will run through September 30, 2014. The grant will allow the sale tax to be used for more operation costs and capital acquisitions. Eleven more sworn positions will be hired October 1, 2013 to staff the new station. FY13 appropriations include \$1.6 million more in capital that includes \$400,000 to begin a sinking fund depreciation account for the department.

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

The total personnel of the Fire Department is 152FTE for FY13 that is 20FTE more than FY12 budget. This includes the 9FTE hired in the fourth quarter of FY12 and the 11FTE to be hired in the fourth quarter of FY13 to provide personnel for the new Fire Station 11.

FIRE DEPARTMENT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 8,775,245	\$ 9,212,690	\$ 8,748,863	\$ 10,957,480	\$ 11,772,600
Operating Expenditures	705,770	1,256,854	970,825	1,270,920	1,836,470
Operating Budget	\$ 9,481,015	\$ 10,469,544	\$ 9,719,688	\$ 12,228,400	\$ 13,609,070
Capital Outlay	64,587	26,900	373,623	1,657,800	650,500
Budget Appropriation	\$ 9,545,602	\$ 10,496,444	\$ 10,093,311	\$ 13,886,200	\$ 14,259,570
Authorized Positions	132.00	132.00	141.00	152.00	152.00

## FIRE DEPARTMENT 2013 SERVICE OBJECTIVES

### Administration

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

## FIRE DEPARTMENT KEY PERFORMANCE INDICATORS

Name	Purpose	Target	Measurement Through June 30, 2012
Property Loss/Property Saved Report	To strive to keep property loss from fires or other incidents to a minimum	To keep property loss to less than 10%	Value of property responded to: <b>\$46.1 Million</b> Total Percent Lost: <b>6.59%</b> Total Percent Saved: <b>93.41%</b>
Response Time Report	To meet NFPA and ISO Response Time Standards	To be on scene in 4 minutes or less after receipt of alarm	3 minutes 9 seconds
ISO Rating	To keep property fire insurance rates as low as possible	Public Protection Class 2 or better	Class 2 with a score of 80.28 out of 100
Fire Prevention and Education	To keep casualties and property loss from fire as low as possible through education and inspections	To be developed in 2013	Tracking and measurement system to be developed in 2013 with staffing additions in the Fire Prevention and Education Division
Training	To increase safety and efficiency through training	30,066 total training hours for individual and company training per year	20,745 individual training hours as of June 30

## FIRE DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

### Administration:

1. **Service Objective:** *Improve public safety and assist in holding down consumers property insurance costs be beginning construction of a new fire station at Chaffee Crossing.*  
**Outcome:** The architect has been hired and is proceeding with the Developmental Design and Construction documents for Fire Station 11 at Chaffee Crossing. Contracts to begin construction should be secured by late 2012 or early 2013.
2. **Service Objective:** *Develop a comprehensive set of Standard Operating Guidelines (SOG's) that will enhance public and firefighter safety, promote increased operating efficiency, and define accountability within the fire department.*  
**Outcome:** The Standard Operating Guidelines are under review. Some updates have already been implemented and others are being developed.
3. **Service Objective:** *Improving our Insurance Service Office's (ISO) Fire Public Protection Classification score by implementing the Fire Department Improvement Plan released June 1, 2011.*  
**Outcome:** Fire Station 11 at Chaffee Crossing-Developmental Design is underway with construction to begin shortly. Fire Apparatus Replacement-New fire apparatus has been ordered with delivery anticipated in early 2013. Aerial Ladder Truck Relocation Plan- scheduled to take place with the opening of Fire Station 11. ISO Credit for staffing-The FSFD has received a \$987,309 FEMA SAFER grant to assist in staffing our aerial fire apparatus from 2 per unit to 3 per unit. This will save the City approximately \$1 million over the next two years.
4. **Service Objective:** *Develop and implement emergency response protocols to align with the standards of the National Fire Protection Association (NFPA) and ISO.*  
**Outcome:** The new protocols are being developed and will be fully implemented with the opening of Fire Station 11 and the hiring of the additional personnel funded through the FEMA SAFER grant.
5. **Service Objective:** *Continue to build funding and begin the planning for a NFPA compliant training facility with a burn building.*  
**Outcome:** The funding for the NFPA compliant training facility will be secured with a portion of the 1/4% sales tax approved by the citizens of Fort Smith on March 13, 2012. Design and planning is underway with construction anticipated to begin in 2013.

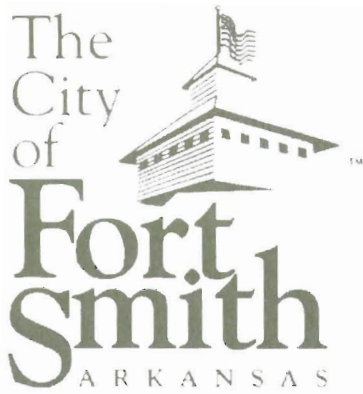
## FIRE DEPARTMENT SERVICE MEASURES/PERFORMANCE INDICATORS

	ACTUAL FY11	BUDGET FY12	ACTUAL Thru 11/30	BUDGET FY13
Alarm Responses	8,158	7,800	8,034	8,000
Number of Fires or incidents involving property loss	245	250	190	250
Value of Property Responded To	\$ 301,465,951	\$ 150,000,000	\$ 60,102,855	\$ 150,000,000
Total Property Loss	\$ 6,057,841	\$ 15,000,000	\$ 5,477,295	\$ 15,000,000
Total Property Saved	\$ 295,408,110	\$ 135,000,000	\$ 54,625,560	\$ 135,000,000
Total Percent Lost	2.01%	10%	9.11%	10%
Total Percent Saved	97.99%	90%	90.89%	90%

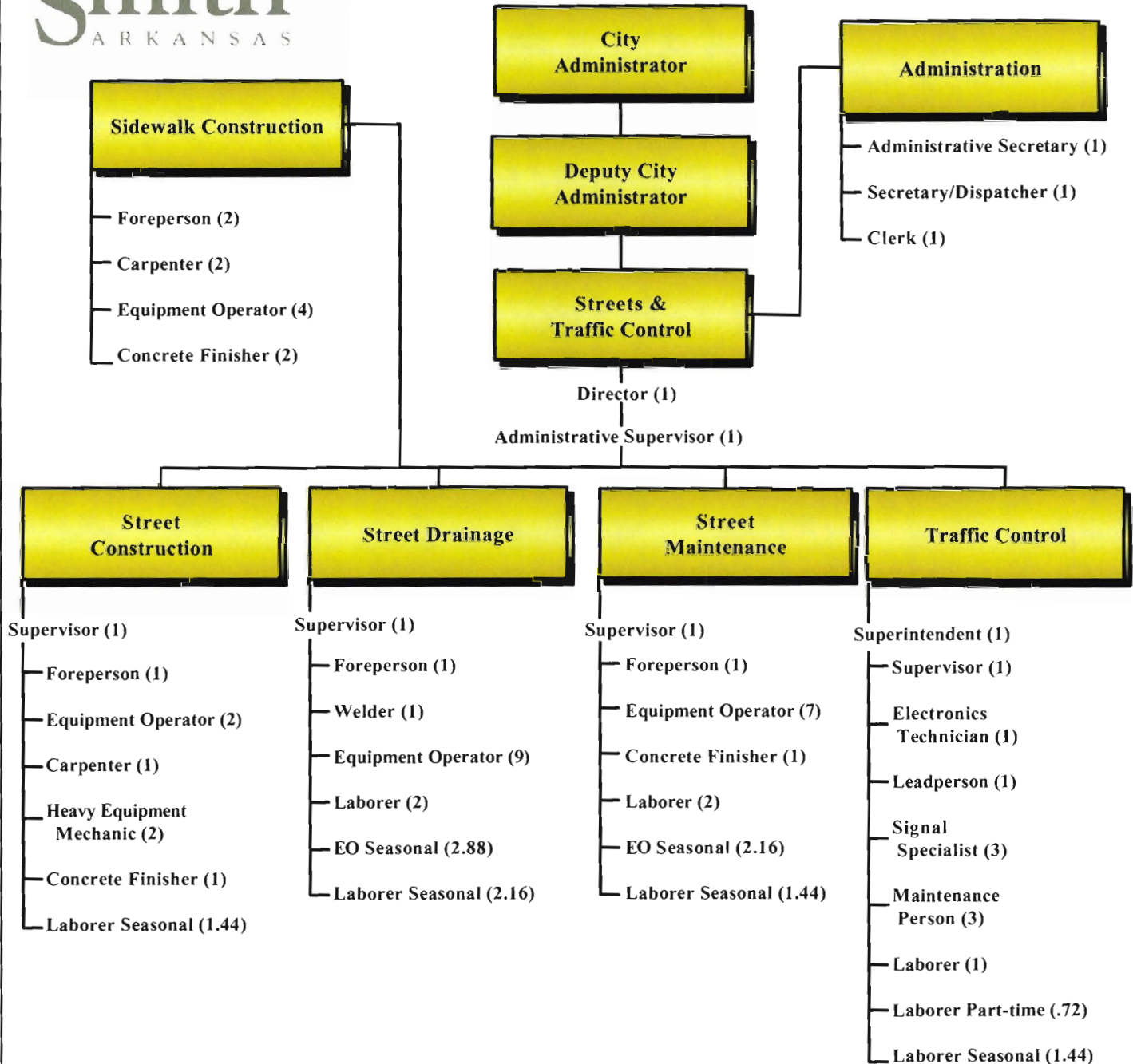
## FIRE DEPARTMENT WORKLOAD/DEMAND STATISTICS

	<u>ACTUAL FY09</u>	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL Thru 11/30</u>
<u>Alarm Statistics:</u>				
Fire-				
Structure	147	157	188	144
Vehicle Fires	64	82	85	67
Brush, Grass, Leaves	69	86	121	121
Trash, Rubbish	68	53	60	57
Explosions, No After Fire	0	1	3	4
Outside Spill with Fire	0	0	0	0
Other Fires	6	34	18	19
Rescue and Emergency-				
Overpressure Rupture	2	1	4	1
Emergency Medical Call	5,012	4,869	5,047	5,095
Locked In, Trapped	0	0	4	1
Search	1	0	2	1
Extrication	20	22	19	12
Rescue, Not Classified	39	171	309	369
Spill, Leak- No Fire	86	93	87	102
Electrical/Hazardous Response-				
Power Line Down	94	76	108	98
Arching Electric Equipment	108	58	98	80
Chemical Spill	2	6	6	2
Hazardous Condition	13	4	8	8
Smoke Removal	13	17	16	10
<u>Other Responses:</u>				
Animal/Rescue	3	3	0	2
Assist Police	25	40	32	24
Unauthorized Burning	166	118	148	152
Other Service Calls	142	142	172	166
Smoke Scare	119	116	162	113
Steam, Gas Mistaken for Smoke	33	45	54	38
Malicious False Alarm	10	8	9	4
Bomb Scare	6	4	8	5
Alarm Malfunction	300	121	166	120
Unintentional False	277	305	331	286
Other	282	655	816	829
Controlled Burn	7	5	10	7
Bomb Removal	20	20	20	18
Haz-Mat Investigation	17	14	20	16
Water Rescue	7	13	24	7
Construction Plan Reviews	151	151	217	169
Citizens Reached in Education Programs	19,405	13,271	14,212	16,002
New Business Occupation Fire and				
Life Safety Inspections	543	661	673	475
Fire Safety Surveys Performed	4,376	4,508	4,644	4,703
Fire Hydrants Maintained	6,950	7,942	7,950	7,950





# Operation Services Streets and Traffic Control



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

## STREETS AND TRAFFIC CONTROL DEPARTMENT OVERVIEW:

The Streets and Traffic Control Department is made up of nine programs: 5101 Administration, 5302 Street Construction, 5303 Street Drainage, 5304 Street Maintenance, 5305 Sidewalk Construction, 5401 Traffic Control Control Operations, 5402 Traffic Signals, 5403 Street Lighting, and 5405 Sign Shop. The Department is responsible for performing minor street construction projects, constructing curbs and gutters, maintaining the City's drainage system including road ditches, retention ponds, creeks and inlet streams, maintaining and upgrading all traffic control devices, constructing and repairing sidewalks, and providing and installing high visibility street signage.

The Department's major priority for 2013 is to provide the highest level of safety for the City's street, drainage and traffic control systems. The Department immediately responds to hazardous situations so that dangerous consequences are eliminated.

Total personnel for the Department in FY13 is 72.52FTE which is 8.28FTE more than FY12. The additional positions include 8FTE for the construction and repair of city sidewalks and 0.28FTE to bring a part-time position in traffic control to a full-time position.

The FY13 Budget is \$663,650 or 11.5% more than the FY12 Budget. The increase is attributable to the addition of 8.28 FTE positions for FY13 as well as planned pay increases and increased contributions to the employee insurance programs. Also, capital for the new sidewalk program is \$255,000 in FY13.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 2,737,965	\$ 3,020,370	\$ 2,832,089	\$ 3,553,360	\$ 3,854,420
Operating Expenditures	2,421,265	2,667,970	2,408,052	2,639,630	2,786,530
Operating Budget	\$ 5,159,230	\$ 5,688,340	\$ 5,240,141	\$ 6,192,990	\$ 6,640,950
Capital Outlay	35,322	96,000	0	255,000	100,000
Budget Appropriation	\$ 5,194,552	\$ 5,784,340	\$ 5,240,141	\$ 6,447,990	\$ 6,740,950
Authorized Positions	64.24	64.24	64.24	72.52	77.52

## STREETS AND TRAFFIC CONTROL DEPARTMENT 2013 SERVICE OBJECTIVES

1. Continue to respond to citizens request for service in a timely, effective and efficient manner.
2. Continue to lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches and channels, and drainage structures.
3. Continue to preserve the appearance of public property by mowing detention ponds, levees and City owned right of way and drainage easements.
4. Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.).
5. Implement a sidewalk repair and construction crew that handles the sidewalk construction program for the City in lieu of contracting the work to outside contractors.
6. Improve the efficiency of the snow removal program by setting up a satellite sand storage location and equipping trucks with snow plows.

## STREETS AND TRAFFIC CONTROL DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

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

**Outcome:** Quick response remains a top priority. We have put emphasis on meeting this objective in responsiveness or by directing citizens to the appropriate department with issues not connected to the department.

2. **Service Objective:** *Lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches and channels.*

**Outcome:** Channels have been cleaned on a rotation from large channels to small channels based on the best time of year to accomplish the cleaning. Structure flooding that occurred this year was not a result of debris in channels.

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

**Outcome:** Regular mowing of these areas has continued with very few complaints which have been addressed immediately.

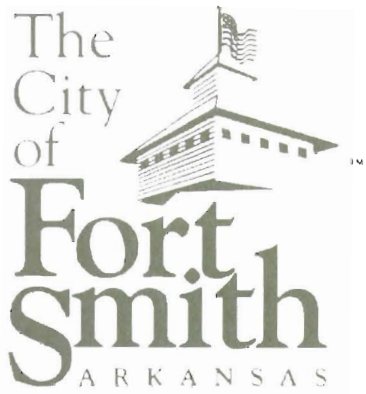
4. **Service Objective:** *Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.).*

**Outcome:** The traffic control department has adhered to a regular maintenance schedule for signs, signals, street markings and battery maintenance. All traffic signals have now been upgraded to LED lighting which improves efficiency and has less maintenance requirements.

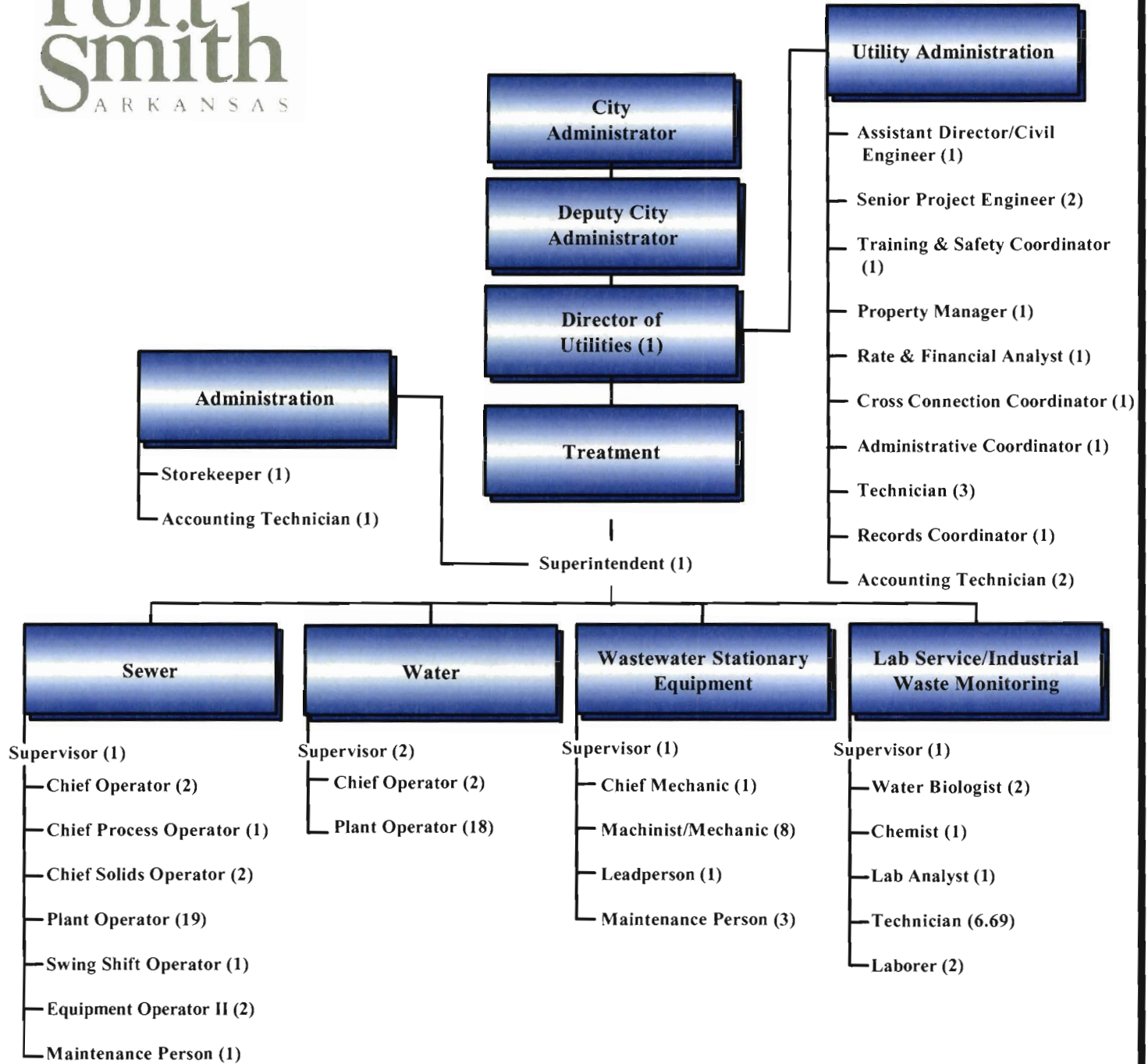
5. **Service Objective:** *Implement certain key performance indicators to measure the effectiveness of the Streets and Traffic Control Department as outlined in the Key Performance Indicators below:*

