



# 2021 Budget



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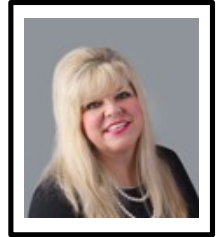
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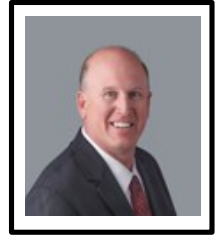
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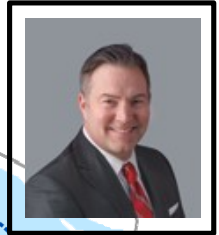
**George B. McGill, Mayor**



**Robyn Dawson  
Pos 5, At-Large**



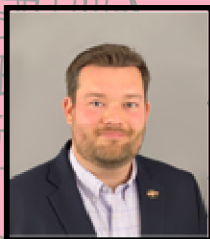
**Kevin Settle  
Pos 6, At-Large  
Vice-Mayor**



**Neal Martin  
Pos 7, At-Large**



**André Good  
Pos 2, Ward 2**



**Jarred Rego  
Pos 1, Ward 1**



**George Catsavis  
Pos 4, Ward 4**



**Lavon Morton  
Pos 3, Ward 3**

**CITY OF FORT SMITH, ARKANSAS**  
**PROPOSED FISCAL YEAR 2021**  
**BUDGET**

George B. McGill	Mayor
Jarred Rego	Director - Ward One
Andre Good	Director - Ward Two
Lavon Morton	Director - Ward Three
George Catsavis	Director - Ward Four
Robyn Dawson	Director - At Large
Kevin Settle	Director - At Large
Neil Martin	Director - At Large

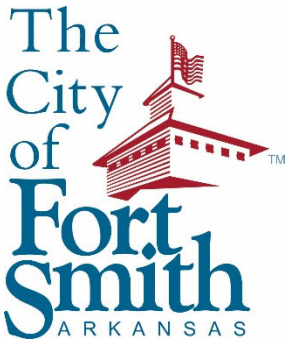
**MANAGEMENT TEAM**

Carl Geffken	City Administrator
Jeff Dingman	Deputy City Administrator
Sherri Gard	City Clerk
Maggie Rice	Director of Development
Stan Snodgrass	Director of Engineering
Andrew Richards	Director of Finance
Rick Lolley	Director of Human Resources
Russell Gibson	Director of Information and Technology Services
Doug Reinert	Director of Parks and Recreation
Kyle Foreman	Director of Sanitation
Matt Meeker	Director of Streets and Traffic Control
Ken Savage	Director of Transit
Lance McAvoy	Director of Utilities
Claire Borengasser	District Court Judge
Amy Grimes	District Court Judge
Wendy Sharum	District Court Judge
Timothy Jacobsen	Executive Director-Advertising & Promotion Commission
Phil Christensen	Fire Chief
Tracey Shockley	Internal Auditor
Danny Baker	Police Chief

**BUDGET REPORT PRODUCTION, ANALYSIS AND GRAPHICS**

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Lori Hopkins, Manager of Finance  
Tracy Keck, Accounting Manager  
Alie Bahsoon, Purchasing Manager  
Serena Billy, Senior Budget Analyst  
Angie Chance, Payroll Accountant

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



## **CITY 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 !!!**

## **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 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 2021 and Estimated 2020.

### **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 FY19 Actual, FY20 Budget, FY20 Estimated and FY21 Budget is included. A comparative summary for all funds with major revenue is presented for FY19 Actual, FY20 Budget, FY20 Estimated, and FY21 Budget. A combined summary of all funds for the FY21 Budget as well as individual fund statements by fund type for FY21 is included. Major revenue analysis are included in this section to provide trend analyses of the City's major source of revenue. The City of Fort Smith financial structure and explanations of 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 FY21 is also incorporated in this section. 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.

- 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 county comparison and miscellaneous statistical data of the City are included in this section. An index is included to cross-reference pertinent information in the document.

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## 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.

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## City Administrator's Budget Message

To the Honorable Mayor, Board of Directors, and People of Fort Smith:

It is my honor to submit to you the City of Fort Smith 2021 operating and capital improvement budgets. The annual budget guide is our plan to provide public services, facilities, and infrastructure to the People of Fort Smith. We strive to produce a structurally-balanced budget that reflects the City's commitment to services and programs that align with the Board of Directors' goals and community needs.

The 2021 Budget combines the efforts and input from citizens, the Mayor, Board of Directors, and your City staff. It reflects a positive and progressive approach that tackles long-held issues and addresses them head-on—not kicking the can down the road for future generations to grapple with, but looks our problems squarely in the eye and deals with them, setting a responsible path toward the future we share.

A major component to our success is the Board of Directors strategic planning, the setting of annual budgetary priorities and goals, and the continued focus on the "Future Fort Smith" Plan. Using the Board's Strategic Goals and Priorities as our compass, staff are able to navigate our city toward a future that achieves benchmark successes of transparency and accountability and fulfills community needs and deals with challenges, always seeking to deliver efficiencies, effective financial stewardship, and premier customer service, enhancing Fort Smithians' quality of life and quality of place.

The 2021 Budget is another positive step forward for our thriving business and cultural communities and citizenry. It includes \$102 million in capital investment—the majority of it in Utilities. With this, we address both Consent Decree and non-mandated but responsible and necessary wastewater work and projects to improve and ensure water treatment and delivery. We are fortunate to be a "water rich" community. Recognizing this, we must protect that resource, tap its economic potential, and ensure our residents have clean and plentiful water delivered to their homes and business for many decades to come.

This Budget Process—staff working with the Board for strategic responsibility, goal-setting, prioritizing community needs—is key to the City's overall economic image, strength, and vitality. It helps to attract economic development, holds down the cost of city business, and comes back to the people in more services and quality of life projects delivered at a lowered cost.

Additional Capital projects for our Engineering, Streets, and Parks & Recreation are providing some new and many improved streets, and soon some new and highly-anticipated sidewalks along some of our major thoroughfares; and additional miles of trails, playgrounds, and other amenities that help us remember that in being responsible and protecting what's important, we here in Fort Smith always remember and enjoy the best that life has to offer for ourselves, our families, and our communities.

The framework outlined below are critical to the City of Fort Smith achieving its strategic and budgetary goals and objectives.

Fort Smith is fiscally conservative. Your City is dedicated to maintaining a conservative fiscal perspective without tax increases. The 2021 Budget focuses expenditures on core services and other critical areas identified by the Board of Directors. This budget totals \$224.8 million, \$102.1 million for capital projects and \$122.9 million for operations.

FUND	2021 BUDGET	% CHANGE FROM 2020
General	\$42.8 million	8.5%
Street Maintenance	\$8.1 million	12.9%
Water & Sewer	\$55.1 million	7.69%
Solid Waste	\$16.8 million	6.75%

Department service objectives and performance measures are closely aligned to Board goals. Performance measures are rightly focused on outcomes and results, rather than inputs and workload.

Funding is included for four priorities established by the Board: critical equipment for Police, additional Local Police and Fire Retirement System (LOPFI) contributions to reduce outstanding pension liabilities, General Fund Capital Improvement Program, and merit-based pay increase for employees.

General Fund – General Fund revenues for 2021 are expected to remain consistent with 2020.

Street Maintenance Funds – The Street Department will continue and expand its in-house sidewalk construction program.

Water & Sewer Fund – Utilities continue to oversee the new Citizens Service program. In 2020, the Collections and Utility Billing/Customer Service programs were consolidated. The Citizens Service is also temporarily funding Call Center staff to address questions, direct calls to the proper City staff, and set up accounts.

Sanitation Fund- The Sanitation Department maintains its sinking fund reserve required for future facility and equipment needs.

The City will continue to focus on our long-range financial plan to further streamline operations and lower costs. The 2021 Budget is aligned to Mayor and Board policies, strategically and objectively. We will maintain strong fund balances and reserves, recommending a balanced budget, maintaining current programs, and making decisions within the context of our long-range financial and debt management plan.

The 2021 Budget asserts our commitment to meet and exceed our community’s priority expectations. We continue to strive to deliver against these expectations and responsibilities while holding to the lowest possible costs to our residents.

I thank the Mayor, Board of Directors, People of Fort Smith, and City staff for their time, effort, and contributions to this budget process.

Carl E. Geffken  
City Administrator

## 2021 CITY-WIDE BUDGET GOALS

The City wide goals and a few of the 2021 departmental service objectives that correlate to the 2021 City wide goals are listed as follows:

1. Spending priorities for the 2021 budget include:
  - a) Police Department critical equipment
  - b) Additional LOPFI contributions to reduce the outstanding pension liabilities
  - c) General Fund Capital Improvement Program
  - d) Merit based pay increase for employees
2. Incorporate the implementation of the Future Fort Smith Comprehensive Plan and Vision Statement into the City's Operating and Capital Budgets.

**Engineering:** Support the livability of neighborhoods by constructing street overlays/reconstruction projects, street improvement projects, and by alleviating drainage problems, all as identified in the 2021 Capital Improvement Program. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

**Parks:** Continue to meet the goals of the Capital Improvement Plan through dedicated funding of the sales and use tax. (FFS Goal NCR-1)

3. Provide additional recreation through use of Parks Capital Improvement funds to continue improvements to Riverfront Drive properties and continue construction of trails according to priorities identified in the updated Trails & Greenways Master Plan. (FFS Goals FLU-2; FLU-3.2; ED-6.1; CCD-2; NCR-1; TI-3)

**Parks:** Continue to develop a continuous and connective trail system throughout the community. (FFS Goal FLU-3.2.3)

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

**Mayor:** Bolster ties with State Agencies and work to encourage economic development efforts focused on Fort Smith. The Mayor encourages the State of Arkansas, as well as, the Federal Government to continue to invest resources in Fort Smith. The Mayor also recognizes the importance of working with statewide economic development initiatives to ensure that Fort Smith and its workforce remains at the forefront of statewide initiatives to bring economic investment to Arkansas.

5. Support riverfront development, restoration and the revitalization of downtown into a prominent multipurpose center of activity. (FFS Goals FLU-2; FLU-3)
6. Preserve, protect, and revitalize the City's neighborhoods with continued proactive code enforcement, community beautification, public sidewalk improvements, and planting parkway trees. (FFS Goal PFS-1; HN-1; TI-1; TI-3)

**Development Services:** Continue to review, edit and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, Extraterritorial Jurisdiction, planning area, annexation plans and other development maps.

**Development Services:** Protect and improve existing neighborhoods by continuing implementation of the Community Development Block Grant, HOME Investment Partnership Act and other housing programs and creating a more proactive program in the neighborhood services division.