<b>KEY PERFORMANCE INDICATORS</b>							
DEPARTMENT	PERFORMANCE MEASURE	FY 2011 Target	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Target	FY 2013 Actual
Traffic Control (5401 and 5405)	% of traffic light repairs completed within 4 hours	100%	98%	100%	95%	100%	N/A
Street Maintenance (5304)	% of repairs (utility cuts, driveway cuts and sidewalks) within 4 days	100%	90%	100%	90%	100%	N/A
Drainage Department (5303)	Regrade major creeks (12 locations) annually	100%	54%	100%	83%	100%	N/A
Street Construction (5302)	Regrade 30% (400 blocks) of alley road ways annually	100%	108%	100%	88%	100%	N/A
Drainage Department (5303)	Complete mowing cycle every 4 weeks during the growing season	100%	80%	100%	100%	100%	N/A
Street Construction (5302)	Complete 2011 Sidewalk Construction program as per plans	N/A	N/A	N/A	25%	100%	N/A
Street Maintenance (5304) Street Construction (5302) Drainage Department (5303)	Construct Satellite Sand Site and equip trucks with snow plows.	N/A	N/A	N/A	N/A	100%	N/A

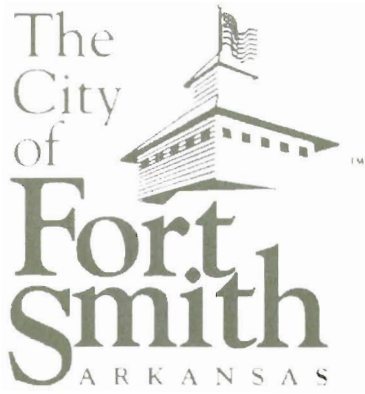




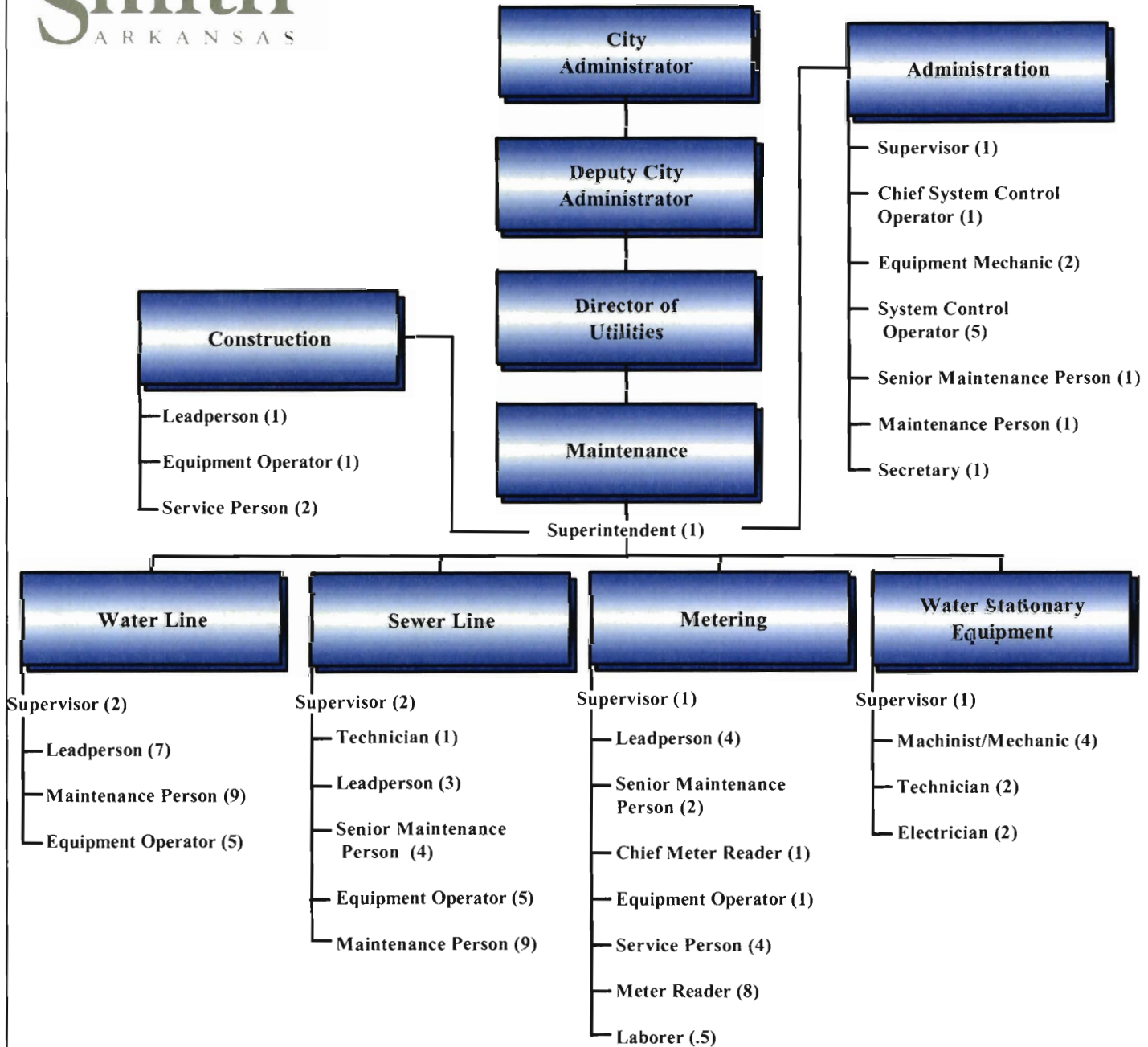
# Operation Services Water and Sewer



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



# Operation Services Water and Sewer



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

## WATER AND SEWER DEPARTMENT OVERVIEW:

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

The FY13 budget is \$25,187 or 0.1% less than the FY12 budget. The personnel expenses are approximately \$551,000 more for FY13 due to the planned pay increases and increased contributions to the employee insurance programs. Operating expenses are approximately \$815,000 less in FY13 due to a \$1.5 million decrease in debt service requirements in FY13 offset by additional costs for chemicals, utilities, and contractual services. Capital asset additions and replacements are anticipated to be \$238,000 more in FY13.

Total positions for the Department are 194.19 for FY12 that is one position more than FY12. A supervisor position was added for water line maintenance.

WATER AND SEWER OPERATING FUND	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenses	\$ 9,928,935	\$ 10,802,040	\$ 10,012,045	\$ 11,353,410	\$ 11,535,100
Operating Expenses	22,320,842	23,245,787	21,091,718	22,445,890	22,694,900
Operating Budget	\$ 32,249,777	\$ 34,047,827	\$ 31,103,763	\$ 33,799,300	\$ 34,230,000
Capital Outlay	583,885	2,039,140	2,009,645	2,277,480	1,854,430
Budget Appropriation	\$ 32,833,662	\$ 36,086,967	\$ 33,113,408	\$ 36,076,780	\$ 36,084,430
Authorized Positions	191.19	193.19	193.19	194.19	194.19

## WATER AND SEWER DEPARTMENT 2013 SERVICE OBJECTIVES

1. Use innovation and improved uses of technology to better utilize resources for serving the community.
  - Continue planning, design and construction practices that assure reliability and lower operations costs.
  - Continue the development and integration of strategic management planning and benchmark assessments.
2. Cost effective execution of the Wastewater Management Plan to meet EPA required implementation schedule for wet weather wastewater treatment and collection system improvements.
  - Complete update of Wastewater Management Plan to incorporate completed wet weather projects and management strategies.
  - Continue design and construction of wet weather improvements in Mill Creek basin for pump station capacity, equalization storage, interceptor sewers and collection system rehabilitation.
  - Continue design and construction of wet weather improvements in Zero Street basin for pump station capacity, equalization storage, interceptor sewers and collection system rehabilitation.
  - Initiate the installation of standby emergency power improvements for wastewater pump stations at Massard wastewater treatment plant.
  - Development of technical positions related to negotiations with Department of Justice and EPA for resolution of draft Consent Decree.
3. Plan for water and wastewater services to support growth and better serve neighborhoods.
  - Initiate construction for first section of 48 inch water transmission line for the Lake Fort Smith water treatment plant to allow delivery of 40 MGD capacity.
  - Identify funding source and initiate construction of Chaffee Crossing wastewater pump station and force main to deliver wastewater flows from Fort Smith's portion of Chaffee Crossing and the city's southern growth area to the Massard wastewater treatment plant.
  - Identify funding source and construction of water and wastewater improvements to serve a riverfront soccer complex.
  - Improve water service and upgraded fire protection through line replacement projects within older residential areas.

## WATER AND SEWER DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

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

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

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

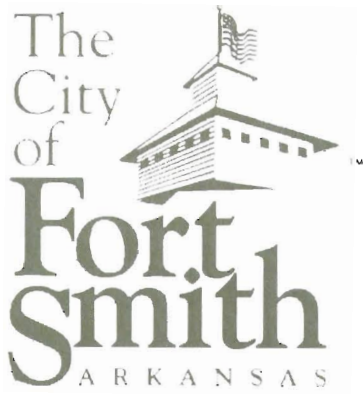
**Outcome:** Initiated update of the Wastewater Management Plan. The final design Zero Street pump station wet weather capacity improvements and property acquisition through the Arkansas Brownsfield program are currently in progress. The final design of the Mill Creek pump station wet weather capacity improvements and interceptor sewers are currently underway. Review of the department's staffing, operations, work order management and benchmark assessment is in progress. All of the above will support the City's negotiation of draft Consent Decree with the Department of Justice.

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

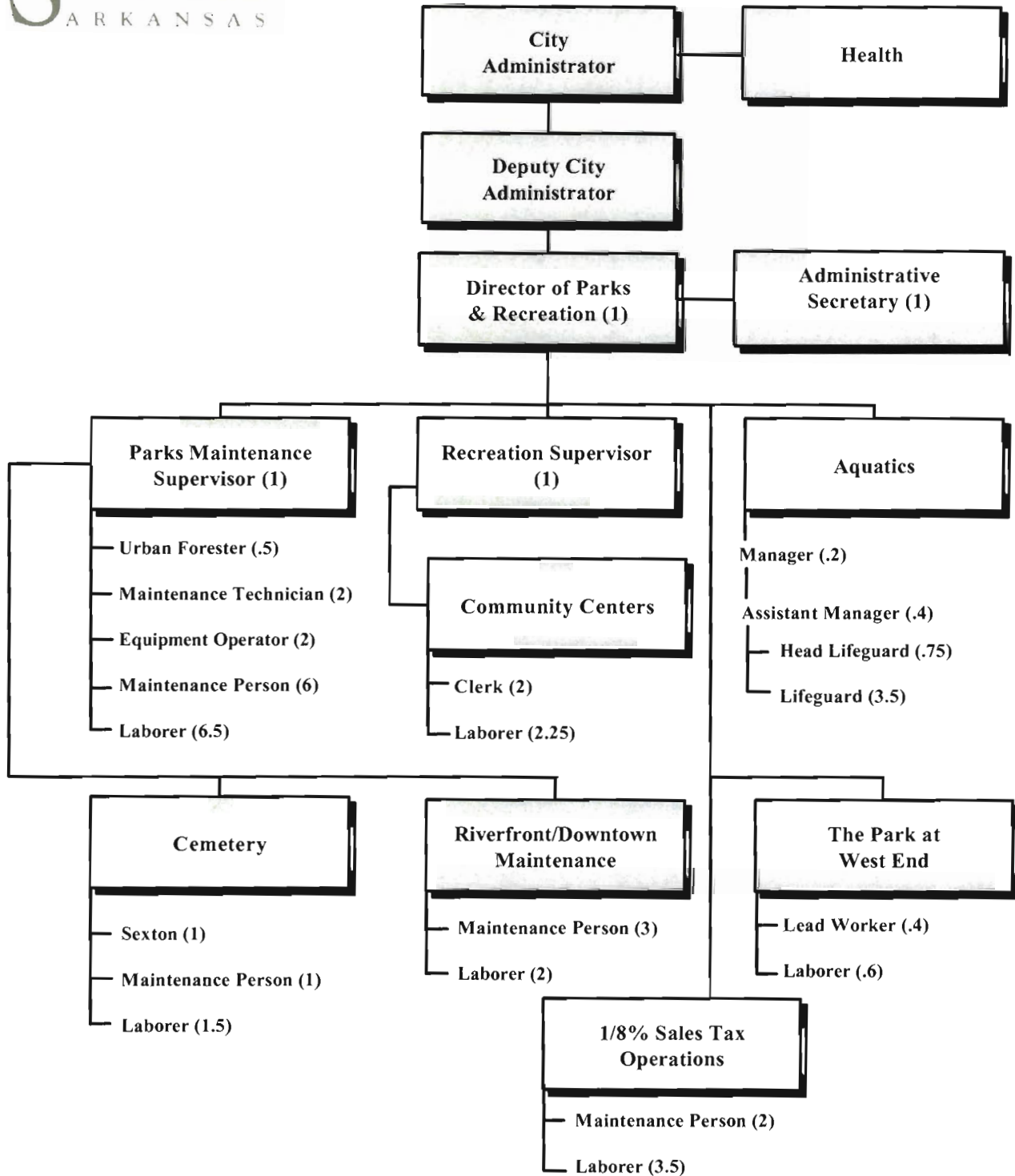
**Outcome:** Completed the corridor study and route selection for the new 48 inch water transmission line for the Lake Fort Smith water treatment plant and initiated design of the first phase of the line's construction. Phase 1 through 4 of the Rye Hill outfall sewer are now complete and the trunk sewer improvements identified by the southern growth area master plan will soon be ready for service. Construction of two neighborhood water line replacement and upgraded fire protection projects are now under construction.

## WATER AND SEWER DEPARTMENT WORKLOAD/DEMAND STATISTICS

	<u>ACTUAL FY11</u>	<u>BUDGET FY12</u>	<u>ESTIMATED FY12</u>	<u>ACTUAL FY12 thru Sept</u>
Water Service Line Installations	430	430	297	223
Sewer Service Line Installations	62	62	70	53
Sewer Service Line Replacements	173	173	116	87
Water Line Replacements	no projects	no projects	no projects	no projects
Sewer Line Replacements	4,252 LF	4,252 LF	2,900 LF	2,151 LF
Water System Work Orders	18,734	18,734	17,989	13492
Sewer System Work Orders	4,053	4,053	4,424	3318
Sewer Lines Cleaned	436,256 LF	436,256 LF	320,000 LF	239,260 LF
Sewer Lines TV Inspected	67,792 LF	67,792 LF	96,600 LF	72,599 LF
Locate Tickets Completed	8,877	8,877	9,069	6,802
Leaks Repaired	1,016	1,016	12,061	796



# Operation Services Parks and Recreation



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



## PARKS AND RECREATION OVERVIEW:

The Parks and Recreation Department includes eight programs: 6101 Health, 6201 Parks Maintenance, 6202 Oak Cemetery, 6204 Community Centers, 6205 Aquatics; 6206 River Park/Downtown Maintenance, 6207 The Park at West End and 6208 1/8% Sales Tax Operations. The functions of the Department include maintenance and beautification of City parks with a total park acreage of 273.21, operation of the Creekmore community center and Elm Grove community center and management of 30.27 acre Oak Cemetery which is on the register of national historic places. Also, the department manages and operates a swimming pool, a splash pad and three wading pools, manages the River Park facilities, Garrison Avenue streetscape and downtown parking areas, operates the Creekmore Train, and operates The Park at West End.

The FY13 Budget is \$2.7 million or 105.9% more than FY12. This is due to the department's share of the 1/4% local sales tax for fire and parks use. Parks will receive 1/8% of the tax (approximately \$2.5 million for FY13) to provide capital and improved park maintenance. The capital for FY13 is approximately \$2.5 million and includes construction of additional softball fields at Ben Geren Park as well as a new softball complex at Chaffee Crossing. The new program adds 5.5FTE positions to the department in FY13. The additional personnel costs relate to the planned pay increases and the increases to employee insurance programs during FY13.

The Department has 45.1FTE positions allocated for FY13 that is 6FTE more than FY12. The additional personnel include the 5.5FTE positions for additional parks maintenance in the 1/8% Sales Tax Operations program plus 0.50FTE to hire a part-time urban forester for the city parks.

PARKS & RECREATION	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 1,414,956	\$ 1,516,950	\$ 1,456,471	\$ 1,736,580	\$ 1,798,280
Operating Expenditures	975,694	1,025,689	939,992	1,066,170	1,246,950
Operating Budget	\$ 2,390,650	\$ 2,542,639	\$ 2,396,463	\$ 2,802,750	\$ 3,045,230
Capital Outlay	8,831	30,000	448,237	2,493,338	2,600,500
Budget Appropriation	\$ 2,399,481	\$ 2,572,639	\$ 2,844,700	\$ 5,296,088	\$ 5,645,730
Authorized Positions	38.10	39.10	39.10	45.10	45.10

## PARKS AND RECREATION DEPARTMENT 2013 SERVICE OBJECTIVES

1. Enhance communication with citizens through social media and other forums.
2. Provide additional recreation opportunities by planning and constructing two softball fields and aquatics center at Ben Geren Park; a softball tournament complex at Chaffee Crossing; and a riverfront soccer complex.
3. Improve the accountability and performance measurement of our budget by including key performance indicators for the parks department as outlined below:

KEY PERFORMANCE INDICATORS As of September 30, 2012						
Parks and Recreation Department Divisions	Performance Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Target	FY 2013 Actual
Park Maintenance 6201	Mow each park weekly during the mowing season (approx. 24)	Approx. 18 (excessive heat and drought)		20 (excessive heat and drought)	24	
Oak Cemetery 6202	Mow the cemetery weekly during the mowing season (approx. 24)	Approx. 18 (excessive heat and drought)		20 (excessive heat and drought)	24	
Community Centers 6204	Increase number of hours reserved by 2%	New Indicator		+16%	5,200 Hours	
Aquatics 6205	Improve revenue to expenditure ratio by 2%	New Indicator		-2%	\$79,440	
Riverfront, Downtown 6206	Increase number of hours reserved 2%	New Indicator		-11%	3,775 Hours	
The Park at West End 6207	Increase number of tickets sold 2%	21,027		20,500	21,500	

## PARKS AND RECREATION DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

1. **Service Objective:** *Enhance recreational offerings by pursuing water park and recreation field improvements at Ben Geren Regional Park in partnership with Sebastian County.*

**Outcome:** An agreement was approved by Sebastian County and the City for this work. Funding was approved March 13, 2012 by the citizens of Fort Smith for these projects and the County has committed to funding their share of the water park. Larkins Aquatics is contracted to design and oversee the construction of the facility. The land dedicated to these improvements has been annexed.

2. **Service Objective:** *Work with the Parks and Recreation Commission and Oak Cemetery Commission in providing goals and objectives for the new comprehensive plan-Vision 2025.*

**Outcome:** No assignments have been given at this time.

3. **Service Objective:** *Continue to monitor energy use at each facility and study ways to reduce energy.*

**Outcome:** Energy use is being monitored at all park facilities. Thermostats are adjusted for efficiency and energy savings. Tinting windows at the River Park Pavilion is being considered as an energy saving measure. Installing a drop ceiling with new lighting at Creekmore Community Center in the Magnolia and Azalea rooms is being considered to reduce energy consumption through improved lighting and reduced heating and cooling costs.