7. Continue compliance with the Consent Decree for wet weather sanitary sewer system improvements in order to alleviate the occurrence of backups and overflows. (FFS Goal TI-5)

**Utilities:** Continue to ensure that customers within Fort Smith have access to reliable water and wastewater services by reducing or eliminating deficiencies and gaps in infrastructure systems. This includes reducing water leaks and reducing the number and quantity of sanitary sewer overflows. (TI-5.1)

8. Educate and inform the community, legislators, and other stakeholders on the funding obligations for Police and Fire pensions.
9. Continue converting portions of the City's fleet to alternatively-fueled vehicles. (FFS Goal NCR-2.3)
10. Support sustainable tourism development initiatives in the City of Fort Smith by partnering with local organizations as tourism partners. (FFS Goals FLU-2; FLU-3; NCR-3)

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

**Convention Visitors Bureau:** Continue to build upon cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area’s hospitality industry.

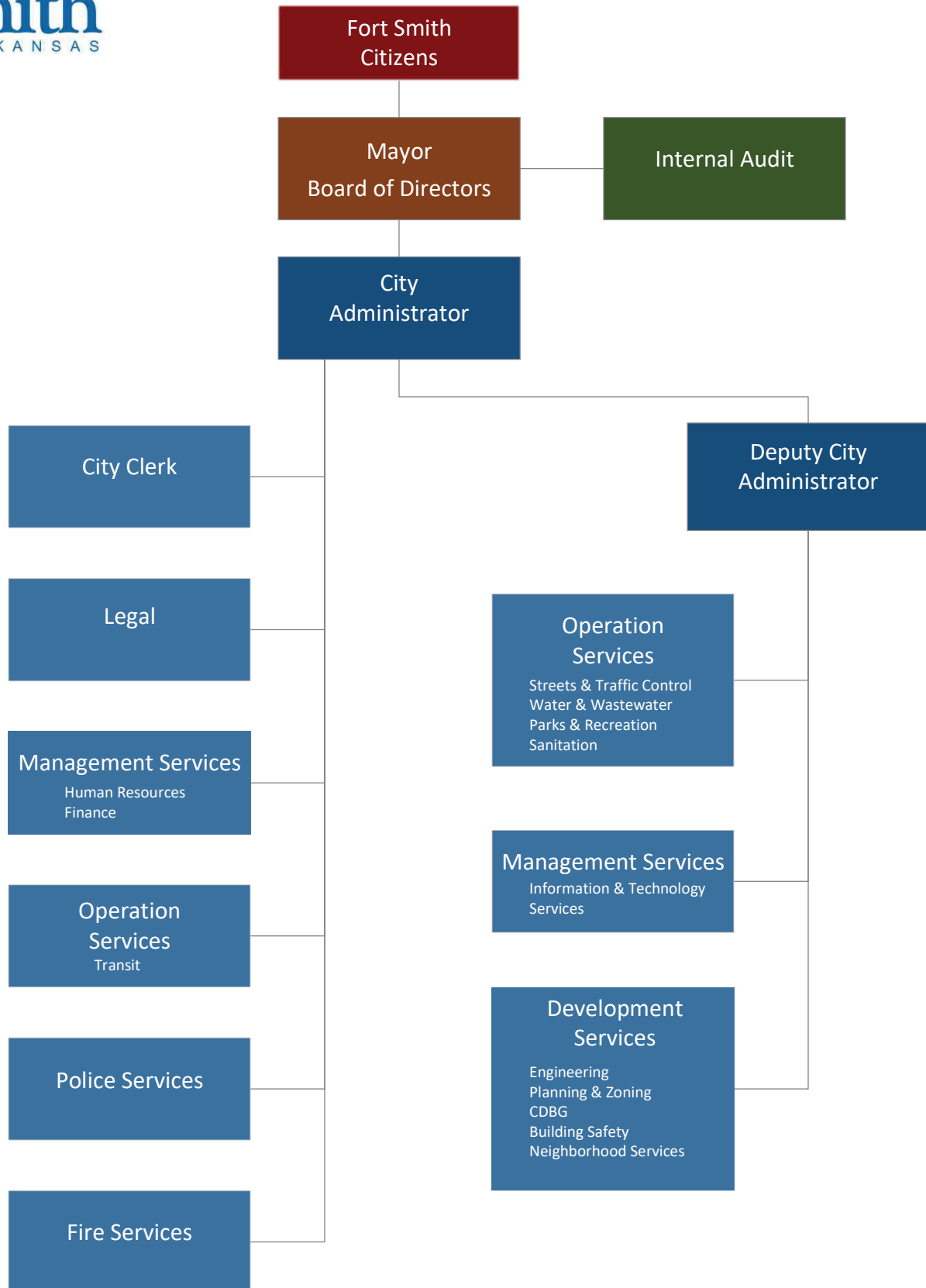
**Convention Visitors Bureau:** Take an active role in “destination development” efforts to support tourist attractions through active (and more inclusive) promotions. Adjust our marketing efforts according to present tourism as it relates to the impact of Covid – 19 on the U. S. Tourism market.

11. Build, establish, and maintain a communication strategy to educate citizens and increase community awareness of programs, activities, projects and accomplishments. This strategy will add prompt communication within challenges, issues, and concerns. (FFS Goal PFS-2)
12. Evaluate the following areas for improvement in 2021:
  - a) Personnel Reductions / Job Evaluations – positions vacant more than one year
  - b) Contract Compliance and Administrative Services
  - c) City Hall location and cost evaluations
  - d) Add language to fiscal policies to address LOPFI funding parameters





# City of Fort Smith Plan of Organization

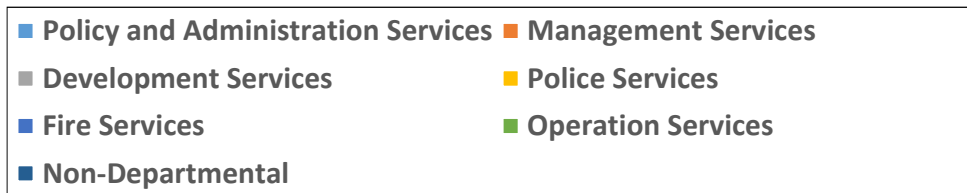
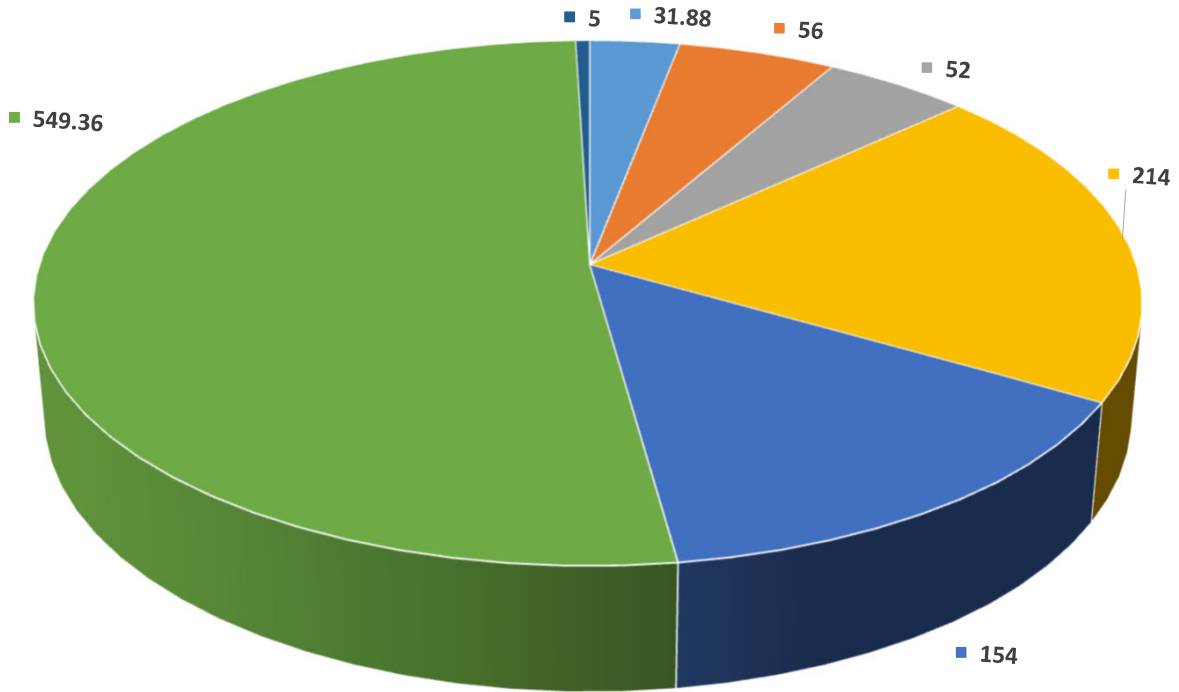


**CITY OF FORT SMITH  
 AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL  
 BY EXPENDITURE CLASSIFICATION**

	<u>FY19 Actual</u>	<u>FY20 Estimated</u>	<u>FY21 Budget</u>
<b>Policy and Administration Services</b>			
(Note 1)			
Mayor's Office	1.00	2.00	2.00
City Administrator	4.00	4.00	4.00
District Court	19.88	19.88	19.88
City Prosecutor	2.00	2.00	2.00
Internal Audit	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>
Total	<u>29.88</u>	<u>31.88</u>	<u>31.88</u>
<b>Management Services</b>			
Human Resources	6.00	6.00	6.00
Safety & Risk Manager	0.00	0.00	0.00
City Clerk/Citizen Action Center	3.00	3.00	3.00
Finance	31.00	31.00	31.00
Information & Technology Services	<u>16.00</u>	<u>16.00</u>	<u>16.00</u>
Total	<u>56.00</u>	<u>56.00</u>	<u>56.00</u>
<b>Development Services</b>			
Engineering	19.00	19.00	19.00
Planning and Zoning	9.20	9.20	9.20
Building Safety	11.00	11.00	11.00
Community Development	3.80	3.80	3.80
Neighborhood Services	<u>9.00</u>	<u>9.00</u>	<u>9.00</u>
Total	<u>52.00</u>	<u>52.00</u>	<u>52.00</u>
<b>Police Services</b>	<u>215.00</u>	<u>214.00</u>	<u>214.00</u>
<b>Fire Services</b>	<u>153.00</u>	<u>154.00</u>	<u>154.00</u>
<b>Operation Services</b>			
Streets and Traffic Control	72.86	70.86	72.86
Water and Sewer	303.10	301.50	299.50
Parks and Community Services	38.00	38.00	37.75
Convention Center	13.50	13.50	13.50
Sanitation	90.75	91.75	91.75
Transit	<u>34.00</u>	<u>34.00</u>	<u>34.00</u>
Total	<u>552.21</u>	<u>549.61</u>	<u>549.36</u>
<b>Non-Departmental</b>			
Convention & Visitors Bureau	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
<b>Total Authorized Level of Full-Time Equivalent Personnel</b>	<u>1063.09</u>	<u>1062.49</u>	<u>1062.24</u>

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

# 1,062.24 FTE PERSONNEL FOR 2021



## BY EXPENDITURE/EXPENSE CLASSIFICATION

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## **BUDGET HIGHLIGHTS**

This section provides a narrative and graphical summary of the major components of the FY21 budget.