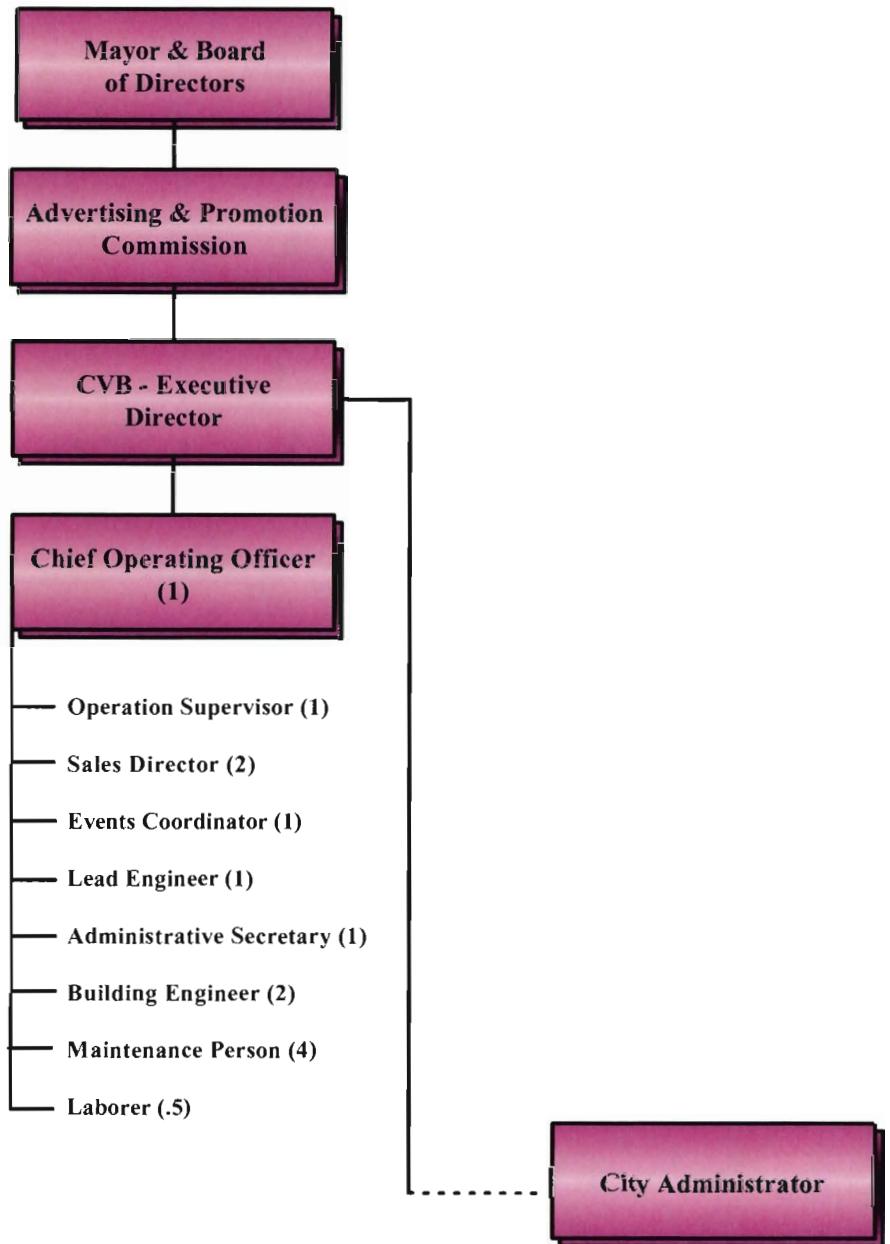
**PARKS AND RECREATION DEPARTMENT  
WORKLOAD/DEMAND STATISTICS**

	<u>ACTUAL FY11</u>	<u>BUDGET FY12</u>	<u>ACTUAL THRU 11/12</u>	<u>BUDGET FY13</u>
Flowerbed Square Footage	90,242	90,242	90,242	90,242
Median Flowerbeds Maintained	165	165	165	165
Median Square Footage	328,000	330,000	328,000	330,000
Medians Maintained	50	60	50	60
Street Easements Maintained-Miles	8	8	8	8
Trees Planted	239	120	51	25
Park Acres Maintained	273.21	273.21	273.21	273.21
Park Flowerbeds Maintained	90	90	90	90
Parks	25	25	25	25
Trails	2	2	2	2
Miles	3.90	3.90	3.90	3.90
Train Revenue	\$11,046	\$11,500	\$9,412	\$11,500
Train Riders	44,184	46,000	37,648	46,000
Cemetery Spaced/Niches Sold	77	40	67	40
Cemetery Interments/Interments/ Scatterings	70	50	54	50
Cemetery Revenue	\$65,494	\$50,000	\$56,121	\$50,000
Community Center Bookings	1,065	650	1,086	900
Community Center Patrons	45,000	35,000	48,000	45,000
Community Center Revenue	\$24,495	\$36,000	\$20,594	\$35,000
Number of Community Centers	2	2	2	2
Aquatic Admissions	34,783	33,000	37,231	35,000
Aquatic days of Operations	84	90	89	90
Aquatic Revenue	\$79,436	\$65,000	\$78,414	\$70,000
Red Cross Class Provider Revenue	-	-	\$38,837	\$35,000
Number of Swimming Pools	1	1	1	1
Number of Wading Pools	3	3	3	3
Splashpad	1	1	1	1
Riverpark Bookings	570	450	459	500
Riverpark Patrons	42,000	55,000	35,000	40,000
RiverPark Revenue	\$43,470	\$50,000	\$37,059	\$50,000
Number of Facilities	3	3	3	3
Total Events	55	75	35	70
Total Events Patrons	85,000	60,000	15,000	60,000
Private Events	40	40	22	40
Private Event Patrons	35,000	40,000	14,500	40,000
Parks and Recreation Events	15	35	13	30
Parks and Recreation Events Patron	50,000	60,000	14,000	20,000
Park at West End Revenue	\$22,610	\$23,000	\$22,786	\$23,000





# Operation Services Convention Center



**Purpose:** To operate the Convention Center facility in an effort to promote tourism and produce an economic impact for the City.

**CONVENTION CENTER OVERVIEW:**

The Convention Center, Program 6203, is responsible for operating the facility. This program is now managed by the Advertising and Promotion Commission. The personnel are charged with booking conventions, trade shows, theater performances and other events in an effort to maximize the use of the facility. The facility has a 1,331 seat theater and 40,000 square feet of exhibition space plus meeting rooms. The entire facility encompasses 145,000 square feet of space on an 18 acre campus.

The FY13 Budget for the Convention Center is \$116,592 or 8.4% more than the FY12 Budget. The increase is due to the planned pay increases and increased contributions to employee insurance programs in FY13. The City General Fund will provide \$777,000 to the Convention Center Fund in FY13 as it did in FY12.

The Convention Center has 13.50FTE positions for FY13 that is the same as FY12.

CONVENTION CENTER	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 652,068	\$ 753,230	\$ 716,799	\$ 804,050	\$ 821,240
Operating Expenditures	540,184	619,128	580,563	629,400	652,470
Operating Budget	\$ 1,192,252	\$ 1,372,358	\$ 1,297,362	\$ 1,433,450	\$ 1,473,710
Capital Outlay	0	10,000	9,960	65,500	279,000
Budget Appropriation	\$ 1,192,252	\$ 1,382,358	\$ 1,307,322	\$ 1,498,950	\$ 1,752,710
Authorized Positions	13.50	13.50	13.50	13.50	13.50

**CONVENTION CENTER 2013 SERVICE OBJECTIVES**

1. Attract new clients and retain the current client base by emphasizing excellent customer service. The Center team will continually seek opportunities to ensure that our customers receive the best value and service for their money
2. Next to customer service, operational efficiencies will be a top priority for every member of the staff. Each team member will establish on-going programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.
3. Continue to capitalize on the new working relationship with the Convention and Visitors Bureau with regard to integrated marketing. The partnership allows the Center to be better poised to achieve brand recognition, credibility and greater market share. We will emphasize this new partnership in our marketing strategies to maximize our customers understanding of the benefits and opportunities this partnership creates.
4. The Center will create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. A thriving Convention Center increases business for the local hospitality, service and restaurant sectors capturing revenue that would not be there otherwise.
5. The Convention Center will maximize revenue to allow for future growth by controlling costs, adding additional services, increasing utilization and creating a price schedule that properly reflects market and economic realities to maximize bookings and regain customers who might have chosen an alternative venue based on affordability.
6. Roll our electronic client survey program designed to gather feedback about Convention Center service levels and quality of facilities. Achieve consistently high survey scores; specifically, maintain an overall score showing that the Convention Center meets or exceeds expectations 95% of the time in all areas of the sale and planning process and operations areas.

## REVENUE GOALS FOR 2013

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

25 Large Center Programs/Concerts	\$	140,000
20 Exhibits and/or Tradeshows		132,000
10 State Conventions/Meetings/Events		36,500
10 Regional/National/Conventions/Meetings/Events		36,500
75 Local Events		100,000
60 Theater Events		130,000
200 Events		575,000
Catering/Concessions/Vending		40,000
 Total	 \$	 615,000

## REVENUE GOALS FOR 2012

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

	Revenue Goal	Event Count Year to Date	Revenue Thru 10/12
35 Large Center Programs/Concerts	\$141,000	14	\$145,517
21 Exhibits and/or Tradeshows	\$130,800	21	\$92,277
10 State Conventions/Meetings/Events	\$38,500	17	\$38,930
15 Regional/National/Conventions/ Meetings/Events	\$39,700	39	\$35,083
65 Local Events	\$75,250	100	\$73,551
40 Theater Events	\$125,200	35	\$111,141
 186 Events	 Total Revenue	 \$550,450	 \$496,499

## 2013 STRATEGIES

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

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

## CONVENTION CENTER 2012 SERVICE OBJECTIVES AND OUTCOMES

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

**Outcome:** Achieved and ongoing. 112 new accounts added through October 2012. 1,033 potential clients and other citizens participated in site tours through October 2012.

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

**Outcome:** Achieved and ongoing. Operations team is centered on customer service and operational efficiency, resulting in maximized service levels and minimized overtime expenses. Sales and event planning team is focused on selling event space and servicing client needs at all hours of the day. Sales managers often step in to assist in the event planning process to balance the work load of Event Coordinator/Planner.

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

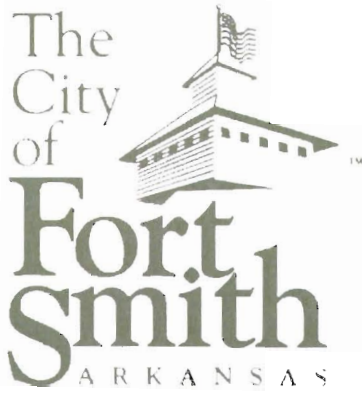
**Outcome:** Achieved and ongoing. Convention Center staff and CVB staff attended RCMA, Army National Guard Association of Arkansas, ASAE Tradeshow, AOMA Conference, Connect Marketplace, and Rejuvenate during 2012, co-advertising in the Arkansas Business publication, and regularly teaming up to book events such as the Jehovah's Witness conventions and the upcoming Bikers Against Child Abuse conference. We exhibited services at the 2012 Brides United trade show event during FY12.

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

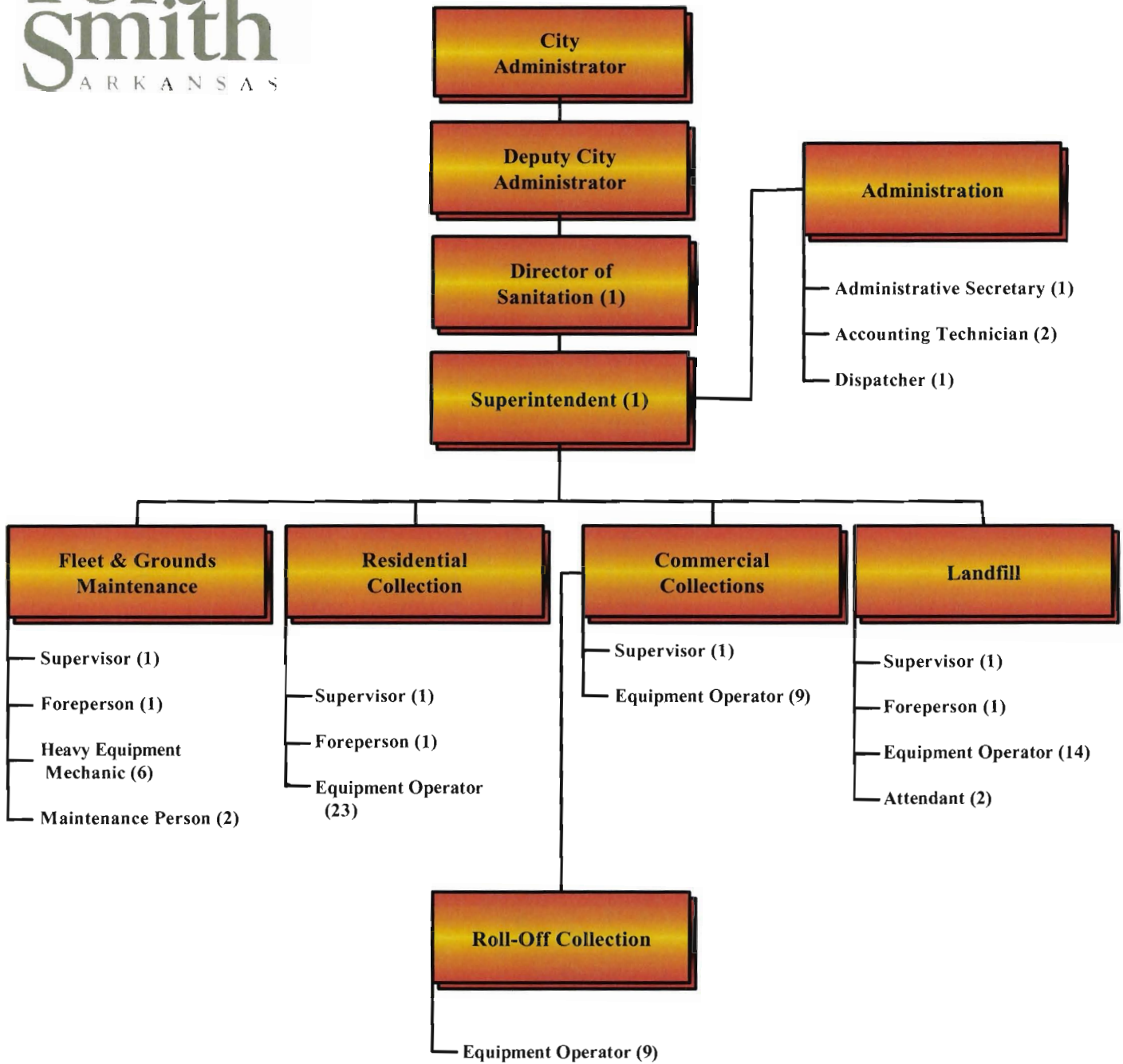
**Outcome:** Achieved and ongoing. Staff follows a regimented schedule of facilities upkeep and cleanliness. Staff teams maintain working relationships with over 30 restaurants and caterers in the River Valley approved to cater events at the Convention Center. Staff is also active in the Arkansas Hospitality Association (AHA) and the Western Arkansas Mountain Frontier Association (WAMF).

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

**Outcome:** Achieved and ongoing. The Convention Center is in the process of adding services which will drive additional revenue sources from events. Examples include; providing in-house alcohol service, in-house ticketing of events, offering in-house audio visual solutions and collecting service fees for additional event labor and equipment rentals. Sales staff is constantly in tune with local and regional market conditions and competitor strategies, which helps in negotiating with prospective clients.



# Operation Services Sanitation



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



## SANITATION DEPARTMENT OVERVIEW:

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

The FY13 Budget is \$508,562 or 5.1% more than the FY12 Budget. The increase is due to the planned pay increases and increased contributions to employee insurance programs. Also, operating expenses are anticipated to increase approximately \$215,000 during FY13 for equipment repair, materials, and state required landfill fees.

The Sanitation Department has 78FTE positions for FY13, which is consistent with FY12.

SANITATION DEPARTMENT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenses	\$ 4,504,225	\$ 4,534,210	\$ 4,460,956	\$ 4,739,290	\$ 4,841,620
Operating Expenses	3,465,317	4,142,983	4,497,060	4,357,920	4,497,500
Operating Budget	\$ 7,969,542	\$ 8,677,193	\$ 8,958,016	\$ 9,097,210	\$ 9,339,120
Capital Outlay	972,539	1,305,315	1,312,474	1,393,860	608,940
Budget Appropriation	\$ 8,942,081	\$ 9,982,508	\$ 10,270,490	\$ 10,491,070	\$ 9,948,060
Authorized Positions	78.00	78.00	78.00	78.00	78.00

## SANITATION DEPARTMENT 2013 SERVICE OBJECTIVES

1. Continue expansion of the Residential Automated Refuse Collection Program.
2. Begin implementation of the Residential Automated Recycling Collection Program.
3. Increase participation of local businesses in the Operation GO (Green Office) commercial recycling program.
4. Enhance departmental grounds and facility asset security by expanding the video surveillance system.
5. Complete construction of the Regional Sanitary Landfill Scale House.

## SANITATION DEPARTMENT 2012 SERVICE OBJECTIVES AND OUTCOMES

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

**Outcome:** Resolution 44-12 adopted March 6, 2012 directed staff to reinstitute manual collection of residential solid waste from the alleyways of the Park Hill East neighborhoods. Resolution 109-12 adopted June 5, 2012 directed staff to continue manual collection of residential solid waste from the alleyways of specific neighborhoods thus halting the expansion of the program. Resolution 145-12 adopted June 19, 2012 directed staff to expand automated collection of residential solid waste to specific neighborhoods in 2012.

2. **Service Objective:** *Begin implementation of an Automated Recycling Collection Program.*

**Outcome:** Aging 32 gallon round recycling cans/barrels (that are no longer paid for through grant funding provided by the Sebastian County Regional Solid Waste Management District) are being replaced with 65 gallon automated recycling carts.

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

**Outcome:** Funding was not available in the 2012 budget for construction of the citizen convenience center. However, \$200,000 was transferred to the sinking fund for future construction of the center.