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## **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 2021 Budget:

August 11, 2020	Board established 2021 City Wide goals at Budget Planning Meeting.
July 10, 2020	Distribution of 2021 Budget Packet to all Departments.
July 10, 2020 through August 14, 2020	Departments prepare budget worksheets and summaries for 2021 requests as well as estimates for 2022. Finance refines 2021 revenue estimates and prepares 2022 revenue projections.
August 14, 2020	Departments submit service 2020 service objectives, outcome/ performance measures, and 2021 service objectives and the completed budget packages for 2021 to the Finance Department.
August 25, 2020	Review departmental service objectives for 2021 and their correlation with city wide goals for 2021 during the Board Study Session.
August 14, 2020 through September 30, 2020	Finance verifies accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 14, 2020 through September 29, 2020	City Administrator, Deputy City Administrator and Director of Finance review budget requests.
October 27, 2020	Proposed five year streets and drainage CIP, Parks CIP, Water and Sewer CIP and General CIP are presented at Board Study Session. Update to 2021 Budget.
October 27, 2020	Present proposed budget to Mayor and Board of Directors.
November 6, 2020	Review proposed budget with Mayor and Board of Directors; discussion with department directors.
December 15, 2020	Present 2021 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 two 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 that 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 budgeted expenditure/expenses don't exceed reasonably estimated revenues for the fiscal year. Basic and essential services provided by the City will receive first priority for funding. The City will utilize unallocated fund balance to balance the annual budget only in times of emergency or fiscal and economic hardship. The monies from the fund balance can only be allocated by Board of Directors approval. Additional funding will be assigned according to City-wide goals established by the Board of Directors and Comprehensive Plan policies.
2. The City will estimate expenditures/expenses on an objective and reasonable basis. Operating expenditures/expenses will be projected on a two 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 and Other Post-Employment Benefits (OPEB) for its employees. The City will make contributions for eligible employees at the level defined for the respective retirement plans. The City will make contributions to the OPEB trust plan when funds are available.
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 at yearend may be re-appropriated by the Board of Directors in the subsequent year.
10. The legal level of budgetary control is the departmental program level. Operational budgetary control is maintained at the 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 \$20,000 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.
  - 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. The Water / Sewer Fund's contingency reserve goal will be twenty percent (20%) 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 (20% for Water/Sewer Fund) 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 services 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. If the contingency reserve balance exceeds 20% (25% in Water / Sewer Fund), the City may consider utilizing the funds above this amount for one-time capital projects or other non-recurring expenditures that support City goals or Comprehensive Plan policies.
  5. 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 MANGEMENT 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 when it is deemed necessary to provide services as required by the City, but not less frequently than every five (5) years. The request will be made to all qualified banks located within the City limits that are capable of providing the level of services required. Banking services may continue with a selected bank if the services provided are maintained at an acceptable level and reasonable cost.
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 provide all financial documents to the internal and external auditors and City representatives will not improperly influence the conduct of audits.

## **THE FY21 BUDGET**

Total funding sources from all funds are estimated at \$362 million with expenditures/expenses totaling \$292 million for FY21. All funds for which revenues are received and expenditures/expenses are incurred are included in the Budget Summaries – All Funds section of this document.

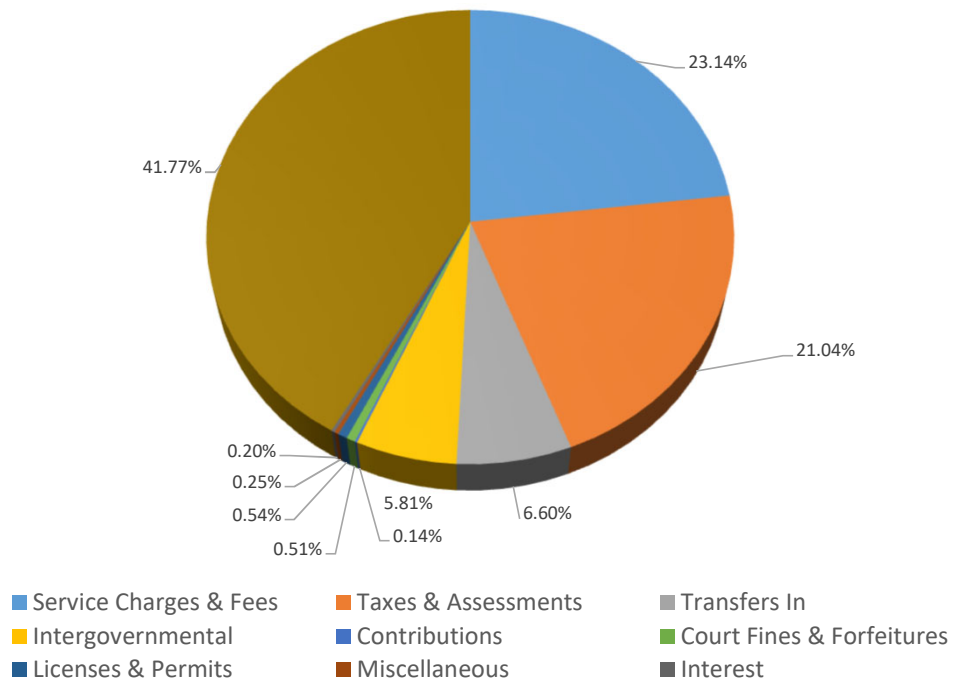
The major sources of funding for FY21 are the prior year fund balance/working capital, taxes and assessments, and service charges and fees. The prior year fund balance/working capital represents 35% of total resources. This is due to the inclusion of capital project budget balances which will be expended in future years. Taxes and assessments account for 21% of total resources. The City assesses a 3% local sales tax (2% city-wide plus 1% county-wide), a 4.25% 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 23.1% 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 FY19 are operating expenditures/expenses, capital improvements, and debt service. Operating expenditures/expenses comprise 42% of total uses and are primarily for personnel, day-to-day operating expenditures/expenses, and equipment purchases.

Capital improvements account for 35% of total uses. Capital improvements include the sales tax street program, the water and sewer projects, and sanitary landfill projects. Debt service accounts for 12.3% of total uses and is comprised of the four water and sewer revenue bond issues and the two sales and use tax bond issues. More information concerning bonded indebtedness may be found at the conclusion of this section and in the Related Financial Information section of this document.

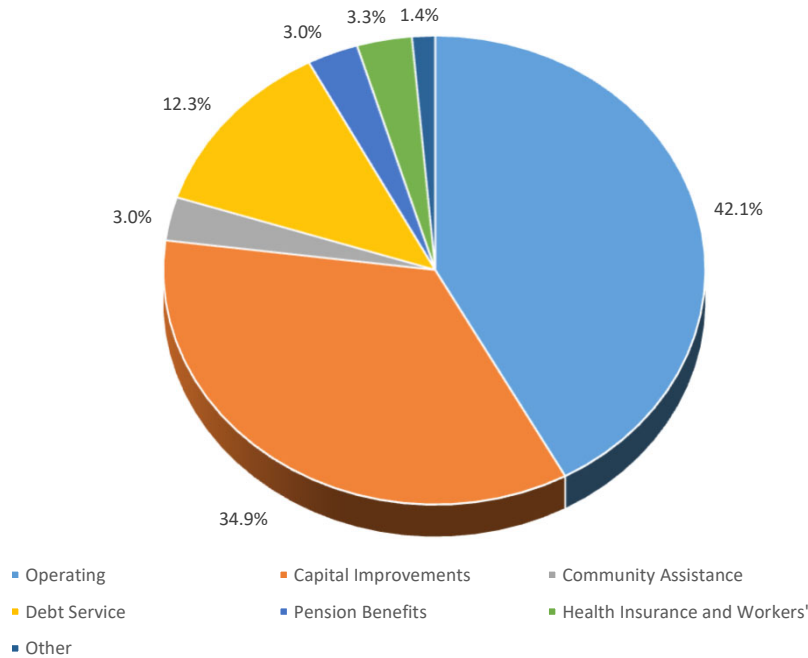
The two graphs which follow depict the allocation of total resources and total uses for 2021.

## SUMMARY OF TOTAL RESOURCES FY 2021



**Total Resources \$362,821,539**

## SUMMARY OF TOTAL USES FY 2021



**Total Uses \$292,188,356**



The following information provided 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 FY21 Operating Funds Budget totals \$122.9 million in appropriations which is \$10 million or 8.2% less than the FY20 Operating Funds Budget. Operation services account for 59.6% of operating appropriations, sanitation and transit services. The police and fire services combine to account for 23.6% of total appropriations.

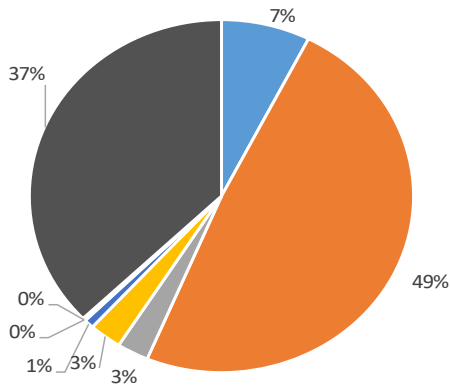
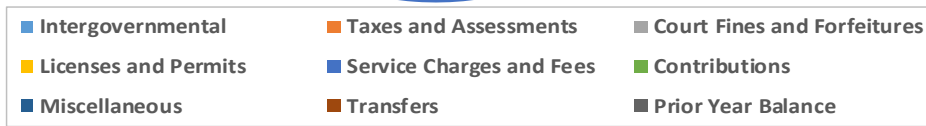
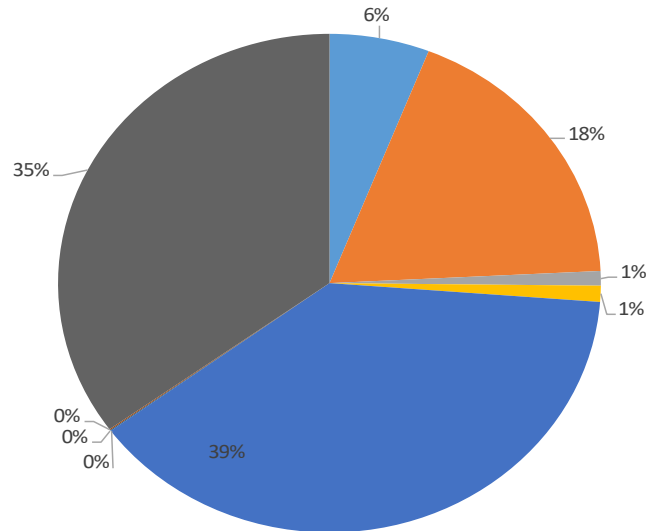
FY21 Operating Funds Sources total \$187.5 million, which is \$8.1 million or 4.3% more than FY20 Operating Funds Sources due to lower prior year Expenditures. Service charges and fees account for 38.7% of total resources. Service charges and fees include utility rates charges for water, sewer and sanitation services. Taxes and assessments comprise of 18.27% of total sources. Taxes and assessments include utility franchise fees, the property tax, and the City's share of the county-wide sales tax and ¼% of a 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 34 illustrate funding sources combined and individually for the four operating funds. The graphs on page 35 illustrate appropriations in combined and individual format for the four operating funds.

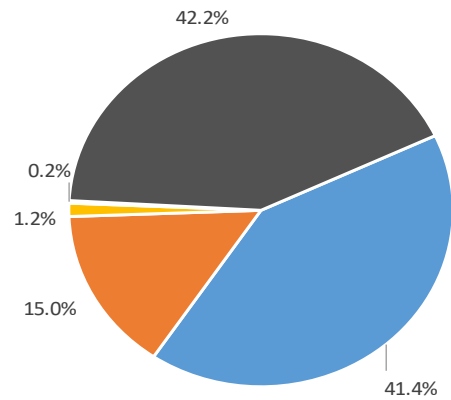
# COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2021

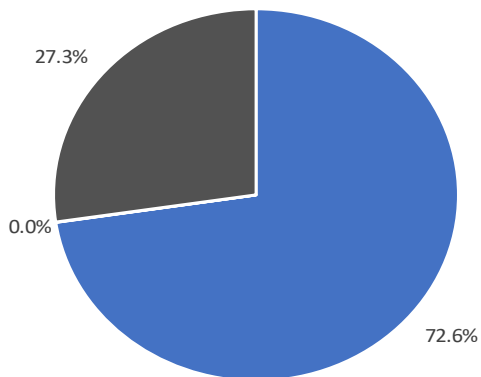
TOTAL FUNDING SOURCES \$187,535,012



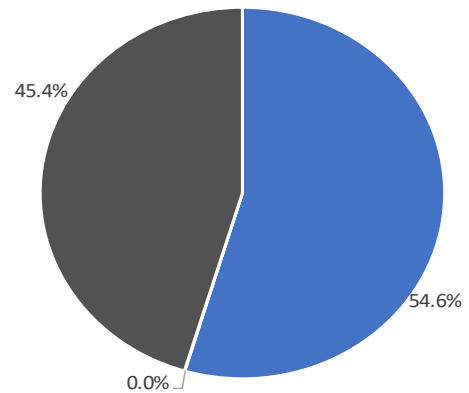
**GENERAL FUND**  
\$65,510,875



**STREET MAINTENANCE FUND**  
\$15,122,694



**W/S OPERATING FUND**  
\$75,853,520

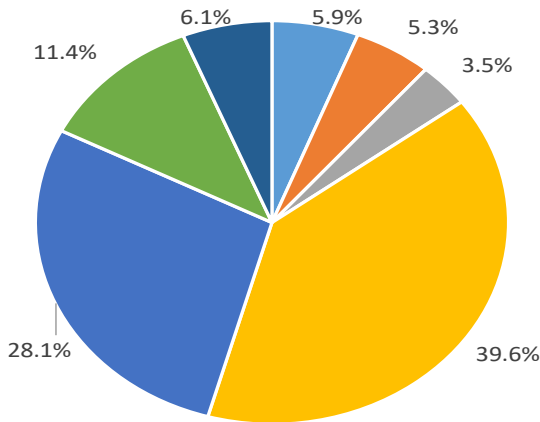
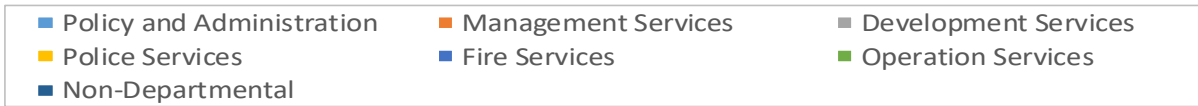
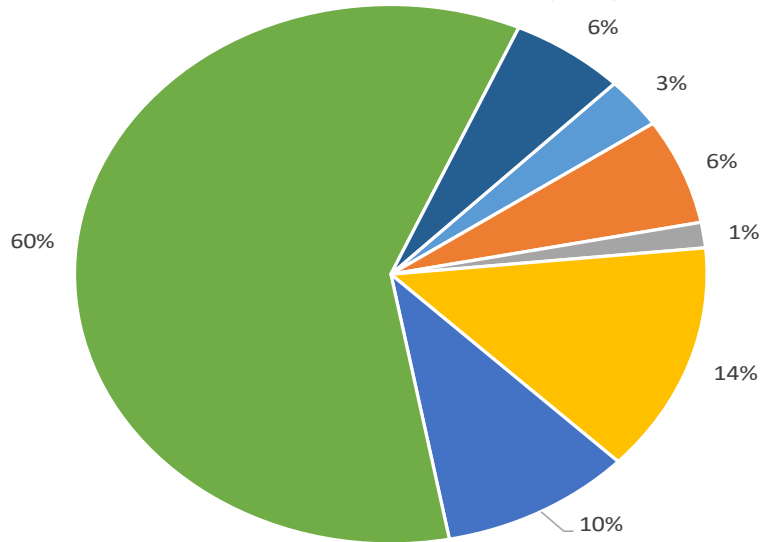


**SANITATION OPERATING FUND**  
\$31,047,923

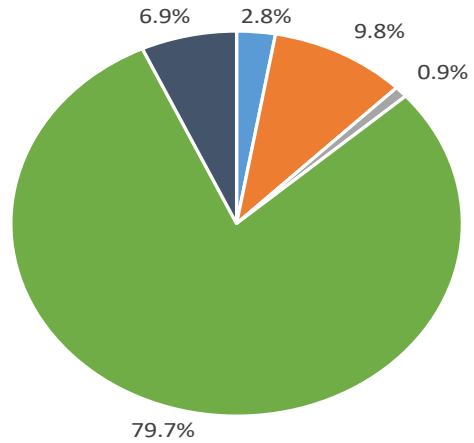
# COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2021

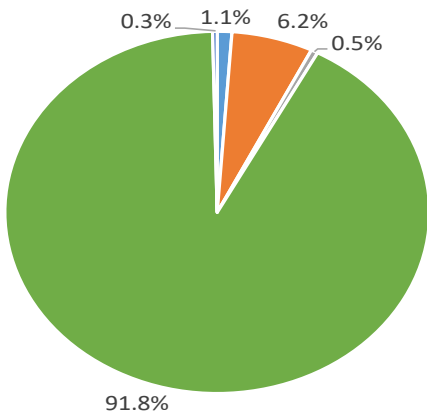
TOTAL APPROPRIATIONS \$122,919,784



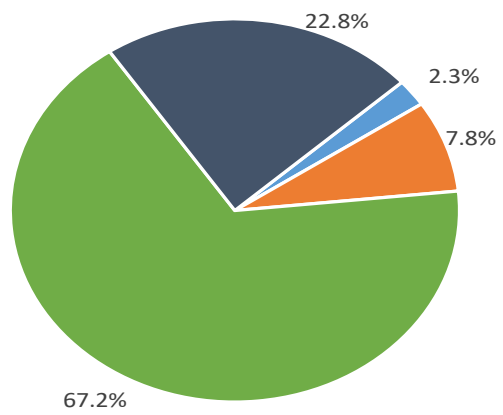
**GENERAL FUND**  
**\$42,818,251**



**STREET MAINTENANCE FUND**  
**\$8,135,967**



**W/S OPERATING FUND**  
**\$55,117,239**



**SANITATION OPERATING FUND**  
**\$16,848,328**

## GENERAL FUND

Total funding sources for the General Fund in FY21 amount to \$65.5 million that is \$971,324 more than the FY20 Budget funding sources. Funding sources include current year revenue plus the prior year balance brought forward. The increase is due primarily from an increasing beginning fund balance.

The major funding source for the General Fund is Taxes and Assessments which comprise 48.8% of total resources. Ad valorem taxes, franchise taxes, the county-wide sales tax and 1/4% of a 1% local sales tax comprise this revenue classification. The General Fund receives 5.0 mills applied to assessed property values within the city limits. Estimated revenues from ad valorem tax for FY21 total \$7.7 million, which is an increase of 1.2% over the FY20 estimated amount of \$7.6 million. The tax rate for FY20 and FY21 remains constant at the maximum allowed by the state. The increase is a result of increased property values. Assessed property values are established by the Sebastian County Assessor. Graphic displays of the assessed property values for the past five years and the allocation of property tax rates for FY21 are shown on page 207.

Franchise fees for FY21 are budgeted at \$6.5 million, which is flat with the FY20 estimated revenue of \$6.5 million. A comparison of the franchise fee revenues between years is as follows:

	2020 <u>Estimated</u>	2021 <u>Budget</u>
Electric	4,311	4,320
Gas	1,236	1,240
Cable	840	856
Telephone	68	68
Other	16	16
	<u>6,472</u>	<u>6,500</u>

In June 1994, the citizens of Fort Smith and Sebastian County approved a 1% county-wide sales and use tax. The tax was reauthorized during 2003 for another 10 years and again in 2013 for another 10 years. Collection of the tax began August 1, 1994. The City receives approximately 55% 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 budgeted at \$17.8 million for FY21. This tax accounts for 43% 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 FY21, this tax will generate \$5.5 million and it will be split equally between the two departments. This sales tax has been presented separately for budget planning purposes.

The General Fund appropriations for FY21 total \$42.8 million which is \$3.6 million or 8.5% more than the FY20 Budget. The increase is due from a decrease in FY20 Capital Outlay approvals and operating under financial uncertainties due to COVID-19.

There were no changes to the personnel total from FY20 to FY21.

The General Fund uses for the County Sales Tax in FY21 are as follows:

Public Safety	\$	13,545,024
Public Library		1,069,344
Park Capital Maintenance		445,560
Senior Citizen Programs		267,336
Downtown Development & Maintenance		534,672
Public Transit		534,672
Privilege License Replacement		1,425,792
	<u>\$</u>	<u>17,822,400</u>