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

**Outcome:** Achieved as outlined below.

**SANITATION DEPARTMENT KEY PERFORMANCE INDICATORS**

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

**SANITATION DEPARTMENT  
KEY PERFORMANCE INDICATORS**

	<u>ACTUAL FY10</u>	<u>ACTUAL FY11</u>	<u>ACTUAL FY12</u>	<u>TARGET FY13</u>
Cubic Yards of Residential Recyclables Diverted from the Landfill	6,900	15,359	14,160	14,300
Cubic Yards of Residential Yard Waste Diverted from the Landfill	22,689	25,899	21,020	21,230
Residential Collections Serviced by the Trouble Shooter Per Day	175	163	180	175
Cubic Yards of Commercial Recyclables Diverted from the Landfill	5,253	6,991	6,807	6,875
Gallons of Diesel Fuel Consumed per 1,000 Customers (Residential, Commercial, Industrial Collections)	1,034	892	843	835

**OTHER PERFORMANCE INDICATORS/SERVICE MEASURES**

**Residential Accounts**

Residential Accounts	21,217	26,265 **	29,021	29,311
Requests for Dial-A-Truck	3,607	3,880	3,784	3,746
Tons of Residential Refuse Collected Per Year	20,014	22,246	22,500	22,850

**Commercial Container Accounts**

Tons Collected Per Week	417	399	391	395
Tons Collected Per Year	21,710	20,738	20,339	20,542

**Industrial Roll-Off Accounts**

Tons Collected Per Week	735	797	732	739
Tons Collected Per Year	38,199	38,260	38,068	38,449

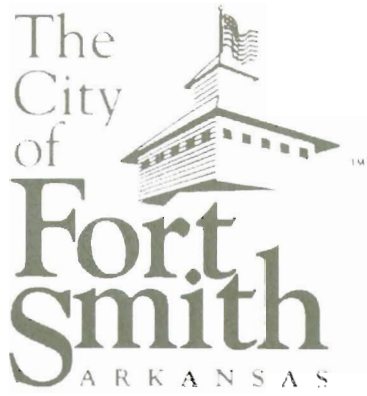
**Landfill Operations**

Tons of Refuse Disposed at Landfill Per Year	244,760	226,391	212,982	215,112
Tons of Yard Waste Diverted from Landfill	6,394	7,258	6,652	7,250

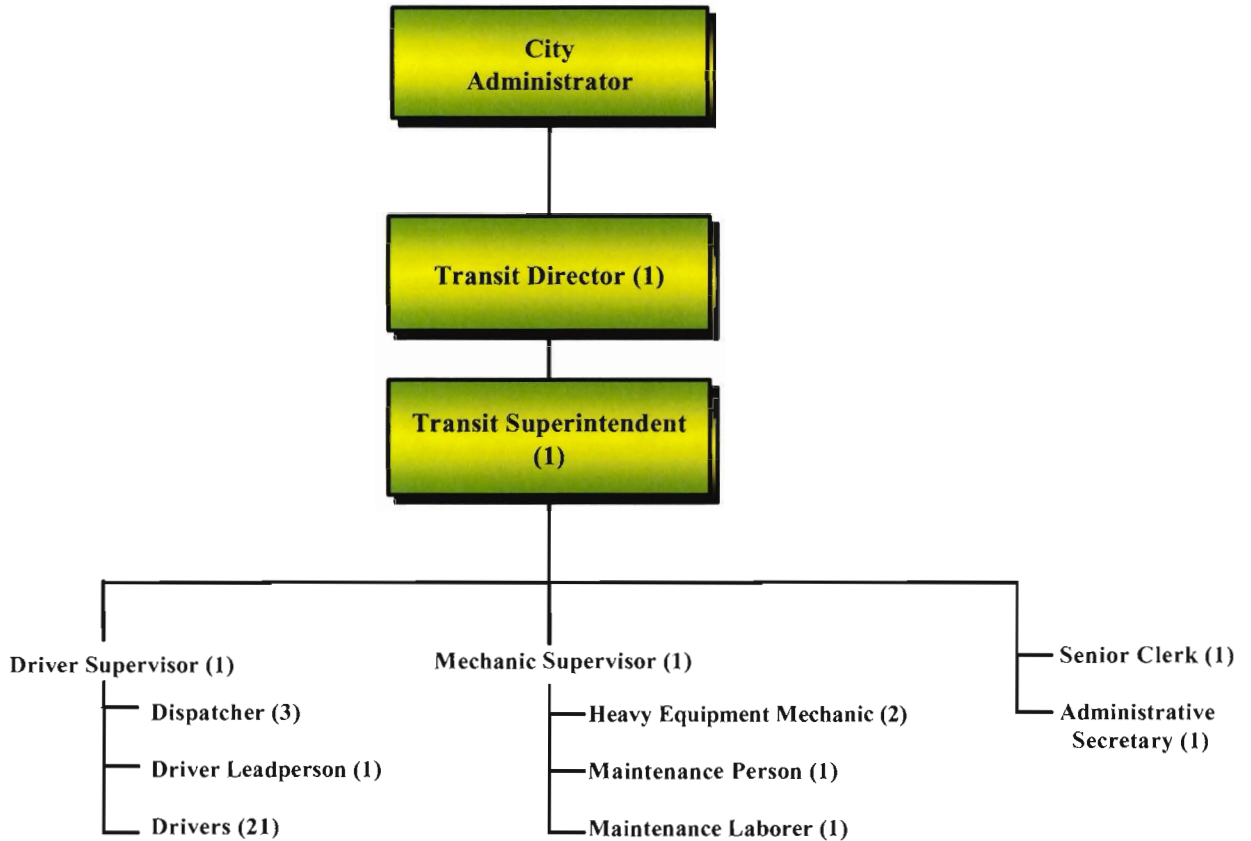
\*\*Residential accounts increased to 25,966 mid-year as a result of the department providing service to the south Fort Smith area.

Estimates based on actual data from Jan. 1-June 30.





# Operation Services Public Transit



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

## TRANSIT DEPARTMENT OVERVIEW:

The Transit Department, Program 6550, is responsible for the operation of the City's bus system to provide transportation for its citizens. The Department currently operates 19 buses on fixed routes and by demand response.

The FY13 Budget is \$440,084 or 18.5% more than FY12. The increase is due to the planned pay increases and increased contribution to employee insurance programs in FY13. The personnel increase was offset by the elimination of 1FTE driver. Capital is expected to increase by approximately \$336,000 for the addition of an elevator at the transit facility. The city will receive 90% of the cost of the elevator from federal grants.

The total personnel in the Department is allocated at 35FTE for FY13 that is 1FTE less than FY12. One driver position was eliminated for FY13 due to route reconfiguration.

TRANSIT DEPARTMENT	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 1,578,298	\$ 1,661,800	\$ 1,507,711	\$ 1,750,540	\$ 1,780,930
Operating Expenditures	515,385	515,800	553,032	531,060	584,530
Operating Budget	\$ 2,093,683	\$ 2,177,600	\$ 2,060,743	\$ 2,281,600	\$ 2,365,460
Capital Outlay	1,300,288	422,116	419,442	758,200	270,000
Budget Appropriation	\$ 3,393,971	\$ 2,599,716	\$ 2,480,185	\$ 3,039,800	\$ 2,635,460
Authorized Positions	36.00	36.00	36.00	35.00	35.00

## TRANSIT DEPARTMENT 2013 SERVICE OBJECTIVES

1. Develop new rider information packet with DVD to improve customer understanding of the transit system.
2. Install an elevator to improve ADA passenger access at the transit office building on Jenny Lind.
3. Implement a bus tracking application as an electronic tool for public access to real time locations of fixed route buses.
4. Implement key performance indicators for 2013 as outlined below:

### Key Performance Indicators 2013

NAME	PURPOSE	PERFORMANCE	TARGET
Cancellations	Reduce demand response trip cancellation to condense schedule blocking and increase program efficiencies.	Determine primary reasons why passengers cancel rides and create a policy that curtails the cancellation of trips.	10% reduction in average monthly cancellations (243 to 219 per month)
Passenger Time Windows	Improve customer satisfaction and scheduling efficiencies.	Recommend a policy change to reduce passenger wait times.	Decrease early time window from 15 minutes to 10 minutes.
Advertising Revenue Enhancement	Develop advertising revenue by offering bus or seat sponsorships.	Generate sponsorship funds to subsidize the local share of replacement bus purchases.	Increase advertising revenues by 15%.
Enhance Defensive Driving	Diminish damages to mirrors and tires caused by oversized vehicle body contact.	Develop a method of measurement to track preventable incidents relating to equipment damage.	Establish a baseline of occurrences for future measurement.

**TRANSIT DEPARTMENT  
2012 SERVICE OBJECTIVES AND OUTCOMES**

1. **Service Objective:** *Research the potential conversion of two transit buses to compressed natural gas.*  
**Outcome:** Staff selected one bus for the CNG trial and is currently waiting on delivery.
2. **Service Objective:** *Identify route modifications that would permit public transportation access to future parks*  
**Outcome:** The Transit Advisory Commission identified the future Ben Geren Water Park as a target location for seasonal fixed route once the project is complete.
3. **Service Objective:** *Seeking funding opportunities to provide additional transit passenger service amenities.*  
**Outcome:** Application was made through AHTD for a State of Good Repair grant to provide ADA enhancement (elevator) at the transit facility.

## NON-DEPARTMENTAL

NON-DEPARTMENTAL	ACTUAL FY 11	BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenditures	<u>3,626,347</u>	<u>3,889,249</u>	<u>4,111,766</u>	<u>3,939,689</u>	<u>3,622,500</u>
Operating Budget	\$ 3,626,347	\$ 3,889,249	\$ 4,111,766	\$ 3,939,689	\$ 3,622,500
Capital Outlay	<u>1,325,097</u>	<u>1,021,010</u>	<u>937,168</u>	<u>1,117,914</u>	<u>1,200,000</u>
Budget Appropriation	\$ 4,951,444	\$ 4,910,259	\$ 5,048,934	\$ 5,057,603	\$ 4,822,500
Authorized Positions	0.00	0.00	0.00	0.00	0.00

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

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

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

**GENERAL FUND**

Allocation to Outside Agencies	162,000
Legal Services-Special	5,000
Port Authority Insurance & Advertising	8,100
Fort Smith Museum of History - Utilities	20,000
SRCA, Inc. Social Services	178,058
Transfer to Cleanup/Demolition	90,000
Transfer to Parking Authority Fund	250,000
Transfer to Convention Center Fund	777,000
Property Insurance Deductible	5,000
Fort Chaffee Redevelopment Authority	84,400
City/Chamber/UAFS Initiative-IEC	30,000
Western Arkansas Regional Intermodal Authority (RITA)	50,000
Fort Smith Public Library-6% County Sales Tax Allocation	942,231
US Marshals Museum	50,000
Area Agency on Aging	50,000
Project Compassion	7,500

Sub-Total

2,709,289

**STREET MAINTENANCE FUND**

50/50 Sidewalk Repair Program	\$ 15,000
DRIPP	20,000
Sinking Account	250,573
Property Insurance Deductible	5,000
Transfer to General Fund	88,400

Sub-Total

378,973

**WATER AND SEWER OPERATING FUND**

Jamesd Fork Association-Annual Payment Per Agreement	280,000
Property Insurance Deductible	15,000
Transfer to General Fund	88,400

383,400

**SANITATION OPERATING FUND**

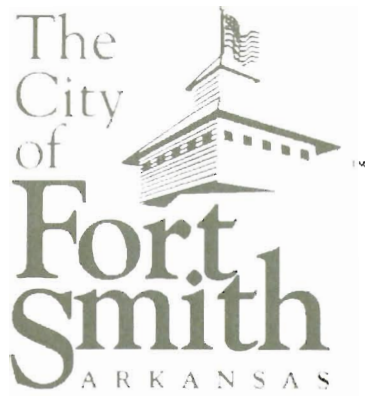
Transfer to Sanitation Sinking Fund for Equipment Replacement	867,541
Transfer to Sanitation Sinking Fund for Closure/Postclosure Care Costs	250,000
Transfer to Cleanup/Demolition Fund	370,000
Transfer to General Fund	88,400
Property Insurance Deductible	10,000

Sub-Total

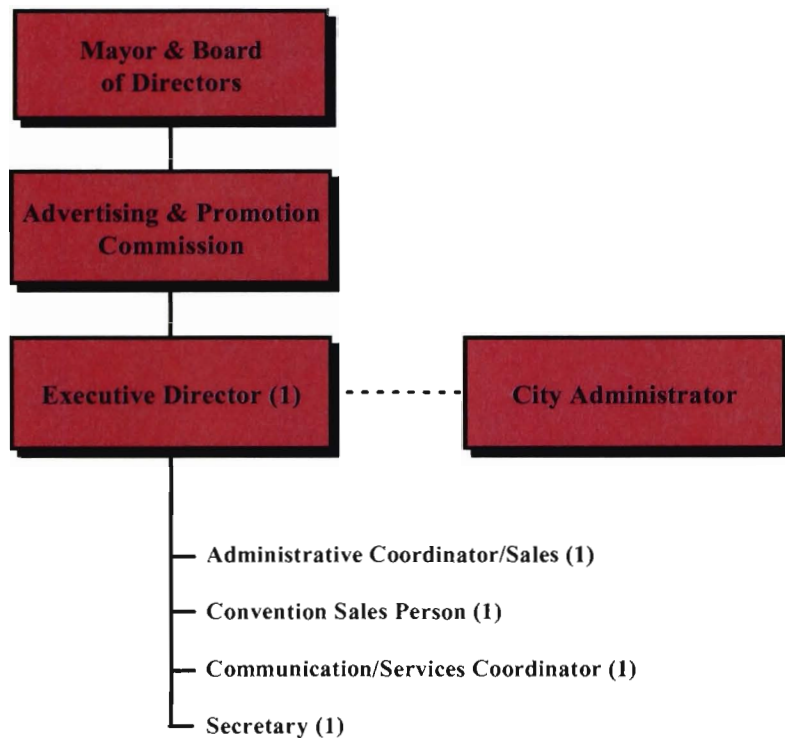
1,585,941

GRAND TOTAL

\$ 5,057,603



# Non-Departmental Convention and Visitors Bureau



**Purpose:** To improve the economy of the community and the local hospitality industry by attracting visitors, meetings, conventions and events to the City.

## CONVENTION AND VISITORS BUREAU OVERVIEW:

The Convention and Visitors Bureau serves under the direction of the City's Advertising & Promotion Commission. The Commission includes two members of the governing body of the City and five citizens associated with the tourism industry such as hotel managers and restaurant operators. The City assesses a 3% occupancy tax on hotels and motels within the City. The rate was 2% until September 15, 2001. The Bureau is charged with the promotion of tourism activities in the City.

The FY13 Budget is \$59,220 or 7.9% more than the FY12 Budget. The increase is for more advertising materials and publications.

The authorized positions for FY13 total 5.0FTE which is the same as FY12.

CONVENTION & VISITORS BUREAU	ACTUAL FY 11	AMENDED BUDGET FY 12	ESTIMATED FY 12	BUDGET FY 13	BUDGET FY 14
Personnel Expenditures	\$ 320,908	\$ 329,980	\$ 321,100	\$ 352,430	\$ 358,740
Operating Expenditures	360,964	421,440	399,938	458,210	458,210
Operating Budget	\$ 681,872	\$ 751,420	\$ 721,038	\$ 810,640	\$ 816,950
Capital Outlay	0	0	0	0	0
Budget Appropriation	\$ 681,872	\$ 751,420	\$ 721,038	\$ 810,640	\$ 816,950
Authorized Positions	5.00	5.00	5.00	5.00	5.00

## CONVENTION AND VISITORS BUREAU 2013 SERVICE OBJECTIVES

1. Continue to maximize transient guest tax receipts through aggressively marketing the Fort Smith area's hospitality facilities and attractions to convention/event, corporate and leisure travel markets.
2. Continue to develop and maintain a database of planners in the convention and corporate markets whose business will positively impact the Fort Smith area economy and enhance the quality of life for area citizens.
3. Continue to build on cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality industry.
4. Ensure a positive guest experience by connecting the guest with quality products or services provided by our Fort Smith area business partners.
5. Take a leading role in the Fort Smith economic development efforts through interface with those involved in development efforts, particularly on a regional level in surrounding counties in both Arkansas and Oklahoma.
6. Educate local and area business leaders and state/regional event planners as to the Fort Smith Bureau's role in assisting with attracting and servicing events in Fort Smith.
7. Take an active role in "destination development" efforts to add tourist attractions to the Fort Smith area. Continue to take a leading role in development of the United States Marshals Service National Museum in Fort Smith and the Historic Fort Chaffee Barber Shop. Continue planning to adjust our marketing efforts to feature the museums as primary attractions in the region as they develop.
8. Ongoing refinement of the communications program to maximize Fort Smith's exposure to all target audiences through standard marketing practices both in print and on the worldwide web.
9. Grow our presence in all versions of internet social media vehicles.
10. Place top priority on responding to the economic conditions in the local market by adjusting marketing plans based on funding. Grow the reserve A&P fund account as much as possible.
11. Continue to take an active role as much as possible in guaranteeing the continued availability of quality meeting and exhibit space and service at the Fort Smith Convention Center, the Phoenix Village Expo and the Kay Rodgers Park Expo Facility.

**CONVENTION AND VISITORS BUREAU**  
**2013 SERVICE MEASURES/PERFORMANCE INDICATORS**

1. Maximize the exposure of Fort Smith through advertisements and articles about the City of Fort Smith and its hospitality offerings.
2. Increase the number of leads provided to the Fort Smith Convention Center and hospitality community by 5% to 142.
3. Contribute to the increase in Fort Smith area hotel occupancy through and increase in convention/event guests. Increase in occupancy tax by 20% to 103.
4. Increase the number of citywide convention/event proposals by 20% to 23.
5. Increase the number of motor coach tour groups into the Fort Smith area by 10% to 103.
6. Increase the number of guests to the Fort Smith Visitor Information Center, "Miss Laura's" and Chaffee Barber Shop by 3% to 13,421.

**CONVENTION AND VISITORS BUREAU**  
**2012 SERVICE OBJECTIVES AND OUTCOMES**

<u>SERVICE OBJECTIVE</u>	<u>OUTCOME</u>			
	<u>Actual FY11</u>	<u>Budget FY12</u>	<u>Estimated FY12</u>	<u>Budget FY13</u>
1. Maximize exposure of the Fort Smith area through advertisements & articles about the City of Fort Smith hospitality offerings.	3,227 column inches of editorial	2,500 column inches of editorial	Through Sept. 1,464 inches editorial	2,750 column inches of editorial
2. Increase number of leads provided to the Fort Smith Convention Center and the Fort Smith Hospitality Community by 10%.	109 leads (2010-2011)	119 leads (2011-2012)	136 leads (2011-2012)	142 leads (2012-2013)
3. Contribute to an increase in Fort Smith area hotel occupancy through an increase in convention/event guests.	Room Tax \$708,140	Room Tax \$732,330	Room Tax \$513,210 +6.4% (Jan-Aug.)	Room Tax \$754,330
4. Increase the number of city-wide convention/event proposals by 20%.	18 (2010-2011)	21 (2011-2012)	23 (2011-2012)	23 (2012-2013)
5. Increase the number of tour groups into the Fort Smith area by 10%.	87	94	44 Thru Aug.	103
6. Increase the number of guests to the Fort Smith Visitor Information Center, "Miss Laura's" and Chaffee Barber Shop attraction by 3%.	12,652	13,031	9,875 Thru Sept.	13,421



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## **CAPITAL IMPROVEMENT PROGRAM**

This section includes highlights of the City's FY13 Capital Improvement Program for the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the Sales and Use Tax Bond Construction Funds, Sanitation Sinking/Landfill Construction Fund, the Tilles Park Fund, and the Parking Authority Fund. Also included is a schedule of capital outlay included in the operating programs for FY13. The Parks CIP Schedule, the sinking fund activity for the Street Maintenance Fund and the Sanitation Operating Fund, and the impact of capital spending on the operating budget are also included in this section.

## Capital Improvement Program

### Introduction

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

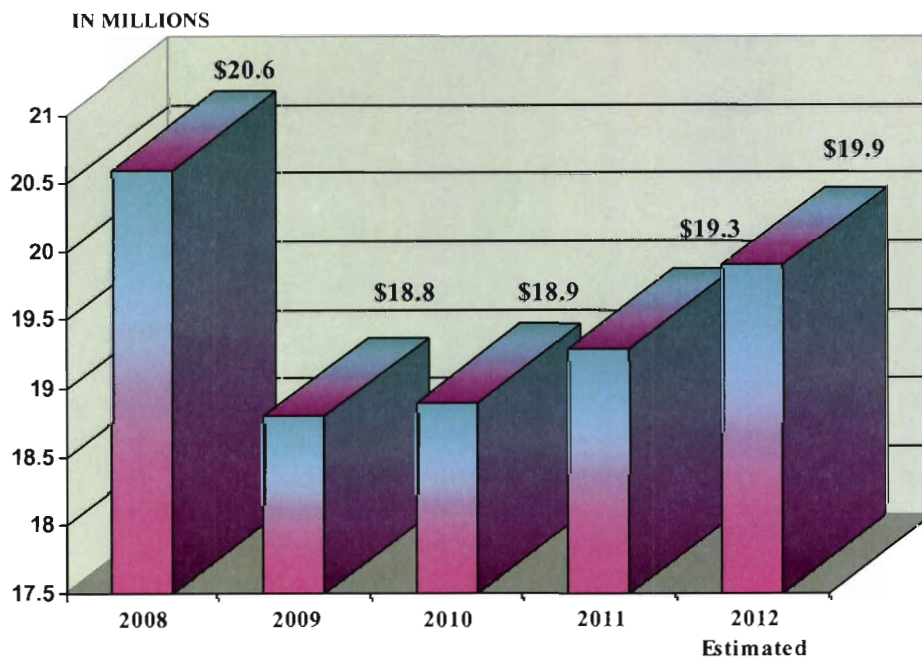
### Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund in October 2012. The FY13 CIP for the sales tax street program was included in the approval document Resolution No. R-208-12.

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

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

## Sales Tax Revenues



The estimated sales tax revenue for 2013 is \$20.2 million which represents a 1.5% increase over the estimated 2012 tax revenue of \$19.9 million. Interest earnings and other revenue for 2013 are estimated at \$4.6 million and the beginning fund balance is estimated to be \$20.8 million. Therefore, total resources available for 2013 are \$45.6 million. Of this amount, \$7.3 million is estimated as the ending fund balance at December 31, 2013 which represents funds available for contingency and for future years' projects. Total project funds available are \$38.3 million and will be used for the 2013 program allocated as follows:

<b>FY13 Program:</b>	
Neighborhood Overlays and Reconstruction	\$ 9.3 million
Neighborhood Drainage Improvements	8.9
Intersection Signal Improvements	0.5
Multi-Year and/or Major Projects	16.1
Special Projects	0.8
Administrative Costs	2.6
Overlays by Street Department	0.1
	\$ 38.3 million

The 2013 neighborhood overlays and reconstruction projects are as follows:

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Length (linear feet)</u>	<u>Cost</u>
Free Ferry Lane	Albert Pike	End of Road	591	\$ 92,196
Rogers Avenue	4th Street	14th Street	3,408	1,122,368
10th Street	Carnall Ave.	Rogers Ave.	348	60,320
Roosevelt Road	Victory Cr.	Churchill Dr.	3,230	492,180
North J Street	44th Street	50th Street	2,016	209,664
North M Street	44th Street	50th Street	1,990	206,960
47th Street	Grand Ave.	North L St.	1,315	136,760
57th Street	End of Road	Park Street	608	94,848
Harper Drive	Ball Road	State HWY 45	1,052	230,972
Ball Road	Planters Rd	Harper Dr.	2,770	608,169
Allen Lane	6th Street	Reed Lane	1,438	132,935
Pryor Avenue	35th Street	36th Street	362	37,648
35th Street	Kelley HWY.	Birnie Ave.	666	61,568
36th Street	Kelley HWY.	Birnie Ave.	666	61,568
Seminole Circle	Cliff Drive	End of Road	608	94,848
14th Street	US HWY 71	Vicksburg St.	1,381	303,206
Vicksburg St.	Towson Ave	14th Street	650	142,711
Xavier Circle	14th Street	End of Road	190	41,716
33rd Street	Linden St.	Willow St.	881	101,805
Linden Street	33rd Street	Mussett Rd.	312	32,448
Cavanaugh Rd.	US HWY 271	Jenny Lind Rd.	2,831	384,788
Taylor Avenue	Ward Ave.	Terry Street	1,535	301,542
50th Street	Kelley HWY.	Wirsing Ave.	988	114,169
North R Street	13th Street	14th Street	351	40,560
6th Street	Reed Lane	Harriet Lane	2,417	335,157

<u>Street</u>	<u>From</u>	<u>To</u>	<u>Length (linear feet)</u>	<u>Cost</u>
Knoxville Street	Towson Ave	End of Road	895	93,080
39th Street	Kelley HWY.	Birnie Ave.	667	69,368
37th Street	Johnson St.	Young Street	350	24,267
38th Street	Johnson St.	Young Street	329	28,513
Young Street	End of Road	End of Road	1,032	107,328
10th Street	South D St.	South A Street	1,051	182,173
Division Street	Edwards St.	Churchill Rd.	1,675	274,445
Total 2013 Street Overlay/Reconstruction Program				6,220,280
Balance of 2012 Projects Currently Under Construction				3,090,248
Total 2013 Street Overlay/Reconstruction Program				<u>\$ 9,310,528</u>

The 2013 neighborhood drainage improvements total \$2.37 million. In addition, there is \$6.5 million of prior year projects to be completed during FY13. The FY13 projects are identified as follows:

**Knoxville Street & Cliff Drive Area-\$750,000**

This project will replace an undersized earthen channel and undersized storm drains with a concrete box storm drain. Two houses are experiencing flooding in this area, severe street and yard flooding are occurring, and the existing system is difficult to maintain.

**3300 Block of Kincross Drive-\$70,000**

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

**200 Block of North 57th Street-\$150,000**

This project will add inlets and a storm drain to intercept runoff from the hillside, and it will complete a previous drainage project. Two houses are experiencing flooding in this area, and severe street flooding is also occurring.

**5800 and 5900 Blocks of Gordon Lane-\$320,000**

This project will replace an undersized earthen channel and driveway culverts with a storm drain and concrete swales. Two houses are experiencing flooding in this area, and severe street and yard flooding are occurring. Erosion has also become a problem in some of the yards and the earthen channel.

**South 66th Street and South 67th Lane-\$550,000**

This project will replace an undersized storm drain, earthen channel, and concrete channel with a concrete box storm drain, and concrete channels. Three houses are experiencing flooding in this area, and severe yard flooding is also occurring.

**1500 Block of South 40th Street-\$360,000**

This project will replace a concrete channel and add earthen channels and storm drains to intercept and carry runoff. Two houses and an apartment complex are experiencing flooding in this area and severe yard flooding is also occurring.

**3100 Block of South 100th Street-\$140,000**

This project will replace an undersized earthen channel and storm drain. One house is flooding in this area, and severe yard flooding is also occurring.

**3100 Block of South 106th Street-\$30,000**

This project will add a concrete channel to intercept runoff from the adjacent properties. One house is flooding in this area, and severe yard flooding is also occurring.

**Multi-year and major projects are allocated at \$16.1 million for FY13. The projects are described as follows:**

**Jenny Lind Road-Zero to Cavanaugh-**

This phase of the Jenny Lind project consists of the widening and reconstruction of Jenny Lind between Zero and Cavanaugh Road. Federal funding has been obtained in the amount of \$7.2 million for the section between Cavanaugh Road and Zero. This phase will also include improvements to and the extension of Ingersoll Road from Jenny Lind to US Highway 71B. Plans are generally complete. The appraisal and right of way acquisition is ongoing. There are 55 tracts of property involved. Construction is expected to begin in late FY13. Prior year allocations totaled \$800,000. The FY13 allocation is \$3.3 million with future allocations totaling \$17 million in FY14 and FY15.

**May Branch Drainage Project-**

This project is for the purpose of reducing flooding along May Branch from the Arkansas River to Park Avenue. It consists of the construction of a drainage channel to replace the existing deteriorated and hydraulically inadequate concrete pipe. The project is being designed by the Corps of Engineers. The City continues to lobby for federal funding to assist with the project as the total cost exceeds \$30 million. Due to the magnitude of the project, it will be funded over a period of several years. The Corps of Engineers have indicated that the most downstream section of this project- from approximately North 7th Street to the Arkansas river-can be constructed entirely with city funds with the agreement that the City's cost would be credited towards the future cost of sharing on the project when federal funds become available. Construction of the lower section would reduce flooding for both the lower May Branch area and the Town Branch sub-basin. Anticipated construction is still several years away as final plans have to be completed, right of way acquired, and utility relocation must occur first. Prior year allocations have totaled \$240,000. The FY13 allocation is \$900,000 with future allocations totalling \$13.1 million for FY14-FY17.

**FCRA Development-**

These projects include the construction of a new street to serve the McClure Amphitheater and extension of Flagstone Road to serve the Old Dominion freight line terminal. Both of these projects are being cost shared equally with the Fort Chaffee Redevelopment Authority (FCRA). Also included will be construction of a 500 foot new street on the west side of Fire Station 11. The FY12 allocation was \$483,000. The FY13 allocation is \$1.476 million. Future allocations for FCRA projects are estimated at \$1 million per year in FY14-FY17.

**Streetscape-Garrison Avenue and Towson Avenue**

This project includes the ongoing Garrison Avenue Streetscape along both sides of 9th Street to 13th Street that is expected to be completed late FY12 at a cost of \$2.5 million with approximately \$1.95 million provided by federal funds. This project also includes streetscaping along Towson Avenue south of Garrison Avenue and replacement of a traffic signal at Rogers Avenue and Towson Avenue. Anticipated construction of the Towson project is in FY13 and the first phase will extend to South A Street. Federal grants in the amount of \$270,000 will benefit this part of the project. The FY13 allocation is \$560,000 for the Towson project.

**Levee Certification and Repair-**

This project includes items associated with flood protection and levee certification evaluation in accordance with federal design criteria. Work is ongoing to repair the washed out section on the Rice Carden levee, replace and repair the floodwall, construction of street closure devices, and repair of outlet culverts. The FY12 allocation was \$2.622 million and the FY13 allocation is \$2.449 million.

**Town Branch-Carnall Drainage-**

This project is associated with the flooding that occurs in the downtown area and areas just north of downtown. The Town Branch area is a sub-basin to the May Branch watershed. This project includes improving the upstream outfall at South G Street and Towson Avenue to the west. This outfall is currently restricted that is contributing to the flood in the downstream areas. The FY13 allocation is \$1.5 million and \$0.5 million for FY14.

**May Branch Outfall Culvert Replacement-**

The May Branch outfall culvert is a 12 foot diameter culvert that serves as the outfall for the May Branch drainage basin. This project includes replacement of approximately 1,300 feet of the culvert. This section of culvert will still be required in association with the future May Branch project. The FY12 allocation was \$200,000 and the FY13 allocation is \$5.3 million.

**North B Street Truck Route-**

This project is the modification of North B Street from 5th Street west to Riverfront Drive to accommodate two way truck traffic. This is in lieu of the current one way split that exists along this section of North A and B Streets. This project is based on the concept of closing a section of North A Street between North 1st and 2nd Streets to add more green space and allow for construction of a splash pad. The total estimated cost of \$1.9 million includes \$1.2 million for intersection and radius improvements at North 5th and B Streets and \$0.7 million to improve the remaining sections of North A Street that would be removed from the truck route. This cost does not include any property or right of way acquisition costs, but does include the demolition of the building at the southwest corner of North 5th and B Streets. This street work is being designed in FY13 with construction scheduled for FY14. The FY13 allocation is \$190,000 and the FY14 allocation is \$1.71 million.

**Spradling Avenue Extension at Riverfront Drive-**

This project includes the new construction of Spradling Avenue eastward from Riverfront Drive. The project is being designed in two phases. Phase 1 will serve the proposed athletic fields on the city's 51 acre tract. Phase 2 will extend the street further east and tie to the existing Spradling Avenue at North 23rd Street. The FY13 allocation is \$170,000 and future allocations for FY14 and FY15 are \$1.7 million and \$1.53 million, respectively.

**Dallas Street-Massard Road to 91st Street-**

This project includes removal and replacement of the severely cracked sections of concrete pavement and then diamond grinding of the street surface to improve the smoothness. The project is estimated to extend the life of the street several years. The FY13 allocation is \$300,000.

Intersection Signal Improvements total \$450,000 for FY13. These improvements include the replacement of the traffic signals at the intersection of North 10th Street with both North A Street and North B Street. Also included is the proposed construction of a new traffic signal at the intersection of Zero Street with Ben Geren Park that will serve the traffic associated with the new water park.

Special projects are various street related improvements and studies and include the following for FY13:

Traffic Studies	\$	25,000
Aerial Mapping		550,000
Contingency		200,000
	\$	<u>775,000</u>

Administrative- costs for in-house engineering services and administration services total \$2,568,000.

Overlays provided by the Street Maintenance department will total \$150,000 for 2013.

The following table reflects revenue for the past four years by month as an indication of the cash flow from the tax.

Month of Year	2009	2010	2011	2012
January	\$ 1,983,506	\$ 1,789,657	\$ 1,886,548	\$ 2,049,307
February	1,445,308	1,398,655	1,428,001	1,585,141
March	1,525,340	1,429,494	1,465,798	1,482,308
April	1,689,217	1,646,044	1,685,471	1,676,106
May	1,532,752	1,555,270	1,608,339	1,591,629
June	1,503,710	1,578,857	1,562,373	1,628,384
July	1,564,567	1,627,063	1,664,129	1,672,905
August	1,584,418	1,535,521	1,658,822	1,607,956
September	1,584,166	1,584,536	1,580,194	1,644,055
October	1,508,580	1,504,029	1,582,136	1,594,435
November	1,409,760	1,424,484	1,574,468	1,761,168 *
December	1,446,169	1,541,365	1,645,481	1,908,935 *
Totals	\$ 18,777,493	\$ 18,614,975	\$ 19,341,760	\$ 20,202,329
Y-T-D % Change	-	-0.9%	3.9%	4.4%

\* Estimated Revenue



The following schedule reflects the proposed current year projects for the sales tax program for the years 2013 through 2017:

<b>Improvements</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Neighborhood Overlays and Reconstruction	\$ 9.3	\$ 7.0	\$ 7.0	\$ 9.5	\$ 9.5
Neighborhood Drainage Improvements	8.9	1.0	1.0	2.2	2.2
Intersection and Signal Improvements	0.5	0.3	0.3	0.3	0.3
May Branch Drainage	0.9	1.5	2.5	4.6	4.5
Jenny Lind- Zero to Cavanaugh	3.3	9.0	8.0	-	-
Levee Certification & Repair	2.4	-	-	-	-
Town Branch/Carnall Street Drainage	1.5	0.5	-	-	1.0
Garrison Avenue/Towson Avenue Streetscape	0.6	-	-	-	-
May Branch Outfall Culvert Replacement	5.3	-	-	-	-
FCRA Development	1.5	1.0	1.0	1.0	1.0
North B Truck Route	0.2	1.7	-	-	-
Spradling Extension at Riverfront Drive	0.2	1.7	1.5	-	-
Dallas Street-Massard to 91st St.	0.2	-	-	-	-
Jenny Lind-Dallas to Phoenix	-	-	-	0.5	0.5
FSHA-Street and Drainage	-	1.1	-	-	-
Special Projects	0.8	0.2	0.2	0.2	0.2
Administrative	2.6	2.6	2.7	2.8	2.8
Overlays by Street Department	0.1	0.2	0.2	0.2	0.2
<b>Total</b>	<u>\$ 38.3</u>	<u>\$ 27.8</u>	<u>\$ 24.4</u>	<u>\$ 21.3</u>	<u>\$ 22.2</u>

## Water and Sewer Capital Improvement Projects Funds

In August 2008, the City issued \$117.42 million in water and sewer refunding and construction revenue bonds to provide funding for the advance refund of the 2002A series bonds, for sewer extensions in the growth areas of the City, the Mountainburg water treatment plant rehabilitation and expansion, replacement of neighborhood water lines, and the Howard Hill elevated water storage tank. The remaining proceeds from the 2008 Bonds at December 31, 2012 are estimated at \$2.5 million. These funds will be spent during 2013. Funding for additional projects listed for years 2013 through 2017 will be provided by annual transfers from the operating fund.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Water Projects</b>					
Distribution System					
Improvements and Fire					
Protection Improvements	\$ 1,200,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Neighborhood Water System					
Improvements-Haven Hill	1,200,000	-	-	-	-
24-Inch Water Transmission					
Line Edwards Street	800,000	-	-	-	-
Chaffee Crossing Water					
Transmission Treatment					
Design	80,000	-	-	-	-
Riverfront Development-Water &					
Sewer-Marshals Museum	308,000	-	-	-	-
Riverfront Drive Water & Sewer					
Extensions	1,575,000	-	-	-	-
Lake Fort Smith 48-inch					
Transmission Line Design	730,000	200,000	-	-	-
Water Storage Tank Painting	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>
<b>Water Projects Totals</b>	<u>6,058,000</u>	<u>1,865,000</u>	<u>1,665,000</u>	<u>1,665,000</u>	<u>1,665,000</u>

<b>Wastewater Projects</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Chaffee Crossing Pump Station Improvements	921,700	-	-	-	-
Program 5612 Sewer Const. Excavator Replacement	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Wastewater Projects Totals	<u>1,021,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Water and Wastewater CIP	<u><u>\$7,079,700</u></u>	<u><u>\$1,865,000</u></u>	<u><u>\$1,665,000</u></u>	<u><u>\$1,665,000</u></u>	<u><u>\$1,665,000</u></u>

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

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

Wastewater projects include storage improvements, relief sewer construction and upgrades, sub-basins construction and improvements, collection system rehabilitation, and pump station upgrades. Water projects include the 48" Lake Fort Smith water transmission line design and construction phase I, 24" water transmission line from Highway 45 to Massard Road, Chaffee Crossing 14" water line, Chaffee Crossing booster pump station, and Chaffee Crossing 30" water transmission line. Fire Department projects include construction of station #11, fire apparatus, and repair/renovation of the existing fire stations. Park improvements include a joint venture with Sebastian County for a water park.