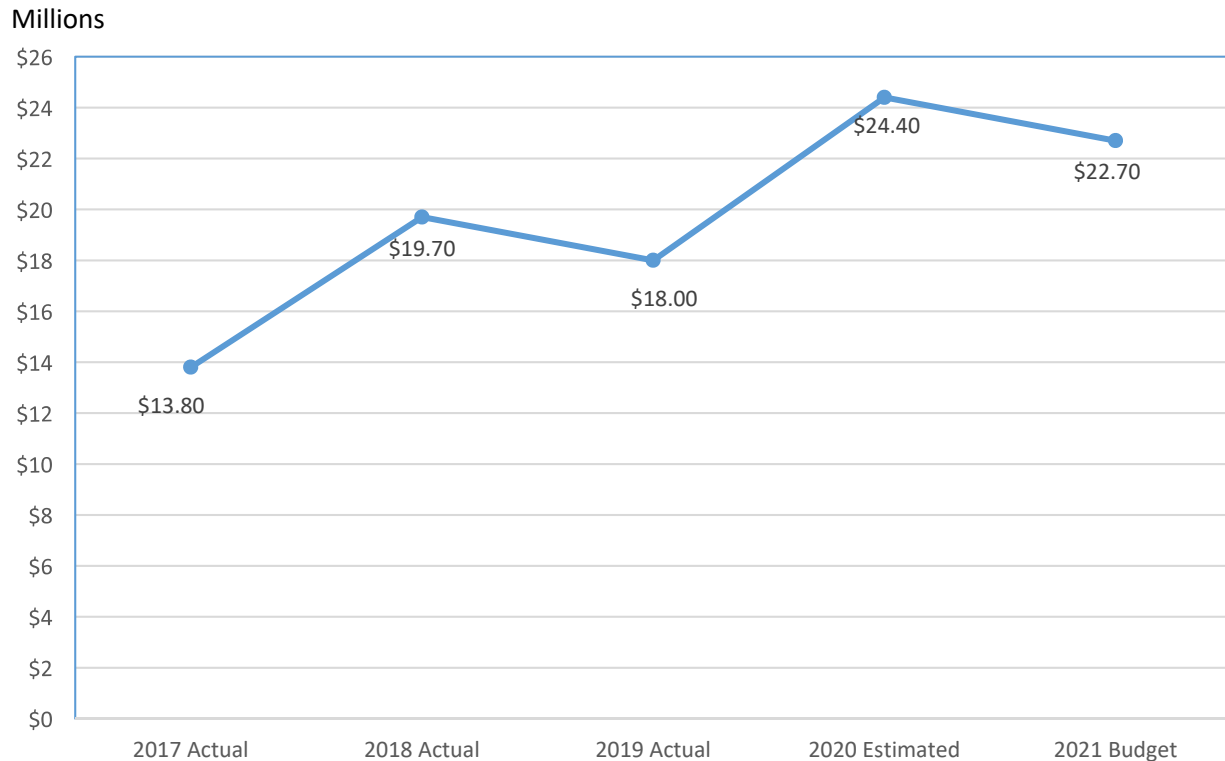
The projected fund balance of the General Fund at December 31, 2021 is \$22,692,624 which represents 53.0% of operating expenditures for 2021. The Fiscal Performance Policies require a 15% contingency.

The level of ending fund balances for the past four years, and projected for FY21 is:

FY17	37.3%
FY18	50.8%
FY19	41.7%
FY20 Estimated	62.2%
FY21 Budget	53.0%

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

### GENERAL FUND COMPARISON OF ENDING BALANCE



## **STREET MAINTENANCE FUND**

Total funding sources of the Street Maintenance Fund for FY21 amount to \$15.1 million and is \$1.8 million more than the FY20 Budget. The increase is due to a higher fund balance at the beginning of the year.

The major funding source for the Street Maintenance Fund is provided by state turnback of the gasoline tax allocated on the basis of population. The estimate for FY21 is \$47.47 which is slightly more than the FY20 estimated amount of \$38.53. The actual turnback revenue was \$46.49 for FY19, and \$47.47 is estimated for FY22.

Beginning July 1, 2013, the Street Maintenance Fund began to 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. This tax is also a state turnback revenue. The tax is allocated based upon the city's population. The per capita amount is estimated at \$22.32 for FY20. The estimate for FY21 and FY22 is \$23.75.

This Fund also receives one-half of the 3.0 road millage levied by Sebastian County. Total estimate from this revenue for FY21 is \$2.3 million which reflects a 1.3% increase over FY20 estimated revenue.

Beginning in FY13, the permit assessments for sidewalk construction and repair generated by building permits have been deposited in the Street Maintenance Fund. This revenue is expected to be \$182,500 for FY21.

FY21 appropriations for the Street Maintenance Fund total \$8.1 million and are \$121,500 less than FY20. The personnel count was increase by 2FTE for FY21.

The major appropriation classification of the Street Maintenance Fund is Operation Services involving the streets and traffic control programs. This classification represents 79.7% of total appropriations.

The estimated year end fund balance of the Street Maintenance Fund is \$6,986,727 which represents 85.9% of FY21 operating expenditures. This exceeds the 15% reserve requirement.

## **WATER AND SEWER OPERATING FUND**

Total funding sources for the Water and Sewer Operating Fund amount to \$75.9 million for FY21. This is \$4.2 million more than FY20 due from higher revenue projections.

Service charges and fees provide 99% of total revenue for this fund.

Total Water and Sewer Operating Fund appropriations for FY21 are \$55.1 million compared to FY20 appropriations of \$50.1 million. The personnel count was reduced by 2FTE for FY21.

The projected working capital at December 31, 2021, is \$20,736,281, which represents 37.6% of FY21 operating expenses. This exceeds the fiscal policy of a 20% reserve requirement.

## **SOLID WASTE OPERATING FUND**

Total funding sources of the Solid Waste Operating Fund amount to \$31 million for FY21 and is consistent with FY20 budget.

Service charges and fees are the major revenue sources for the Solid Waste Operating Fund reflecting 99% of this total.

Appropriations for the Solid Waste Operating Fund in FY21 total \$16.8 million. This increase of \$1.1 million from FY20 Budget is mostly due to an increase in operating expenditures.

The major appropriation of the Fund is operation services which comprise 67% of the total appropriations.

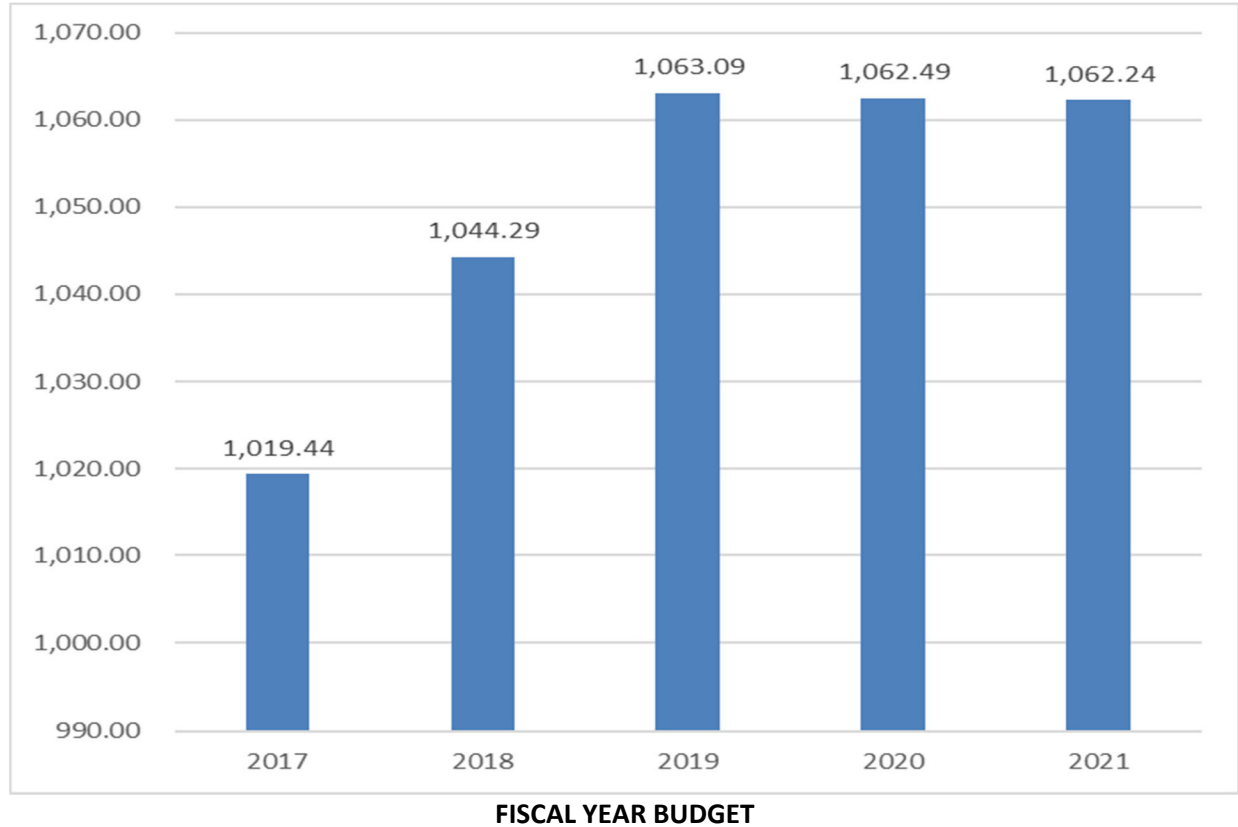
The projected year end working capital of the Solid Waste Operating Fund is \$6,199,595 and reflects 36.8% of FY21 operating expenses. This exceeds the policy goal of 15%.

## PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY21 represent 48.2% of total operating funds appropriations compared to 47.3% for estimated FY20. The level of personnel for the past five years is represented in the graph below.

### PERSONNEL AUTHORIZATIONS

#### EMPLOYEES



The net change in personnel between 2020 estimated and 2021 is a decrease of .25 FTE. The following chart reconciles the 2020 estimated positions to the total positions for 2019.

	<u>Full Time</u>	<u>Part-Time/Seasonal</u>	<u>Total FTE</u>
2020 Estimated	1028	33.49	1061.49
Streets	2	0	2
Water & Sewer	0	-2	-2
Parks & Rec	0	-0.25	-0.25
Solid Waste	3	-3	0
2021 Budget	<u>1030</u>	<u>31.24</u>	<u>1061.24</u>



## CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY21 total \$102 million. Capital Improvements for the current fiscal year are provided by the following funds as indicated:

	Amount (Thousands)
Sales Tax Fund	\$ 38,012
Water and Sewer Capital Improvement Projects Fund	62,482
Sales & Use Tax Bond Construction Fund	0
Sanitary Landfill Construction & Sinking Fund	1,610
Convention Center/CVB	0
CDBG	0
Parking Authority	0
 Total	 \$ 102,104

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 FY21 are 19.29% and 23.5% for police and fire personnel as well as a flat rate of \$141,480 and \$127,883, respectively, as compared with FY20 rates of 18.29% and 23.50% for police and fire personnel as well as a flat rate of \$132,380 and \$124,228, respectively. The contributions are high due to the amortization of the old police and fire pension funds. At the end of 2020, the remaining amortization period is 18 years. Approximately 64% to 53% 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.

Benefit payments and retirement contributions for LOPFI for FY21 are estimated at \$8.9 million as compared to \$8.8 million for FY20. These costs are currently paid for by state turnback, ad valorem taxes at one mill each for police and fire, and employee contributions. Beginning October 1, 2012, the city began making direct contributions to the Arkansas LOPFI fund for the personnel hired with the 1/8% sales tax revenue. For FY21, this totals \$513,000. If the General Fund had to make direct contributions for LOPFI members, the employer amounts would be:

<u>FY21</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Employer Cost	\$4,100,200	\$4,800,000	\$8,900,200
Actual Direct Contribution	<u>0</u>	<u>513,000</u>	<u>513,000</u>
Amount of Employer by Special Revenues	<u>\$4,100,200</u>	<u>\$5,313,000</u>	<u>\$9,413,200</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 FY21. The current employer contribution rate for the court clerk is 15.32%. The FY21 contribution for the court clerk will be made from the General Fund. 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 5% of pay to each employee's account. The employer contribution is accounted for in each program.

## **BONDED INDEBTEDNESS**

The City has six bond issues outstanding in 2021. A brief explanation of how each issue relates to the budget is as follows:

### **1. 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 FY21 appropriation of \$1.8 million will cover the required debt service payments during 2021. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY21.