The following is the five year CIP for the Sales and Use Tax Bond Construction Fund for 2013 through 2017:

<b>Wastewater Projects</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
South 62nd Sanitary Sewer Impr.	\$ 1,450,500	\$ -	\$ -	\$ -	\$ -
Sunnymede Basin Neighborhood & Ramsey Tributary Sewer	200,000	-	-	-	-
2011 Sanitary Sewer Impr. Phase I	1,404,600	-	-	-	-
Wastewater Pump Station Standby Power Equipment	500,000	-	-	-	-
Basin 11-1 Sewer Improvements	1,805,000	-	-	-	-
Neighborhood Sewer Impr. Zero Street	2,300,000	-	-	-	-
Wastewater Master Plan 2012	340,000	-	-	-	-
Sunnymede Interceptor Impr.	1,682,000	-	-	-	-
Mill Creek Pump Station Wet Weather Improvements	5,735,000	8,515,000	-	-	-
Zero Street Pump Station Wet Weather Improvements	11,065,000	8,309,000	-	-	-
2011 Sanitary Sewer Impr. Phase 2	1,600,000	100,000	-	-	-
Basin 9 Collection System Impr.	1,135,000	1,050,000	-	-	-
Mill Creek Interceptor Impr. Phase 1	477,000	1,333,000	326,000	-	-
Basin 17 Collection System Improvements	345,000	600,000	1,655,000	-	-
"P" Street Interceptor Impr.	1,152,000	1,038,000	4,172,000	-	-
Mill Creek Intereceptor Impr. Phase 2	330,000	1,215,000	454,000	-	-
Basin 15 Collections System Improvements	255,000	350,000	1,560,000	390,000	-
Lift Stations 15, 16, & 17 Replacements	-	765,000	-	-	-
May Branch Interceptor Impr. Phase 1	-	629,000	2,751,000	1,671,000	-
Basin 19 Collection System Impr.	-	380,000	615,000	1,560,000	-
Tilles Park Interceptor Impr.	-	-	200,000	-	-
Pump Station 19 Force Main Replacement	-	-	1,530,000	-	-
4th Street Interceptor Impr.	-	-	304,000	1,521,000	-
20th Street Interceptor Impr. Phase 1	-	-	278,000	2,092,000	-
Basin 19 Collections System Improvements	-	-	328,000	1,032,000	1,195,000

<b>Waste Water Projects:</b>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Basin 12 Collections System Improvements	-	-	-	-	510,000
May Branch Interceptor Impr. Phase 2	-	-	-	-	600,000
Zero Street Interceptor Impr.	-	-	-	-	40,000
20th Street Interceptor Impr. Phase 2	-	-	-	-	40,000
12th Street Interceptor Impr.	-	-	-	-	125,000
9th Street Interceptor Impr.	-	-	-	-	400,000
Sub-total-Wastewater	<u>31,776,100</u>	<u>24,284,000</u>	<u>14,173,000</u>	<u>8,266,000</u>	<u>2,910,000</u>
<b>Water Projects:</b>					
Chad Colley & Custer Blvd. Water Lines	900,000	-	-	-	-
Chaffee Crossing Reservoir Pump Station	1,284,000	-	-	-	-
Chaffee Crossing Geren Road 24 inch Transmission Line	2,938,000	-	-	-	-
Chaffee Crossing Massard 30 inch Transmission Line	2,494,000	-	-	-	-
Chaffee Crossing 2.5 Gallon Reservoir	1,537,300	250,000	-	-	-
Lake Fort Smith 48 inch Transmission Line	<u>10,682,000</u>	<u>6,134,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total-Water	<u>19,835,300</u>	<u>6,384,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fire Department Projects:</b>					
Fire Station #11 Construction	2,857,414	-	-	-	-
Repair/renovations for existing stations	<u>1,231,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total Fire Department	<u>4,088,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Parks Projects:</b>					
Water Park at Ben Geren Park Project with Sebastian County	<u>3,035,866</u>	<u>925,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 58,735,733</u>	<u>\$ 31,593,000</u>	<u>\$ 14,173,000</u>	<u>\$ 8,266,000</u>	<u>\$ 2,910,000</u>

### **Sanitation Sinking/Landfill Construction Fund**

The Sanitation Sinking/Landfill Construction Fund continues the construction of a new scale house and scale system at the landfill at a projected cost of \$2,155,000 in FY13. Equipment purchases planned for 2013 total \$1,093,000. Therefore, the total capital improvements for 2013 total \$3,248,000.

### **Tilles Park Fund**

The resources of the Tilles Park Fund are provided by an annual contribution of \$400 from the Rosalie Tilles Trust. The funds are restricted for improvements within Tilles Park. Contributions and investment earnings are accumulated from year to year until there are sufficient funds to make necessary improvements. The amount of funds available in 2013 for improvements or equipment total \$10,658. These funds will be used for future years' capital needs.

### **Parking Authority Fund**

During FY13, structural repairs to the parking deck are planned at \$369,740

**Parks and Recreation CIP**

Annually, the Parks Department presents recommendations to the Parks and Recreation Commission for approval of a five year capital improvement program. The following is a five year plan for 2013-2017. Funding will be provided by the Parks 1/8% local sales tax.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Neighborhood Parks	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ 300,000
Trails & Greenways	-	-	700,000	1,000,000	1,500,000
Equipment	150,000	100,000	100,000	100,000	100,000
Creekmore Tennis Court Repair	-	-	-	250,000	-
Tilles Tennis Court-Resurface	-	-	-	25,000	-
Softball Fields (2) Ben Geren	893,338	356,662	-	-	-
Strategic Plan	-	-	-	100,000	-
FSP Playground	-	-	100,000	-	-
FSP Parking & Fishing Pavilion	-	-	200,000	-	-
Wilson Park-Playground & Pavilion	-	-	-	100,000	-
River Valley Sports Complex	1,400,000	200,000	-	-	-
Cisterna Plaza Improvements	50,000	-	-	-	-
Soccer Fields & Park-Riverfront Dr.	-	1,000,000	1,000,000	-	-
Creekmore Park Land Acquisition and Parking	-	-	150,000	-	-
Shade Structures at Creekmore Pool & MLK Splash Pad and Playground	-	-	-	75,000	-
Glass Pavilion	-	-	-	100,000	-
Kelley Stage & River Park Amphitheater	-	-	-	75,000	-
<b>Total</b>	<b><u>\$ 2,493,338</u></b>	<b><u>\$ 1,956,662</u></b>	<b><u>\$ 2,250,000</u></b>	<b><u>\$ 2,125,000</u></b>	<b><u>\$ 1,900,000</u></b>

## Capital Outlay

In addition to the capital improvement projects included previously in this section, the City appropriates funds for capital outlay in the operating programs other than for fleet purchases for the Street and Traffic Control and Sanitation departments that are funded by a sinking fund. A detail line item description of each piece of equipment or project which is directly related to a particular program is included in the Budget Supplement. The following is a schedule of capital outlay for the operating programs for FY13:

<b>Building/Infrastructure Improvements-</b>	
Riverfront Railroad Improvements	\$ 120,000
Parking Deck Structural Repairs	369,740
Fire Station Alerting	400,000
Fire Training Center	750,000
Asphalt Paving Area & Concrete Ditch Lining at Landfill	120,000
2 Athletic Fields at Ben Geren Park	893,338
River Valley Sports Complex	1,400,000
Cisterna Plaza Improvements	50,000
Roof Repair for Truck Shop at Landfill	18,000
Elevator at Transit	500,000
	<hr/>
	4,621,078
	<hr/>
<b>Heavy Equipment -</b>	
2 Ton Dump Truck-Addition-Streets & Traffic Control	\$ 82,000
2 Ton Flatbed Pickup-Addition-Streets & Traffic Control	55,000
Mini Excavator-Addition-Streets & Traffic Control	65,000
2-2 Ton Dump Trucks-Replacements-Water & Wastewater	150,000
2-Excavators-Replacements-Water & Wastewater	130,000
Hydraulic Boom Truck-Replacement-Water & Wastewater	295,000
Jet Cleaning Vehicle-Replacement- Water & Wastewater	402,500
2-Backhoes-Replacements-Water & Wastewater	170,200
2-Utility Tractors-Replacements-Water & Wastewater	46,000
Trash Truck-Replacement-Parks	120,000
Apparatus Replacement Sinking Fund-Fire	400,000
3-Bus-Replacements-Transit	130,000
2-Automated Sideloaders-Replacements-Sanitation	540,000
	<hr/>
<b>Total Heavy Equipment</b>	2,585,700
	<hr/>
<b>Water &amp; Wastewater Plant &amp; Systems</b>	
LFS Filter Control Replacement	225,000
Value Controllers-Replacements	60,000
	<hr/>
	285,000
	<hr/>
<b>City Fleet-</b>	
<b>Replacement Vehicles:</b>	
9-1/2Ton Pickups	202,200
3/4 Ton Pickup	27,500
2-Full Size Sedans	49,400
10-Patrol Vehicles	258,490
Midsized SUV	21,700
2 Ton Cab & Chassis	81,800
2-1 Ton Cab & Chassis	91,390
<b>Additions:</b>	
3/4 Ton Pickup-Fire	27,000
2-SUV Police Package-Fire	58,400
3/4 Ton Pickup-Parks	30,000
1/2 Ton Pickup-Streets & Traffic Control	23,000
	<hr/>
<b>Total City Fleet</b>	870,880
	<hr/>



**Miscellaneous Capital Outlay-**

Water Meters	211,600
Automatic Refuse Carts & Containers-Sanitation	65,860
Solid Waste Commercial Containers	475,000
Solid Waste Roll-Off Compactors & Containers	125,000
Bus Tracking Application-Transit	20,000
2-Bus Shelters-Transit	7,000
Planning Document- Transit	62,500
2 Mowers-Replacements-Water & Wastewater	22,000
Equipment Trailer-Replacement- Water & Wastewater	9,500
Hydraulic Breaker-Replacement-Water & Wastewater	25,000
Skid Steer Hammer-Addition-Water & Wastewater	11,000
Itron Meter Reading Devices-Water & Wastewater	47,900
Electronic Radio Transmitters-Replacements Water & Wastewater	77,100
Portable Receiver Unit-Addition-Water & Wastewater	8,090
Dispatch Area Workstations-Replacements Water & Wastewater	20,000
Work Order System Mobile Assessment- Water & Wastewater	15,000
Portable Welder-Water and Wastewater	7,000
Utility Trailer-Addition-Streets & Traffic Control	5,000
Excavator Trailer-Addition-Streets & Traffic Control	25,000
8-Stage Risers-Convention Center	15,000
Directional Signage-Convention Center	6,000
Electronic Security System-Convention Center	11,500
Phone System Replacement-Convention Center	33,000
2-Tornado Sirens-Additions-Police	56,000
Tornado Control Equipment for EOC-Police	7,000
Security System-Sanitation	50,000

**Total Miscellaneous**

1,418,050

\$ 9,780,708

**Reconciliation of Total Capital Outlay:**

Capital Outlay -	
Operating Funds (see page 92)	9,245,468
Parking Authority Fund (see page 68)	369,740
Convention Center (see page 63)	65,500
Program 5612 Sewer Construction (see page 173)	100,000
	<u>100,000</u>
	<u>\$ 9,780,708</u>

In addition to the capital outlay purchased directly for the operating programs, the Streets and Traffic Control Department and the Sanitation Department provide annual depreciation for fleet replacements and additions. The depreciation allocation is transferred to a sinking account for each department and purchases are made from the sinking accounts. The annual depreciation funded by each department and the planned fleet purchases for 2013 are as follows:

<b>Streets and Traffic Control:</b>	
2013 Depreciation	<u>\$ 250,573</u>
<b>Planned Fleet Purchases in 2013:</b>	
1/2 Ton Pickups (3) (Replacements)	\$ 62,900
3/4 Ton Pickups (2) (Replacements)	56,000
3/4 Ton 4WD Pickup with Utility Bed (Replacement)	30,000
Mini Excavator (Addition)	65,000
12 Passenger Van (Replacement)	21,800
2 Ton Dump Truck with 5 Yard Bed & Snow Plow (Replacement)	72,000
4' Skid Steer Loader (Replacement)	21,000
Side Cut Mower (Replacement)	35,000
2 Ton Flat Bed Dump Truck (2) (Replacements)	<u>110,000</u>
<b>Total</b>	<u><u>\$ 473,700</u></u>
<b>Sanitation:</b>	
2013 Depreciation	<u>\$ 867,541</u>
<b>Planned Fleet Purchases in 2013:</b>	
Front Loader (Addition)	\$ 250,000
Mid Size Dozer (Replacement)	376,000
Roll-Off Truck (Replacement)	175,000
Large Compactors (2) (Replacements) 3 Year Lease Purchase	<u>292,000</u>
<b>Total</b>	<u><u>\$ 1,093,000</u></u>

**Effects of Capital Improvements on Operating Budgets**

The capital improvements the City is undertaking as identified in this section will enhance the City and provide improved service to its citizens and surrounding areas. A majority of the planned improvements for 2013 involve infrastructure, and, as such, those improvements will not have an impact on the operating budget for the current year. The projects that will impact the operating budget are as follows:

- Once there is significant development plans for use of the property in the recently annexed Chaffee Crossing area, the City will incur operating costs associated with providing public safety services, street maintenance, and water and sewer system maintenance. Infrastructure related costs for Chaffee Crossing include water improvements of \$9.2 million, wastewater improvements of \$0.92 million, and a fire station at approximate cost of \$3 million during FY13. These infrastructure projects are being funded by the 2012 Sales and Use Tax Bonds as well as a portion of the water and sewer revenue bond proceeds. The fire station is expected to be completed in late FY13. Once the station is completed, staffing and operational costs will be borne by the General Fund. The anticipated operating costs are \$1.5 million and capital outlay is \$1.6 million in FY13. The expected operating costs for FY14 are \$2.7 million and capital outlay is \$0.5 million. Funding for these costs are provided by the Fire Department's 1/8% share of a local sales tax that will generate approximately \$2.6 million per year and a SAFER grant of \$1 million for a two year period that began October 1, 2012.
- The City's other significant capital projects include street infrastructure, water improvements, and wastewater upgrades and repairs. These projects will not impact the operating budget for FY13.
- Park projects planned in FY13 and FY14 include a joint venture with Sebastian County for a water park facility as well as additional softball fields. The water park facility is being funded by the 2012 Sales and Use Tax Bonds. The softball fields and a new sports complex are to be built during FY13 and FY14. All of these projects are expected to be operational by June 2014. The funding for the softball fields and the sports complex is provided by the Parks Department's 1/8% share of a local sales tax that will generate approximately \$2.6 million annually. The tax will support future capital projects as well as fund the operating costs for the water park. The annual operating costs for the park is \$825,000 to be split equally between the City and Sebastian County. It is anticipated that the City will incur operating costs in FY14 of \$412,500 and will be supported by the sales tax revenues.

## **RELATED FINANCIAL INFORMATION**

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

## Budget Organizational Structure

A separate budget is presented for each fund listed in the fund structure on pages 56-57. Each fund's budget is presented on pages 61-69 in the Budget Summaries - All Funds section of this document. It is important to note that the City is legally required, by state law, to adopt a budget for the General Fund and Street Maintenance Fund. An annual budget is approved for the Water and Sewer Operating Fund and Sanitation Operating Fund as well. These four funds are referred to as the operating funds and a major portion of this document is devoted to the operating funds.

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

### Division

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

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

**Development Services**

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

**Police Services**

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

**Fire Services**

4801 Administration	100% General Fund
4802 Suppression and Rescue	100% General Fund
4803 1/8% Sales Tax Operations	100% General Fund

**Operation Services -****Streets and Traffic Control**

5101 Administration	100% Street Maintenance Fund
5302 Street Construction	100% Street Maintenance Fund
5303 Street Drainage	100% Street Maintenance Fund
5304 Street Maintenance	100% Street Maintenance Fund
5305 Sidewalk Construction	100% Street Maintenance Fund
5401 Traffic Control Operations	100% Street Maintenance Fund
5402 Signals	100% Street Maintenance Fund
5403 Street Lighting	100% Street Maintenance Fund
5405 Sign Shop	100% Street Maintenance Fund

**Operation Services -****Water and Sewer**

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

**Operation Services -****Parks and Recreation Services**

6101 Health	100% General Fund
6201 Parks (Personnel & Operating Accounts)	82.6% General Fund; 17.4% Street Maintenance Fund
6201 Parks (Capital Outlay)	100% General Fund
6202 Oak Cemetery	100% General Fund
6204 Community Centers	100% General Fund
6205 Aquatics	100% General Fund
6206 Riverfront/Downtown	100% General Fund
6207 The Park at West End	100% General Fund
6208 1/8% Sales Tax Operations	100% General Fund

**Operation Services -****Convention Center**

6203 Convention Center	100% Convention Center Fund
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**Operation Services -****Sanitation**

6301 Administration	100% Sanitation Operating Fund
6302 Residential Collection	100% Sanitation Operating Fund
6303 Commercial Collection	100% Sanitation Operating Fund
6304 Fleet & Grounds Maintenance	100% Sanitation Operating Fund
6305 Sanitary Landfill	100% Sanitation Operating Fund
6307 Roll-Off Collection	100% Sanitation Operating Fund

**Operation Services -****Transit**

6550 Public Transit	100% General Fund
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**Non-Departmental**

6870 Convention and Visitors Bureau	100% Advertising and Promotion Fund-CVB
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## **Budget and Budgetary Control**

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

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

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

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

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

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

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

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

### **Accounting System Control**

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

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

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

## **Classification of Revenue Sources-Operating Funds**

### **GENERAL FUND**

#### **Intergovernmental**

##### **State Turnback-General**

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

##### **Transit Reimbursement**

A portion of the operating and capital costs of the transit program is reimbursed by federal and state grants and/or agreements. Grant Funding is from FTA and administered by the AHTD.

##### **Airport Security Reimbursement**

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

##### **COPS Grant**

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

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

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

##### **SAFER Grant**

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

#### **Taxes and Assessments**

##### **Franchise Taxes**

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

##### **Ad Valorem Taxes**

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

##### **County Sales Tax**

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

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

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

#### **Court Fines and Forfeitures**

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



## Licenses and Permits

### Privilege

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

### Construction

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

### Alcohol

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

### Other

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

## Service Charges and Fees

### Convention Center

Revenue derived from the rental of the Convention Center facilities to various organizations. Beginning in 2011, these fees were credited to the Convention Center Fund.

### Community Center

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

### Fire Protection Contracts

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

### Port Authority

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

### Parks/Aquatics

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

### The Park at West End

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

### Cemetery

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

### Animal Pound

Revenue derived from the impoundment of animals. Impoundment fee is \$10.00, and maintenance fee is \$15.00 per day. Animal control service is provided by the Sebastian County Humane Society.

**False Alarm Fees**

Fees generated from excess false alarm responses by the Police Department.

**Mobile Data Support Fees**

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

**Transit System**

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

**Miscellaneous****Reimbursement from Airport Commission**

Revenue received for processing Airport payroll.

**Interest Earned**

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

**Other**

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

**Sebastian County**

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

**Reimbursement from FSPS for SRO's**

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

**Reimbursement from Enhanced 9-1-1 Fund**

Revenue received in support of the dispatch program from the Sebastian County 911 Fund.

**Transfers****Transfer From Sales Tax Fund**

Reimbursement from the Sales Tax Fund for administrative, engineering, and financial services borne by the General Fund in support of the sales tax program.

**Transfer from A&P Fund**

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

**Transfer from the Street Maintenance Fund**

Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

**Transfer from the Water and Sewer Operating Fund**

Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

**Transfer from the Sanitation Operating Fund**

Reimbursement to the General Fund for the maintenance of communication systems by Police Department personnel.

## **Street Maintenance Fund**

### **Intergovernmental**

#### **State Turnback-Gasoline Tax**

Monies collected by the state from fees for registration and licensing of vehicles and gasoline tax which is returned to a municipality based on that municipality's population. The revenue is to be utilized for the maintenance, construction and reconstruction of streets which are not a continuation of state highways.

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

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

### **Taxes and Assessments**

#### **Ad Valorem**

One-half of the annual three (3) mill road tax levied by Sebastian County. The revenue is to be used for the purpose of making and repairing streets and bridges within City limits.

### **Licenses and Permits**

#### **Sidewalk Assessment Fees**

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

### **Miscellaneous**

#### **Interest Earned**

Revenue received from the investment of idle monies of the Street Maintenance Fund.

#### **Other**

Revenue derived from miscellaneous sources such as sale of capital assets, charges for street cut permits and oil and gas lease royalties.

## **Water and Sewer Operating Fund**

### **Service Charges and Fees**

#### **Water Sales**

Revenue derived from charges to residential, commercial and industrial customers for water services. Rates are established by the Board of Directors.

#### **Contract Water Sales**

Revenue derived from the sale of water to customers who are private, public or municipal entities that have contracts with the City for such services. Rates are established by the Board of Directors.

#### **Monthly Customer Charges**

Fees charged to utility customers for turning service on/off, tampering, and testing.

#### **Fire Protection**

Revenue derived from charges for water usage for commercial and industrial concerns which have sprinkler systems for fire protection.

#### **Installations - Water Service**

Revenue received from charges for installation and tapping of service lines within City controlled right-of-ways and easements.

#### **Sewer Service Charges**

Revenue received from charges to residential, commercial and industrial customers for sanitary sewer services. Rates are established by the Board of Directors.

#### **Sewer Connection Charges**

Revenue received from charges for connecting and tapping sewer service lines within City controlled right-of-ways and easements.

#### **Industrial Waste Monitoring Fee**

Revenue derived from industries for monitoring and testing as required in the Pretreatment Program.

### **Miscellaneous**

#### **Interest Earned**

Revenue derived from the investment of idle monies of the Water and Sewer Operating Fund.

#### **Other**

Revenue derived from items such as rentals, oil and gas leases, and sale of capital assets.

## **Sanitation Operating Fund**

### **Service Charges and Fees**

#### **Residential Collections**

Revenue derived from the monthly billing to residential customers (single family dwelling units) for trash collection. Rates are established by the Board of Directors.

#### **Commercial Collections**

Revenue derived from the billing of commercial customers for sanitation services. Rates are established by the Board of Directors.

#### **Sanitary Landfill Operations**

Revenue derived from charges for use of the sanitary landfill. Rates are established by the Board of Directors.

#### **Roll-Off Collections**

Revenue derived from charges for roll-off container services to industrial customers electing to sign a contract for such services. Rates are established by the Board of Directors.

#### **Sale of Methane Gas**

Revenue derived from the operation of a third party vendor that captures methane gas from the landfill and sells it. The City receives a percentage of the revenue generated by the operation.

#### **Recycling Operations**

Revenue derived from charges for recycling material. The City receives a portion of revenue earned from a contractual source.

### **Miscellaneous**

#### **Interest Earned**

Revenue derived from the investment of idle monies of the Sanitation Operating Fund.

#### **Other**

Revenue derived from miscellaneous items such as the sale of capital assets.

**Debt Service  
Summary of Debt Service Requirements By Purpose**

<u>Purpose</u>	<u>FY13 Principal and Interest</u>	<u>Principal/Interest Outstanding</u>	<u>Year of Retirement</u>	<u>Original Issue</u>
Water and Sewer Revenue Bonds- Series 2005B	\$ 834,795	\$ 8,556,637	2025	\$ 7,330,000
Water and Sewer Revenue Bonds- Series 2007	1,887,768	26,444,545	2027	24,470,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2008	6,920,179	192,495,516	2032	117,420,000
Water and Sewer Revenue Refunding Bonds-Series 2011	1,812,073	18,103,337	2023	18,920,000
Water and Sewer Revenue Refunding Bonds-Series 2012	2,146,200	12,893,700	2019	13,250,000
Parking Facilities Refunding and Improvement Revenue Bonds- Series 1998	138,390	422,630	2017	2,025,000
Sales & Use Tax Bonds Series 2012	13,984,536	126,171,035	2012	110,660,000
<b>Total</b>	<b>\$ 27,723,941</b>	<b>\$ 385,087,400</b>		<b>\$ 294,075,000</b>

The Water and Sewer Revenue Bonds Series 2005B, the Water and Sewer Revenue Bonds, Series 2007 and the Water and Sewer Refunding and Construction Revenue Bonds, Series 2008, are collateralized by the operating revenue of the water and sewer utility system. The Series 2005B Water and Sewer Revenue Construction Bonds were issued to provide financing for water improvements in the southern areas of the City, extension of water service lines, construction of an elevated water tank, and painting for an elevated water tank.

The Series 2007 Bonds were issued to provide financing for new sewer pump stations, sewer extensions in the southern growth area of the city, Mountainburg water treatment plant rehabilitation and expansion, Midland Boulevard water transmission line replacement, neighborhood water line replacements, new water transmission line from Mountainburg to the City, water storage tank painting, Lee Creek water treatment plant instrumentation, and water transmission system metering. The Series 2008 Bonds were issued to advance refund the Series 2002A Bonds, to provide financing for sewer extensions in the growth areas of the City, Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacements, and the Howard Hill elevated storage tank. The Water and Sewer Operating Fund provides for the current year's debt service. If revenue in a particular year were not estimated to be sufficient to provide for the operation of the system and current debt service, the rates of the system would be increased. Water and sewer operating revenue is anticipated to be sufficient to cover required debt service payments for 2013.

In November 2011, the City issued \$18.92 million in water and sewer revenue refunding bonds to refund the outstanding 2002B and 2002C water and sewer revenue refunding bonds. The Water and Sewer Operating Fund provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2011 Series Bonds is subordinate to Series 2005B, 2007 and 2008 water and sewer revenue bonds. Rates generated by the water and sewer system are expected to cover the required debt service payments in 2013.

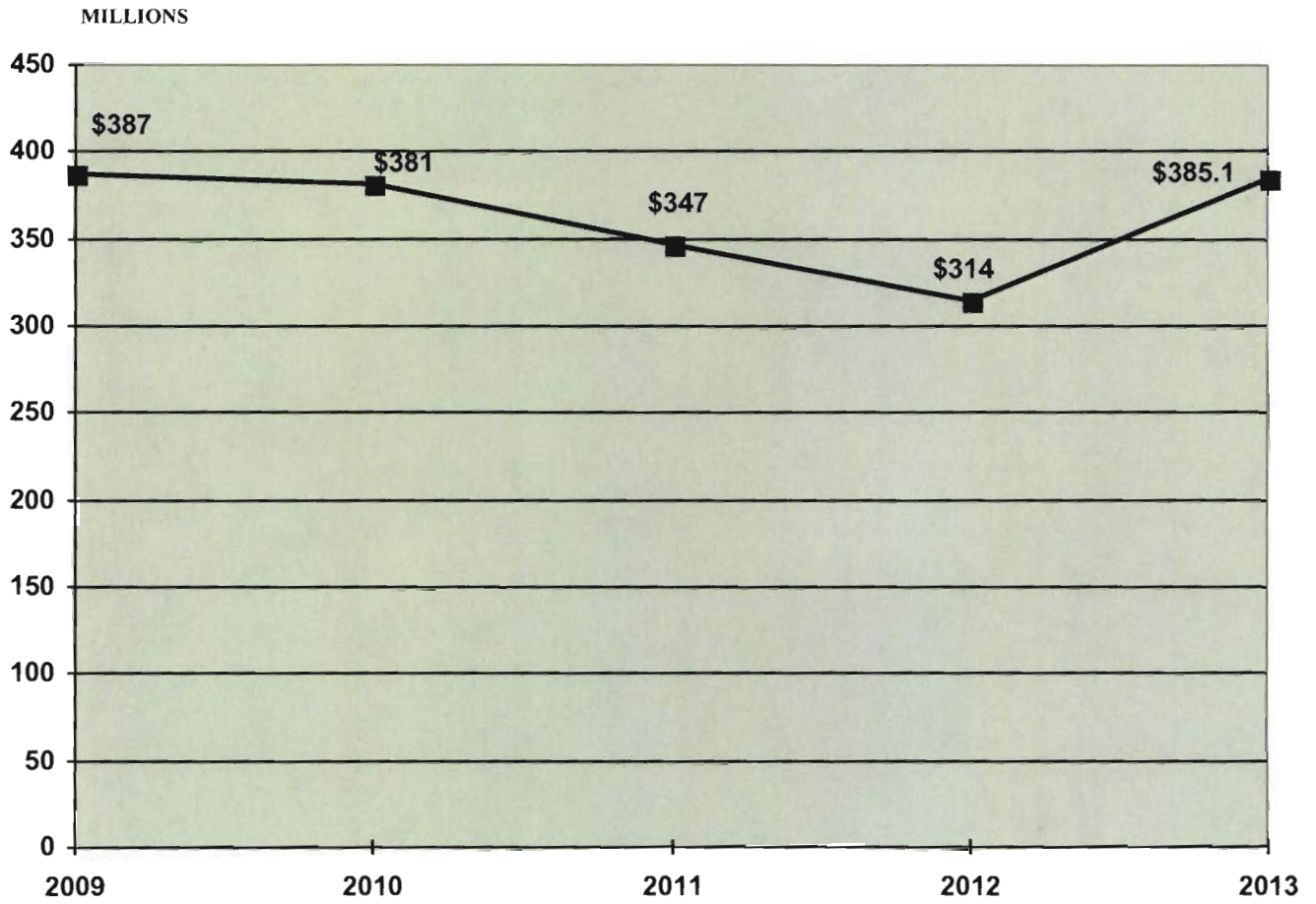
In January 2012, the City issued \$13.25 million in water and sewer revenue refunding bonds to refund the outstanding 2005A water and sewer revenue refunding bonds. The Water and Sewer Operating Fund provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2012 Series Bonds is subordinate to the Series 2005B, 2007, 2008 and 2011 water and sewer bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2013.

The Parking Facilities Revenue Bonds, Series 1998 were issued to refund the 1991 parking bonds and provide additional parking sites in downtown Fort Smith. Revenues generated by the parking desk rental spaces and parking meters are expected to cover the required debt service for 2013.

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

The following graph reflects the debt outstanding at December 31, 2009 through 2013.

## Debt Outstanding





**Computation of Legal Debt Margin:**

The City of Fort Smith's legal debt margin is established by state statute at twenty-five percent of total assessed property value. This debt limit applies to general obligation debt only, i.e. there is no limit on revenue bonds. The City's current debt margin estimated for December 31, 2013, is:

Assessed Property Value	<u>\$ 1,321 million</u>
Debt Limit Per State Statute (25% of Assessed Property Value)	\$ 330 million
General Obligation Bonds Outstanding @ December 31, 2013	<u>0</u>
Legal Debt Margin	<u>\$ 330 million</u>

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 25) whereby annual payments should not exceed 25% of total operating revenue. In 2013, the calculation is as follows:

	Water & Sewer Revenue Bonds
2013 Debt Service Payment	\$ <u>13,600,260</u>
Operating Revenue (Service Charges & Fees)	\$ 37,737,268
Debt Service as a % of Operating Revenue	36%
Policy Limit	25%

Although the policy is not expected to be met in FY13 for the water and sewer revenue bonds, it is anticipated that rate increases in future years will provide more revenue to assist in getting closer to this limit.

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

The following schedules reflect the total debt service for the City for the next five years and incrementally for each five year period through the maturity of each issue. The schedule begins with the current year's debt service. This schedule also indicates the principal outstanding as of December 31, 2012.

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

Primary Government  
Water and Sewer Revenue  
Bonds

	2005B Series			2007 Series			2008 Series		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	525,000	309,795	834,795	975,000	912,768	1,887,768	1,160,000	5,760,179	6,920,179
2014	545,000	288,795	833,795	1,015,000	873,769	1,888,769	1,200,000	5,713,778	6,913,778
2015	570,000	266,723	836,723	1,055,000	833,169	1,888,169	1,265,000	5,653,779	6,918,779
2016	590,000	242,497	832,497	1,100,000	790,969	1,890,969	1,330,000	5,590,529	6,920,529
2017	615,000	218,012	833,012	1,140,000	746,969	1,886,969	1,385,000	5,537,329	6,922,329
2018-2022	3,495,000	679,172	4,174,172	6,505,000	2,941,556	9,446,556	14,635,000	26,413,513	41,048,513
2023-2027	990,000	56,438	1,046,438	8,245,000	1,198,113	9,443,113	34,945,000	20,792,500	55,737,500
2028-2032	0	0	0	0	0	0	58,885,000	9,149,088	68,034,088
<b>Total</b>	<b>7,330,000</b>	<b>2,061,432</b>	<b>9,391,432</b>	<b>20,035,000</b>	<b>8,297,313</b>	<b>28,332,313</b>	<b>114,805,000</b>	<b>84,610,695</b>	<b>199,415,695</b>

Water and Sewer Revenue  
Bonds (Continued)

	2011 Series			2012			Total Water & Sewer Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2013	1,320,000	492,073	1,812,073	1,725,000	421,200	2,146,200	5,705,000	7,896,015	13,601,015
2014	1,345,000	465,672	1,810,672	1,765,000	386,700	2,151,700	5,870,000	7,728,714	13,598,714
2015	1,380,000	425,323	1,805,323	1,815,000	333,750	2,148,750	6,085,000	7,512,744	13,597,744
2016	1,430,000	383,922	1,813,922	1,870,000	279,300	2,149,300	6,320,000	7,287,217	13,607,217
2017	1,455,000	355,322	1,810,322	1,930,000	216,350	2,146,350	6,525,000	7,073,982	13,598,982
2018-2022	7,865,000	1,190,598	9,055,598	4,070,000	227,600	4,297,600	36,570,000	31,452,439	68,022,439
2023-2027	1,740,000	67,500	1,807,500	0	0	0	45,920,000	22,114,551	68,034,551
2028-2032	0	0	0	0	0	0	58,885,000	9,149,088	68,034,088
<b>Total</b>	<b>16,535,000</b>	<b>3,380,410</b>	<b>19,915,410</b>	<b>13,175,000</b>	<b>1,864,900</b>	<b>15,039,900</b>	<b>171,880,000</b>	<b>100,214,750</b>	<b>272,094,750</b>

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

Primary Government:  
Sales & Use Tax Bonds

	2012 Series		
	Principal	Interest	Total
2013	10,390,000	3,594,536	13,984,536
2014	8,205,000	3,460,536	11,665,536
2015	5,665,000	3,293,511	8,958,511
2016	5,835,000	3,121,011	8,956,011
2017	6,010,000	2,928,311	8,938,311
2018-2022	33,500,000	11,065,631	44,565,632
2023-2027	39,705,000	3,382,033	43,087,034
<b>Total</b>	<b>109,310,000</b>	<b>30,845,571</b>	<b>140,155,571</b>

Component Unit  
Parking Authority

	1998 Series		
	Principal	Interest	Total
2013	115,000	23,390	138,390
2014	120,000	18,043	138,043
2015	125,000	12,462	137,462
2016	130,000	6,650	136,650
2017	10,000	475	10,475
<b>Total</b>	<b>500,000</b>	<b>61,020</b>	<b>561,020</b>

## **Glossary of Key Budget Terms**

A&P-Advertising and promotion

AHTD - Arkansas Highway and Transportation Department.

ADEQ - Arkansas Department of Environmental Quality formerly the Arkansas Economic Development Commission (ADEC).

Accrual Basis- The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

Appropriation-An authorization made by the City Board of Directors which permits the City to incur obligations and to make expenditures/expenses of resources.

Assessed Property Values-20% of the actual value assigned to real and personal property by the Sebastian County Assessor as a basis for levying taxes.

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

Basis of Accounting-Timing of recognition for financial reporting purposes, i.e. when the effects of transactions or events should be recognized in financial statements.

Basis of Budgeting-The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Bond - A certificate of debt issued by an entity guaranteeing payment of the original investment plus interest by a specified future date.

Budget - A financial plan for a specified period of time, e.g. fiscal year, that presents all planned revenues and expenditures/expenses for various municipal services.

Budget Amendment - A legal procedure utilized by the board of Directors and the City Administrator to revise a budget appropriation.

Budget Calendar - A schedule of key dates which City officials follow in the preparation, adoption and administration of the budget.

Budget Message - The opening section of the budget which provides the Mayor, Board of Directors and the public with a general summary of the most important aspects of the annual operating budget, changes from the current and previous fiscal years, and the views and recommendations of the City Administrator.

Capital Assets- Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a three year reporting period. The City's capitalization threshold is \$5,000 for a single item with an estimated life of three years or more for all assets other than infrastructure which has a threshold of \$250,000.

Capital Improvement Program(CIP) - A financial plan for construction of physical assets such as streets, bridges, buildings, recreational facilities, water systems and sewer systems.

CBID- Central business improvement district. An area in the downtown area whereby economic development is managed by a Board appointed commission.

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

COLA- Cost of living adjustment.

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

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

Component Unit- A legally separate organization for which the City, as primary government, is financially accountable. The Parking Authority and the Advertising and Promotion Commission are component units of the City of Fort Smith.

Comprehensive Annual Financial Report (CAFR) - The official annual report of the City. A financial report that contains, at a minimum, introductory, financial and statistical sections, and whose financial section provides information on each individual fund and component unit.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

Contingency/Reserve Balance- The amount of funds required to be reserved in each fund to meet unexpected claims and emergency type purchases.

CVB- Convention and visitors bureau

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Depreciation - The decrease in value of physical assets due to use and passage of time.

Division - The major organizational functions of the City which currently include Policy and Administration Services, Management Services, Development Services, Police Services, Fire Services, Operation Services and Non-Departmental. Operation Services is further sub-divided as Streets and Traffic Control, Water and Sewer System, Parks and Community Services, Sanitation and Transit.

EDA - Economic Development Agency.

Encumbrance - An amount of money committed for the payment of goods and services not yet received or paid for.

Expenditure - Decrease in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlay.

Expense - Decrease in net total assets. Expenses represent the total cost of operation during a period regardless of the timing of related expenditures.

ETJ- Extraterritorial Jurisdiction- An area just outside the City limits which allows the City to legislate land use.

Fiscal Year - Any period of 12 consecutive months designated as the budget year. The City's fiscal year corresponds to the calendar year, i.e. January 1 through December 31.

FSHA- Fort Smith Housing Authority.

FSPS- Fort Smith Public Schools

FTA- Federal Transit Administration

FTE- Full time equivalent which represents the positions authorized.

Fund - A fiscal and accounting entity with a self-balancing set of accounts established and maintained for a specific purpose or to attain a certain objective in accordance with legal or administrative restrictions.

Fund Balance - The fund equity of governmental and similar trust funds. The amount reflected for budget purposes is the total amount available for appropriation which includes the contingencies for such funds.

Funding Source - Revenue plus the prior year's unencumbered fund balance/working capital.

General Obligation Bonds - Bonds which are secured by the full faith and credit of a government and for which repayment is provided by a general tax.

Hotel/Motel Tax - A tax assessed upon hotel/motel establishments within the City based upon occupancy. The tax is presently three percent of room rates. Also known as the hospitality tax.

ICMA-RC- International City Management Association Retirement Corporation.

IEC-Innovations and Entrepreneurship Center- an initiative among UAFS, the Fort Smith Chamber of Commerce, and the City of Fort Smith to assist with starting new businesses and support of existing concerns.

Intergovernmental Revenues - Revenues received from other governments including the Federal, state, and county governments.

IPMC- International Property Maintenance Code.

KPI- Key performance indicators

Line-Item Budget - A budget that lists each expenditure/expense account code classifications for each program separately, along with the dollar amounts budgeted for each specific classification.