### **2. 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 \$16.7 million for this purpose in FY21. Current year revenues and prior year carry over will be sufficient to pay the required debt service of \$8.2 million.

### **3. Sales and Use Tax Construction Bonds-Series 2014-**

These bonds are also secured by the special 3/4% local sales and use tax that also supports the Series 2012 Sales and Use Tax Bonds. The 2014 Bonds were issued in the amount of \$34.3 million in February 2014. The bonds were issued to provide wastewater and water improvements. Sales tax revenue is estimated to be \$16.7 million for this purpose and the 2012 Bonds in FY21. Current year revenue and prior year carry over will be sufficient to pay the required debt service of \$1.7 million.

### **4. Water and Sewer Revenue Refunding Bonds-Series 2015-**

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 2005B water and sewer revenue bonds. The original principal issued was \$35 million. The FY21 appropriation of \$2.3 million will cover the required debt service payments during 2021. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY21.

**5. Water and Sewer Revenue Refunding Bonds-Series 2016-**

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 2007 and a portion of the 2008 water and sewer revenue bonds. The original principal issued was \$56.96 million. The FY21 appropriation of \$5 million will cover the required debt service payments during 2021. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY21.

**6. Water and Sewer Revenue Refunding Bonds-Series 2018-**

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 finance all or a portion of the costs of water and sewer improvements and to refund the remaining balance of \$66,260,000 for series 2008 water and sewer revenue bonds. The original principal issued was \$130,680,000 million. The FY21 appropriation of \$9.8 million will cover the required debt service payments during 2021. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY21.

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.

A comparative summary for FY19 Actual, FY20 Budget, FY20 Estimated, and FY21 Budget is provided on a consolidated basis with interfund transfers included. A combined summary with more detailed revenue sources for FY19 Actual, FY20 Budget, FY20 Estimated, and FY21 Budget is included. A schedule of beginning and ending balances/working capital for all fund types for FY21 Budget is provided. Major revenue analyses are included in this section. Also included are individual fund statements for FY21 Budget.

**City of Fort Smith  
FY21  
Comparative Summary - All Funds**

	<u>Actual FY19</u>	<u>Budget FY20</u>	<u>Estimated FY20</u>	<u>Budget FY21</u>
<b>Revenues</b>				
Intergovernmental	\$ 15,060,707	\$ 15,104,784	\$ 15,653,019	\$ 21,954,622
Taxes & Assessments (Note 1)	80,884,343	80,899,944	83,489,571	82,577,299
Licenses & Permits	2,097,689	2,089,900	2,019,057	1,971,699
Court Fines & Forfeitures	1,712,077	1,846,830	1,846,374	1,847,090
Service Charges & Fees	80,308,193	90,951,932	79,453,306	83,939,480
Interest	1,735,981	68,951	721,782	728,944
Bond Proceeds	0	0	0	0
Contributions	1,073,440	1,323,477	1,347,001	512,770
Miscellaneous	6,978,623	696,639	616,553	52,500
Transfers In	23,130,580	19,086,309	22,763,450	23,946,035
Total Revenues	<u>\$ 212,981,632</u>	<u>\$ 212,068,766</u>	<u>\$ 207,910,112</u>	<u>\$ 217,530,438</u>
<b>Expenditures</b>				
Operating	\$ 116,806,520	\$ 126,967,448	\$ 112,846,484	\$ 122,919,784
Capital Improvements	38,502,451	56,194,980	43,070,456	69,019,520
Community Assistance (Note 2)	1,521,393	11,908,120	2,038,685	8,760,847
Debt Service	33,239,505	34,903,838	34,962,680	35,905,235
Pension Benefits / Retirement Contributions	6,529,330	8,700,200	8,752,743	8,900,200
Health Insurance and Workers' Compensation Claims	9,888,189	9,478,000	9,499,132	9,578,917
Other (Note 3)	4,294,579	3,462,299	3,238,017	4,018,853
Total Expenditures	<u>\$ 210,781,966</u>	<u>\$ 251,614,886</u>	<u>\$ 214,408,197</u>	<u>\$ 259,103,356</u>
Excess (Deficiency) Revenues Over Expenditures / Expenses	\$ 2,199,666	\$ (39,546,119)	\$ (6,498,084)	\$ (41,572,919)
Fund Balance / Working Capital, Beginning of Year	144,574,720	146,774,386	146,774,386	151,533,885
<b>Fund Balance / Working Capital, End of Year</b>	<u>\$ 146,774,386</u>	<u>\$ 107,228,267</u>	<u>\$ 140,276,302</u>	<u>\$ 109,960,965</u>

Note 1: Taxes and Assessments include 1/4% Sales Tax restricted for Fire and Parks.

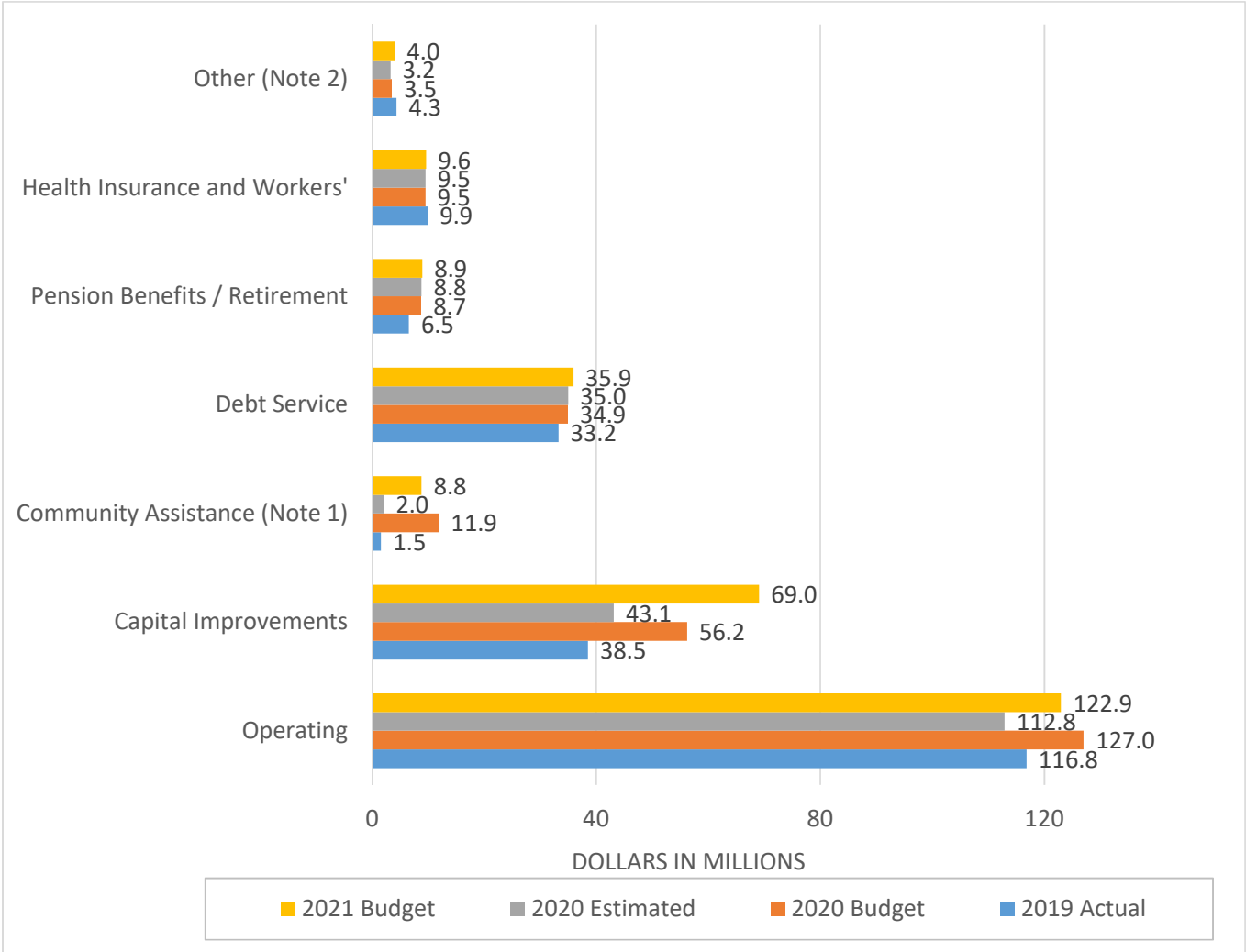
Note 2: Community Assistance includes Community Development Grant Block and HOME programs as well as the historic preservation, federal transportation, and drug enforcement activity of the Special Grants Fund.

Amounts for 2021 are: CDBG and HOME programs: \$1,871,650; Special Grants: \$6,889,197

Note 3: Other expenditures include the costs for activities of the Advertising and Promotion - CVB Fund, Parking Authority Fund, Working Capital Fund, Cleanup Demolition Fund, and Convention Center Fund.

# COMPARATIVE SUMMARY - ALL FUNDS

## Expenditures



**City of Fort Smith  
FY21  
Fund List Summary**

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
<b>General</b>	<u>\$ 24,363,792</u>	<u>\$ 41,147,083</u>	<u>\$ 42,818,251</u>	<u>\$ 22,692,624</u>
<b>Special Revenue Funds:</b>				
Street Maintenance	6,378,867	8,743,827	8,135,967	6,986,727
Sales Tax	35,829,697	21,578,650	38,012,420	19,395,927
Community Development				
Block Grant (CDBG)	6,859	1,433,220	1,433,220	6,859
HOME Investment Partnership Act	765	438,430	438,430	765
Special Grants	663,807	6,988,737	6,889,197	763,347
Tilles Park	25,552	80	0	25,632
Advertising and Promotion	399,865	810,464	806,367	403,962
Arkansas LOPFI Contribution	499,491	5,541,250	8,900,200	(2,859,459)
Convention Center	368,261	1,403,210	1,454,471	317,000
Total Special Revenue Funds	<u>44,173,164</u>	<u>46,937,868</u>	<u>66,070,272</u>	<u>25,040,760</u>
<b>Debt Service Fund:</b>				
Sales & Use Tax Bonds	<u>17,199,332</u>	<u>16,849,294</u>	<u>16,785,200</u>	<u>17,263,426</u>
<b>Enterprise Funds:</b>				
Water and Sewer	34,085,721	74,693,682	103,634,374	5,145,029
Sanitation	23,964,328	20,907,770	19,178,939	25,693,159
Parking Authority	240,045	124,800	554,804	(189,959)
Total Enterprise Funds	<u>58,290,094</u>	<u>95,726,252</u>	<u>123,368,117</u>	<u>30,648,229</u>
<b>Internal Service Funds:</b>				
Working Capital	152,329	493,100	482,600	162,829
Employee Health & Wellness	5,082,187	9,213,780	8,660,500	5,635,467
Workers' Compensation	2,272,986	920,277	918,417	2,274,846
Total Internal Service Funds	<u>7,507,502</u>	<u>10,627,157</u>	<u>10,061,517</u>	<u>8,073,142</u>
Total	<u>151,533,884</u>	<u>211,287,654</u>	<u>259,103,357</u>	<u>103,718,181</u>
Adjusted Total	<u>\$ 151,533,884</u>	<u>\$ 211,287,654</u>	<u>\$ 259,103,357</u>	<u>\$ 103,718,181</u>



**City of Fort Smith  
FY21  
Comparative Summary with Detail Revenue Categories - All Funds**

	<b>Actual FY18</b>	<b>Actual FY19</b>	<b>Budget FY20</b>	<b>Estimated FY20</b>	<b>Budget FY21</b>
<b>Revenues</b>					
Intergovernmental					
Federal	\$ 3,234,439	\$ 4,517,560	\$ 4,526,143	\$ 5,882,382	\$ 11,073,631
State	9,196,219	9,763,881	9,732,642	8,943,533	10,023,135
Local	908,848	779,266	846,000	827,104	857,855
Taxes and Assessments					
Ad Valorem	12,465,343	12,982,033	13,631,400	12,813,412	12,935,041
Franchise Fees	6,840,477	6,272,963	6,517,000	6,471,594	6,500,000
Sales Tax - City	43,006,710	43,460,522	42,787,935	45,326,951	44,514,294
Sales Tax - County	17,043,995	17,264,744	17,292,240	18,246,064	17,822,400
Hotel/Motel Tax	799,364	904,081	671,369	631,550	805,564
Other	-	-	-	-	-
Licenses and Permits	1,907,340	2,097,689	2,089,900	2,019,057	1,971,699
Court Fines and Forfeitures	2,147,267	1,712,077	1,846,830	1,846,374	1,847,090
Service Charges and Fees					
Water & Sewer	57,692,356	51,874,755	62,819,132	51,747,812	55,092,857
Solid Waste	16,650,378	16,552,028	16,400,000	16,260,000	16,950,000
General Fund	581,614	650,935	579,060	413,833	537,206
Internal Service	11,366,996	10,167,334	10,071,300	10,667,957	10,610,917
Convention Center	782,642	873,802	893,500	240,477	624,500
Parking Operations	183,486	189,340	188,940	123,228	124,000
Interest	1,574,226	1,735,981	68,951	721,782	728,944
Contributions	2,527,635	1,073,440	1,323,477	1,347,001	512,770
Bond Proceeds	-	-	-	-	-
Miscellaneous	2,087,078	6,978,623	696,639	616,553	52,500
Transfers In	20,358,460	23,130,580	19,086,309	22,763,450	23,946,035
<b>Total Revenues</b>	<b>\$ 211,354,872</b>	<b>\$ 212,981,632</b>	<b>\$ 212,068,766</b>	<b>\$ 207,910,112</b>	<b>\$ 217,530,438</b>
<b>Expenditures</b>					
Operating	\$ 114,571,598	\$ 116,806,520	\$ 126,967,448	\$ 112,846,484	\$ 122,919,784
Capital Improvements	39,484,198	38,502,451	56,194,980	43,070,456	69,019,520
Community Assistance	1,611,616	1,521,393	11,908,120	2,038,685	8,760,847
Debt Service	30,741,259	33,239,505	34,903,838	34,962,680	35,905,235
Pension Benefits/Retirement					
Contributions	9,631,234	6,529,329.55	8,700,200	8,752,743	8,900,200
Health Insurance and Workers'					
Compensation Claims	8,895,785	9,888,189	9,478,000	9,499,132	9,578,917
Other	4,217,209	4,294,579	3,462,299	3,238,017	4,018,853
<b>Total Expenditures</b>	<b>\$ 209,152,898</b>	<b>\$ 210,781,966</b>	<b>\$ 251,614,886</b>	<b>\$ 214,408,197</b>	<b>\$ 259,103,356</b>
Excess (Deficiency) Revenues Over (Under) Expenditures	\$ 2,201,974	\$ 2,199,666	\$ (39,546,119)	\$ (6,498,084)	\$ (41,572,919)
Fund Balance / Working Capital Beginning of Year	142,372,746	144,574,720	146,774,386	146,774,386	151,533,885
<b>Fund Balance/Working Capital End of Year</b>	<b>\$ 144,574,720</b>	<b>\$ 146,774,386</b>	<b>\$ 107,228,267</b>	<b>\$ 140,276,302</b>	<b>\$ 109,960,965</b>

## Major Revenue Analyses - 2021 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.

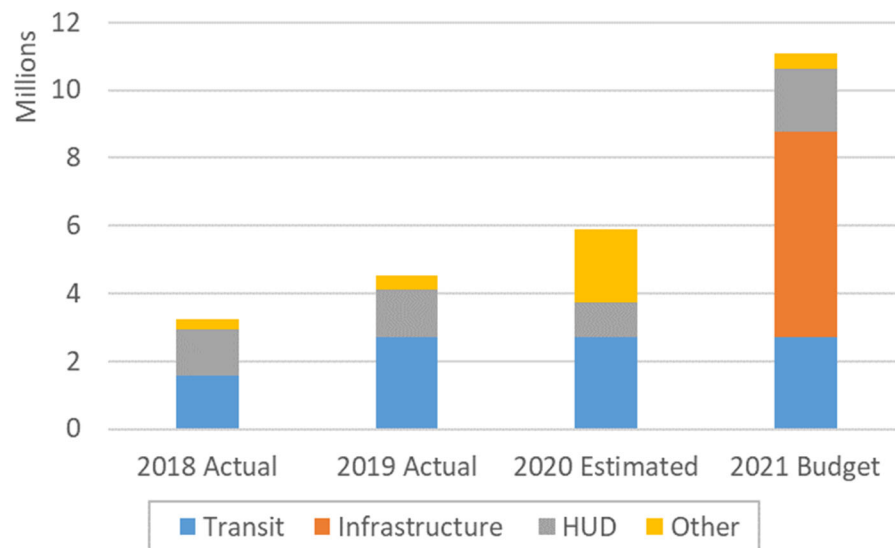
### Intergovernmental

#### Federal-

Revenue Description - grants and contributions provided by the federal government including transit funds and infrastructure project participation 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 6.4% of its annual revenues. The Community Development Block Grant and HOME grants from HUD represent 100% of the applicable fund's revenue source each year.

	Transit	Infrastructure	HUD	Other	Total
2018 Actual	1,578,836	-	1,356,006	299,598	3,234,439
2019 Actual	2,724,887	-	1,380,324	412,349	4,517,560
2020 Budget Estimate	2,721,208	-	1,009,025	2,152,149	5,882,382
2021 Budget	2,721,000	6,046,752	1,871,650	434,229	11,073,632



2021 Revenue Estimates- The increase in 2021 is due to a Tri-Party Grant Administration Agreement between the City of Fort Smith, Arkansas Missouri Railroad, and the Western Arkansas Planning and Development District per R-86-20. The grant was awarded to the City of Fort Smith, a third party beneficiary, for the rehabilitation of the Arkansas River Bridge at milepost 410.6 and timber trestle replacement at milepost 387.1 and 388.0. The estimated completion date is June of 2023, with work being performed by the Arkansas Missouri Railroad.

The FY21 HUD grants are expected to increase due to approved Community Development Block Grant funds allocated for budgetary purposes to prevent, prepare for, and respond to the coronavirus.

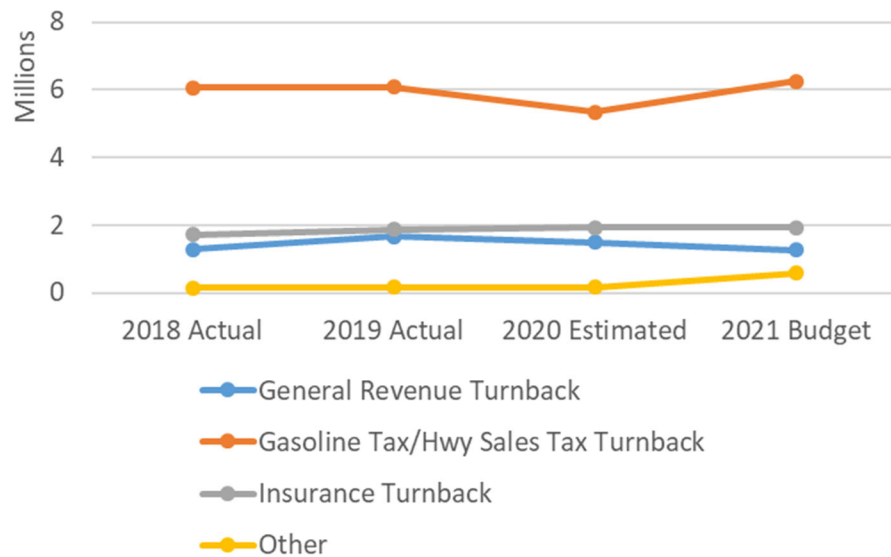
**State-**

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

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

Revenue History - state funding represents an average of 4.7% of total revenues. However, the gasoline tax turnback plus the ½% highway sales tax turnback represents an average of 70% of the Street Maintenance Fund annual revenue and the insurance turnback represents 34.8% of the Arkansas LOPFI Contribution Fund revenue.

	General Revenue Turnback	Gasoline Tax/Hwy Sales Tax Turnback	Insurance Turnback	Other	Total
2018 Actual	1,282,694	6,064,275	1,712,138	137,113	9,196,219
2019 Actual	1,660,108	6,077,212	1,861,352	165,208	9,763,881
2020 Budget Estimate	1,498,143	5,344,828	1,930,377	170,185	8,943,533
2021 Budget	1,255,000	6,256,855	1,930,380	580,900	10,023,135



2021 Estimated Revenue - the amount of general revenue turnback, gasoline tax turnback, and the highway sales tax turnback is allocated on a per capita basis with annual estimates provided by the Arkansas Municipal League (AML). Effective July 1, 2013, the City began receiving its share of the ½% state sales tax for highway improvements based upon population. Other state revenue

includes the recognition of Act 833 fire funds that are restricted for fire safety purposes and is budgeted at \$100,000 for 2021.