LMI- Low to Moderate Income- As defined by HUD to be a location of economic disadvantage.

Mission Statement- The basic purpose for the City's existence.

Modified Accrual- A governmental fund-type measurement focus whereby revenues and other financial resources are recognized when they become susceptible to accrual, i.e. when they become both measurable and available to finance expenditures of the current period. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred.

Net Assets- Assets less liabilities of a fund.

Non-Departmental - Expenditure/expense items of a particular fund which do not relate directly to an operating program.

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

OPEB- Other Post Employment Benefits- The City provides health care benefits to retired persons until they attain the age eligible for Medicare

Operating Budget - The financial plan for the fiscal year for funds which have legally adopted budgets. The funds are General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and Sanitation Operating Fund.

Operating Funds - Refers to the four funds for which an appropriated budget is adopted. The four funds are the General Fund, Street Maintenance Fund, the Water and Sewer Operating Fund and the Sanitation Operating Fund.

Operating Expenditures/Expenses - Expenditures/Expenses of the four operating funds which are used as a basis for determining contingency reserve. Expenditures/Expenses which are excluded from this category are interfund transfers.

Primary Government- A term used in connection with defining the financial reporting entity. The City of Fort Smith is a general purpose local government and it is a primary government.

Program - An operating unit within a division of the City organizational structure. Each program represents a specific type of activity within its division aimed at providing a service for which the City is responsible.

RITA-Regional intermodal transportation authority.

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

Revenue - Increases in net assets of a fund.

Revenue Bonds - Bonds which are secured by a pledge of revenues generated by the operation of the system for which the bonds were issued. The bonds do not constitute a charge against the general credit or taxing power of the government.

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

Service Objective- A performance effort by departments to accomplish the goals established by the Board of Directors.

Sinking Account- An account established to reserve funds for purchase and replacement of fleet for City programs. An annual fleet depreciation amount is allocated to the account each year. Currently, the Street Maintenance and Sanitation Operating funds follow this process.

SRO- School Resource Officer.

TEC- A traffic engineering consulting firm employed to prepare an updated master street plan as well as other engineering department documents.

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

UAFS- University of Arkansas at Fort Smith.

Unencumbered Balance - The amount of an appropriation which is neither expended nor encumbered and is available for future use.

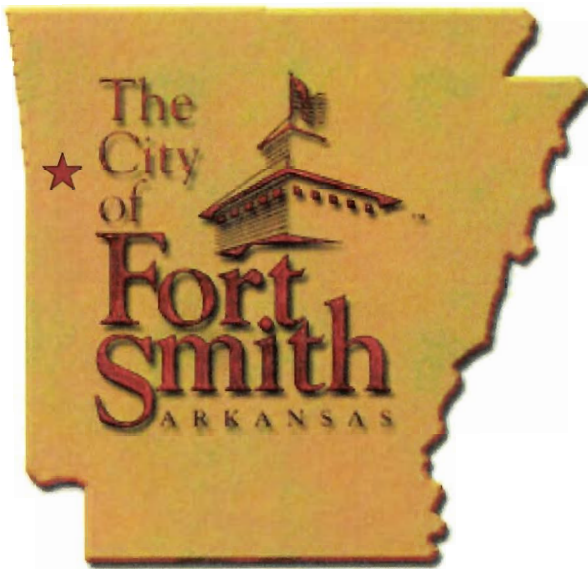
Values Statement- The City's basic values for providing services.

Vision Statement- The City's views for what level services are provided and how those services are provided by its personnel.

Working Capital - A term used to describe current assets less current liabilities for the enterprise and internal service funds. The amount reflected for budget purposes includes all monies available for appropriation including contingencies of such funds.



## Fort Smith Notes



Fort Smith is located in western Arkansas and the Arkansas river divides Fort Smith from the border of Oklahoma. On December 25, 1817, an army post under the command of Major William Bradford was established entitled "Camp Smith" after Thomas A. Smith who ordered its establishment. The site was at La Belle Point on the Arkansas River in what is now Fort Smith. Captain John Rogers, known as the founder of Fort Smith, arrived in 1822. In 1840, the town of Arkansas was organized. The first municipal election was conducted January 14, 1841 with Charles A. Birnie elected as mayor. On December 24, 1842, Fort Smith was incorporated as a town. Fort Smith is the county seat of Sebastian County.

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

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

The region's economy has been hurt by the Great Recession, and the unemployment rate for the Fort Smith Metropolitan area is 7.6%. The State of Arkansas unemployment is reported at 7.4% and the national rate is 7.8%.

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

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

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

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



# City of Fort Smith Arkansas

## Miscellaneous Statistical Data

### General Information:

Form of Government	City Administrator
Area	92.4 square miles
County	Sebastian
Time Zone	Central
Area Code	479
City Population	86,209 (2010 Census)
Date of Incorporation	December 24, 1842
Date Form of Government Adopted	March 28, 1967
Miles of Street	505 miles
Number of Street Lights	6,053
Number of Traffic Signals	149
Water Supply	Lake Fort Smith and Lee Creek Reservoir
Annual Precipitation	45.92 inches (average)
Temperature Averages	Winter: 49 degrees Summer: 72 degrees

### Fire Protection:

Number of Stations	10
Number of Firefighters and Officers	149

### Police Protection:

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

### Municipal Water Department:

Number of Consumers	33,541
Number of Contract Communities	13
Production Capacity	63,400,000 gallons
Average Daily Production	29,448,000 gallons
Maximum Daily Consumption	44,594,000 gallons
Miles of Water Main	626 miles

### Municipal Wastewater Department:

Number of Customers	30,655
Number of Contract Communities	1
Sanitary Sewers	500
Average Daily Sewer Flow	15.55 MGD

### Municipal Solid Waste System:

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

Recreation and Culture:

Number of City Parks	25
Park Acreage	273.21
Trails and Greenways	3.9
Number of Swim Pools	1
Number of Wading Pools	3
Number of Community Centers	5
Splashpad	1
Number of Libraries	4 (67,000 square foot main and three neighborhood branches)
Number of Volumes	297,967
Convention Center	
Theater	
Area	1,331 seats with 4,200 square feet of stage
Number of Event Days	65
Exhibition Hall	
Area	40,000 square feet of space
Number of Event Days	143

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

**Ethnicity in 2010:**

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

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

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

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

**City of Fort Smith  
Schedule of Building Permits Issued for New Construction  
For the Fiscal Year Ended December 31, 2002 through  
November 30, 2012**

Fiscal Year	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	Number of Units	Value	Number of Units	Value
2003	72	\$50,705,144	481	\$36,931,529
2004	48	\$18,970,339	394	\$42,274,420
2005	96	\$64,341,825	428	\$46,397,342
2006	84	\$58,517,215	342	\$31,729,635
2007	57	\$80,762,587	402	\$34,661,039
2008	67	\$107,390,575	350	\$37,681,093
2009	45	\$44,192,081	514	\$40,173,803
2010	41	\$23,582,143	359	\$49,402,500
2011	43	\$64,716,229	339	\$45,224,255
2012*	31	\$24,889,267	290	\$43,968,242

Source: City of Fort Smith Building Safety Department

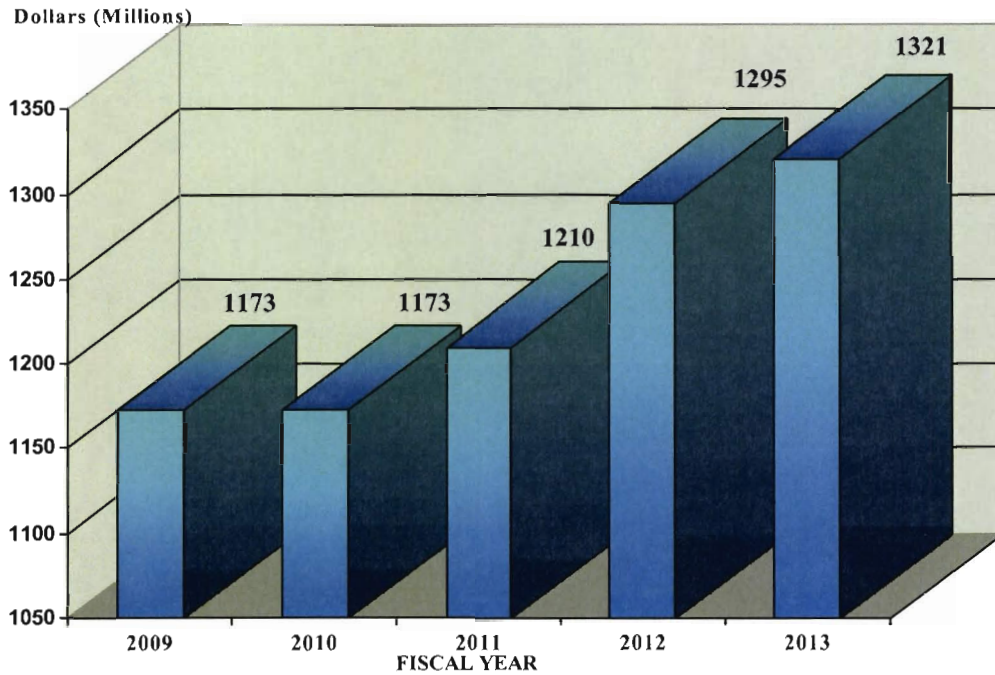
\* Through November 30, 2012

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

Company	Product	# Employees
Sparks Health System	Medical/Surgical Services	2,400
Baldor Electric	Electric Motors & Grinders	2,393
O K Foods	Poultry Processor	1,800
Fort Smith Public Schools	Primary & Secondary Education	1,783
Mercy	Medical/Surgical Services	1,487
University of Arkansas at Fort Smith	Higher Education	951
City of Fort Smith	Municipality	941
Arkansas Best Corporation	Trucking and Transportation	936
Rheem Manufacturing	Central Heating-A/C Equipment	900
Golden Living	Corporate Office	800

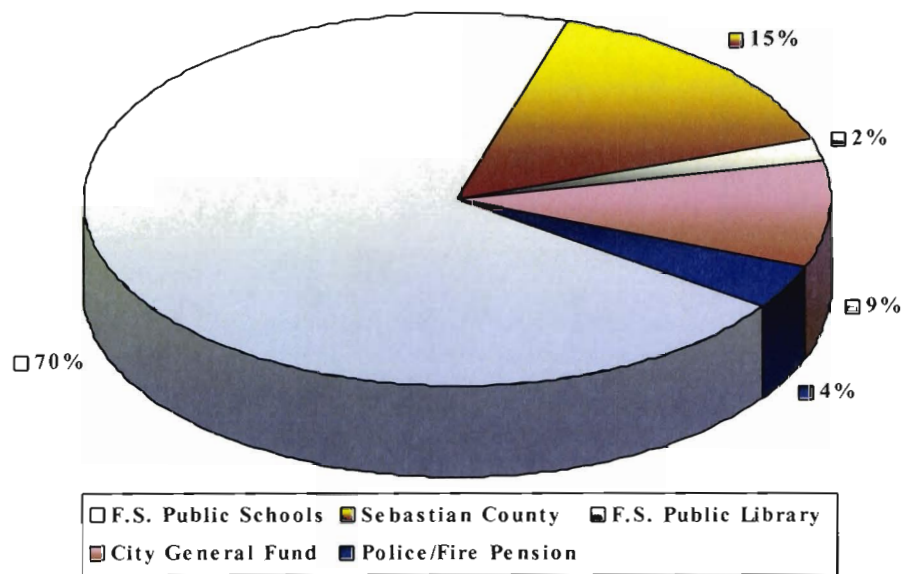
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City limits.

### Assessed Property Valuation



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

### Allocation of Real Property Tax Rates For Taxes Payable FY13 for Overlapping Governments Within The City Limits



Source: Sebastian County Clerk's Office

## Personnel Count Comparison

	2011 Actual	2012 Budget	2012 Estimated	2013 Budget
<b>Policy &amp; Administration</b>				
<b>Services Division</b>				
4100 Mayor	2.00	2.00	2.00	2.00
4101 Board of Directors	7.00	7.00	7.00	7.00
4102 City Administrator	3.00	4.00	4.00	4.00
4111 Economic Development	2.00	1.00	1.00	1.00
4201 District Court	18.00	18.00	18.00	18.00
4202 City Prosecutor	2.00	2.00	2.00	2.00
4203 Public Defender	0.00	0.00	0.00	0.00
4204 City Attorney	0.00	0.00	0.00	0.00
4206 District Court-State Division	1.00	1.00	1.00	1.00
4405 Internal Audit	1.00	1.00	1.00	1.00
<b>Total Policy &amp; Administration</b>				
<b>Services Division</b>	36.00	36.00	36.00	36.00
<b>Management Services Division:</b>				
4104 Human Resources	4.00	4.00	4.00	4.00
4105 City Clerk	3.00	3.00	3.00	3.00
4301 Finance	11.00	11.00	11.00	11.00
4303 Collections	6.00	6.00	6.00	6.00
4304 Utility Billing/Cust. Svc.	13.00	13.00	13.00	13.00
4306 Purchasing	2.00	2.00	2.00	2.00
4401 Information and Technology	9.00	9.00	9.00	9.00
6912 Public Parking Personnel	1.00	1.00	1.00	1.00
<b>Total Management Services</b>				
<b>Division</b>	49.00	49.00	49.00	49.00
<b>Development Services Division</b>				
4103 Engineering	19.00	19.00	19.00	19.00
4106 Planning	7.75	7.75	7.75	7.75
4107 CDBG	4.25	3.25	3.25	3.25
4108 Building Safety	11.00	11.00	11.00	11.00
6900 Neighborhood Services	8.00	8.00	8.00	8.00
<b>Total Development Services</b>				
<b>Division</b>	50.00	49.00	49.00	49.00

	2011 Actual	2012 Budget	2012 Estimated	2013 Budget
<b>Police Services Division</b>				
4701 Administration	5.00	6.00	6.00	6.00
4702 Support Services	50.00	47.00	47.00	47.00
4703 Criminal Investigations	42.00	42.42	42.42	42.43
4704 Patrol Operations	122.75	118.00	118.00	118.00
4705 Radio Communications	2.00	2.00	2.00	2.00
4706 Airport Security	3.00	3.00	3.00	3.00
6911 Police Grant	1.00	0.58	0.58	0.57
6920 Public Parking/Enforcement	4.00	3.00	3.00	3.00
<b>Total Police Services Division</b>	<b>229.75</b>	<b>222.00</b>	<b>222.00</b>	<b>222.00</b>
<b>Fire Services Division</b>				
4801 Administration	9.00	9.00	9.00	9.00
4802 Suppression & Rescue	123.00	123.00	123.00	123.00
4803 1/8% Sales Tax Operations	0.00	0.00	9.00	20.00
<b>Total Fire Services Division</b>	<b>132.00</b>	<b>132.00</b>	<b>141.00</b>	<b>152.00</b>
<b>Operation Services Division-</b>				
<b>Streets &amp; Traffic Control</b>				
5101 Administration	5.00	5.00	5.00	5.00
5302 Street Construction	11.44	11.44	11.44	9.44
5303 Street Drainage	19.04	19.04	19.04	19.04
5304 Street Maintenance	15.60	15.60	15.60	15.60
5305 Sidewalk Construction	0.00	0.00	0.00	10.00
5401 Traffic Control Operations	13.16	13.16	13.16	13.44
5402 Signals	0.00	0.00	0.00	0.00
5403 Street Lighting	0.00	0.00	0.00	0.00
5405 Sign Shop	0.00	0.00	0.00	0.00
<b>Total Streets &amp; Traffic Control</b>	<b>64.24</b>	<b>64.24</b>	<b>64.24</b>	<b>72.52</b>

	2011 Actual	2012 Budget	2012 Estimated	2013 Budget
<b>Water &amp; Sewer</b>				
5501 Utilities Administration	15.00	15.00	15.00	15.00
5601 Water & Wastewater				
Treatment Administration	3.00	3.00	3.00	3.00
5603 Sewer Treatment	29.00	29.00	29.00	29.00
5604 Water Treatment	22.00	22.00	22.00	22.00
5605 Laboratory Services	9.00	9.00	9.00	9.00
5606 Wastewater Equipment				
Maintenance	14.00	14.00	14.00	14.00
5609 Industrial Waste Monitoring	4.69	5.69	5.69	5.69
5610 Water Line Maintenance	22.00	22.00	22.00	23.00
5611 Sewer Line Maintenance	24.00	24.00	24.00	24.00
5612 Construction Management	4.00	4.00	4.00	4.00
5613 Metering/Transmission				
Line Maintenance	21.50	21.50	21.50	21.50
5615 Water & Wastewater Line				
Maintenance Administration	12.00	13.00	13.00	13.00
5616 Water Stationary				
Equipment Maintenance	9.00	9.00	9.00	9.00
6700 Debt Service	0.00	0.00	0.00	0.00
<b>Total Water &amp; Sewer</b>	<b>189.19</b>	<b>191.19</b>	<b>191.19</b>	<b>192.19</b>
<b>Parks &amp; Community Services</b>				
6101 Health	0.00	0.00	0.00	0.00
6201 Parks Maintenance	20.50	20.50	20.50	21.00
6202 Oak Cemetery	3.50	3.50	3.50	3.50
6204 Community Centers	4.25	4.25	4.25	4.25
6205 Aquatics	4.85	4.85	4.85	4.85
6206 Riverfront/Civic Center/Downton	5.00	5.00	5.00	5.00
6207 The Park at West End	1.00	1.00	1.00	1.00
6208 1/8% Sales Tax Operations	0.00	0.00	0.00	5.50
<b>Total Parks &amp; Community Services</b>	<b>39.10</b>	<b>39.10</b>	<b>39.10</b>	<b>45.10</b>
<b>Convention Center</b>				
6203 Convention Center	13.50	13.50	13.50	13.50

	2011 Actual	2012 Budget	2012 Estimated	2013 Budget
<b>Sanitation</b>				
6301 Administration	6.00	6.00	6.00	6.00
6302 Residential Collections	25.00	25.00	25.00	25.00
6303 Commercial Collections	10.00	10.00	10.00	10.00
6304 Fleet & Grounds Maintenance	10.00	10.00	10.00	10.00
6305 Sanitary Landfill	17.00	17.00	17.00	18.00
6306 Debt Service	0.00	0.00	0.00	0.00
6307 Roll-Off Collection	10.00	10.00	10.00	9.00
<b>Total Sanitation</b>	<u>78.00</u>	<u>78.00</u>	<u>78.00</u>	<u>78.00</u>
<b>Transit</b>				
6550 Public Transit	36.00	36.00	36.00	35.00
<b>Total Operation Services</b>				
<b>Division</b>	<u>420.03</u>	<u>422.03</u>	<u>422.03</u>	<u>436.31</u>
<b>Non-Departmental</b>				
6870 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
<b>Total FTE Personnel</b>	<u>921.78</u>	<u>915.03</u>	<u>924.03</u>	<u>949.31</u>

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

	2011 Actual	2012 Estimated	2013 Budget
Total FTE Personnel, this schedule	<u>921.78</u>	<u>924.03</u>	<u>949.31</u>
Program 4100 Mayor & 4101 Board of Directors	<u>(8.00)</u>	<u>(8.00)</u>	<u>(8.00)</u>
Total FTE Personnel, Schedule on page 18	<u>913.78</u>	<u>916.03</u>	<u>941.31</u>



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