## Taxes and Assessments

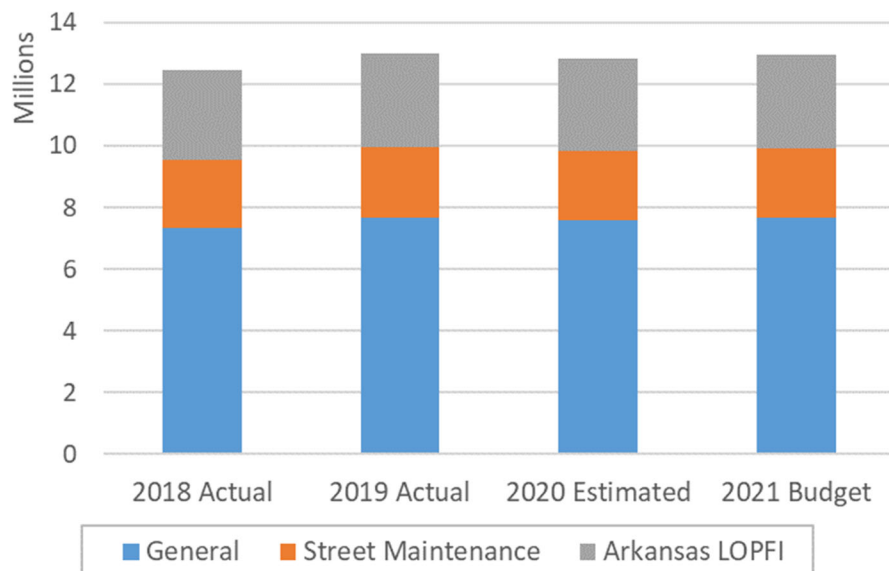
### Ad Valorem-

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 budgets 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 208 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 6.2% of total City revenues. The history of the revenue since 2018 for the three funds which receive property tax revenue is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2018 Actual	7,331,663	2,199,821	2,933,859	12,465,343
2019 Actual	7,674,292	2,274,582	3,033,159	12,982,033
2020 Budget Estimate	7,572,671	2,240,955	2,999,786	12,813,412
2021 Budget	7,666,279	2,268,972	2,999,790	12,935,041



2021 Estimated Revenue - Ad Valorem taxes are expected to remain flat in 2021.

## Franchise Fees-

Revenue Description - a General Fund revenue which is a 4.25% fee assessed to franchised utilities' and 5% fee assessed to franchised cables' 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 3.2% of total City revenues and an average 15% of total General Fund revenue.

	2018	2019	2020	2021 Budget
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	
Electric	5,642,587	4,310,961	4,310,656	4,320,000
Gas	356,654	1,344,732	1,236,297	1,240,000
Cable	818,739	529,676	839,880	855,575
Telephone	16,498	74,069	68,336	68,000
Other	6000	13,525.00	16,425.00	16,425
	<u>6,840,477</u>	<u>6,272,963</u>	<u>6,471,594</u>	<u>6,500,000</u>

2021 Estimated Revenue - franchise fees are anticipated to remain flat in 2021.

## Sales Taxes - City

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 and 2014 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 1% 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 Environmental Protection Agency administrative order; and for refunding the remaining 2006, 2008, and 2009 Sales and Use Tax Bonds. The 2014 Sales and Use Tax Bonds were issued for additional water and wastewater improvements and are supported by the same 3/4% sales tax. The remaining 1/4% sales tax will be in place for 10 years to provide operations and capital purchases for the fire department and parks department. A form of this tax has been in place since 1997.

	General Fund	Street Sales Tax Fund	Sales & Use Tax Bond Fund	Total
2018 Actual	5,375,839	21,503,354	16,127,517	43,006,710
2019 Actual	5,432,565	21,730,261	16,297,696	43,460,522
2020 Estimate	5,665,869	22,663,476	16,997,607	45,326,951
2021 budget	5,564,287	22,257,147	16,692,860	44,514,294

2021 Revenue Estimate- City sales and use tax revenue is projected to decrease 1.8% between years. The state, as collection agent, provides minimal commodities information that is not reconciled to the tax revenue receipts; therefore, there are little forecasting techniques which would provide a trend analysis other than historical revenue.

### Sales Tax - County

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

Revenue History - this tax was originally approved by voters in 1994 and reaffirmed in 2013 for extension through 2024.

2018 Actual	17,043,995
2019 Actual	17,264,744
2020 Estimate	18,246,064
2021 Budget	17,822,400

2021 Estimated Revenue - the county sales tax is expected to decrease 2.4% over 2020. As in the case of the City's sales tax levies, the state provides minimal commodities information for this revenue source.

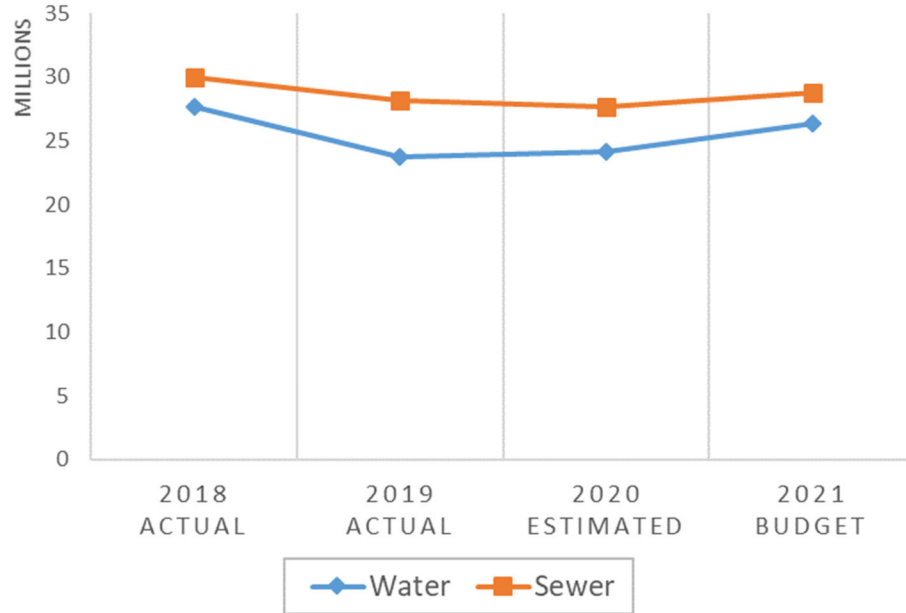
### Service Charges and Fees

#### 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. Sewer service charges are expected to increase by 6.1% in 2021. Combined water and sewer service charges and fees represent an average 26.1% of total city revenue.

	Water	Sewer	Total
2018 Actual	27,659,024	30,033,332	57,692,356
2019 Actual	23,712,959	28,161,796	51,874,755
2020 Estimated	24,120,368	27,627,444	51,747,812
2021 Budget	26,345,857	28,747,000	55,092,857



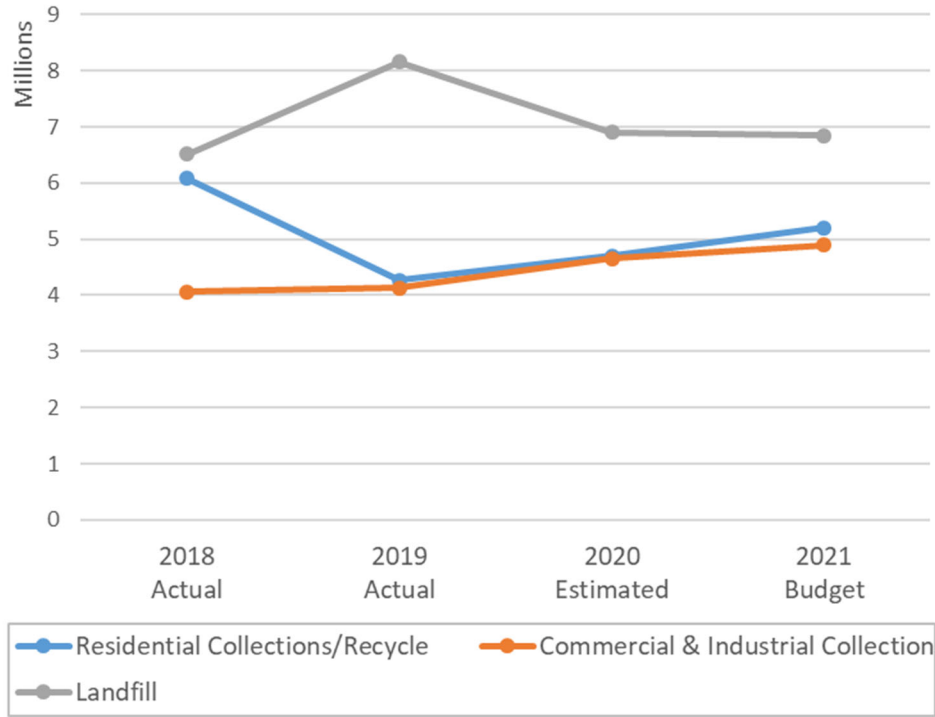
2021 Estimated Revenue – Consumption is expected to be slightly elevated between FY20 and FY21. The increase in revenues is due from an anticipated rate increase.

### Solid Waste-

Revenue Description - the City provides residential, commercial, 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 Consumer Price Index. All rates for Solid Waste services were increased during 2020, becoming effective October 20, 2020.

	Residential Collections/ Recycle	Commercial & Industrial Collection	Landfill	Total
2018 Actual	6,080,845	4,057,966	6,511,568	16,650,378
2019 Actual	4,267,426	4,131,560	8,153,041	16,552,028
2020 Estimated	4,700,000	4,660,000	6,900,000	16,260,000
2021 Budget	5,200,000	4,900,000	6,850,000	16,950,000



2021 Estimated Revenue - In FY21, Residential and Commercial collections are expected to increase due to increased rates per O-69-20. Landfill revenue is anticipated to remain level with FY20.

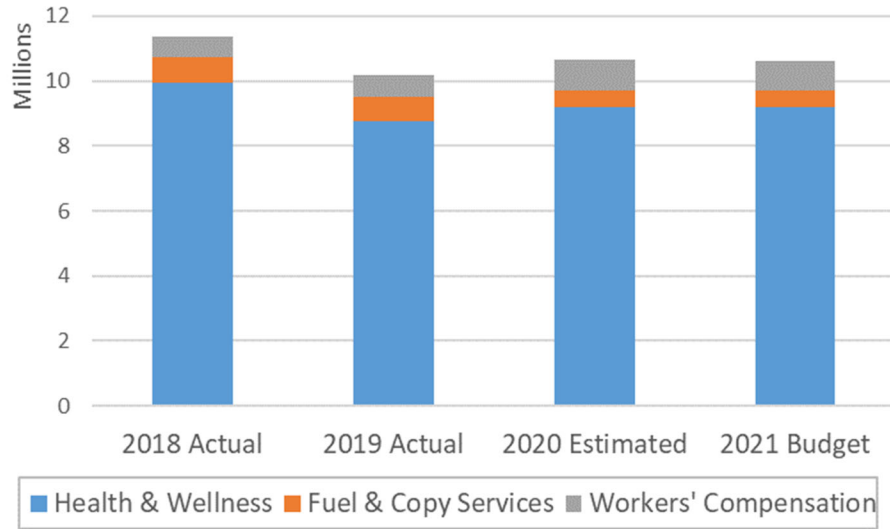
**Internal Service Operations-**

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 continued decrease from the high in 2018. Fuel and copy costs are forecasted to decrease. The contributions to the workers' compensation account are expected to remain high due to anticipated claims in comparison the actuals paid in 2018 and 2019.

	Health & Wellness	Fuel & Copy Services	Workers' Compensation	Total
2018 Actual	9,946,490	777,039	643,467	11,366,996
2019 Actual	8,751,452	744,575	671,307	10,167,334
2020 Estimated	9,199,318	493,057	975,582	10,667,957
2021 Budget	9,199,400	493,100	918,417	10,610,917





2021 Estimated Revenue - Contributions to the Employee Health and Wellness Fund and Fuel and Copy Services are expected to remain stable between FY21 and FY20. Workers' Compensation contributions are expected to decrease by 6.2%.

## **City of Fort Smith Financial Structure**

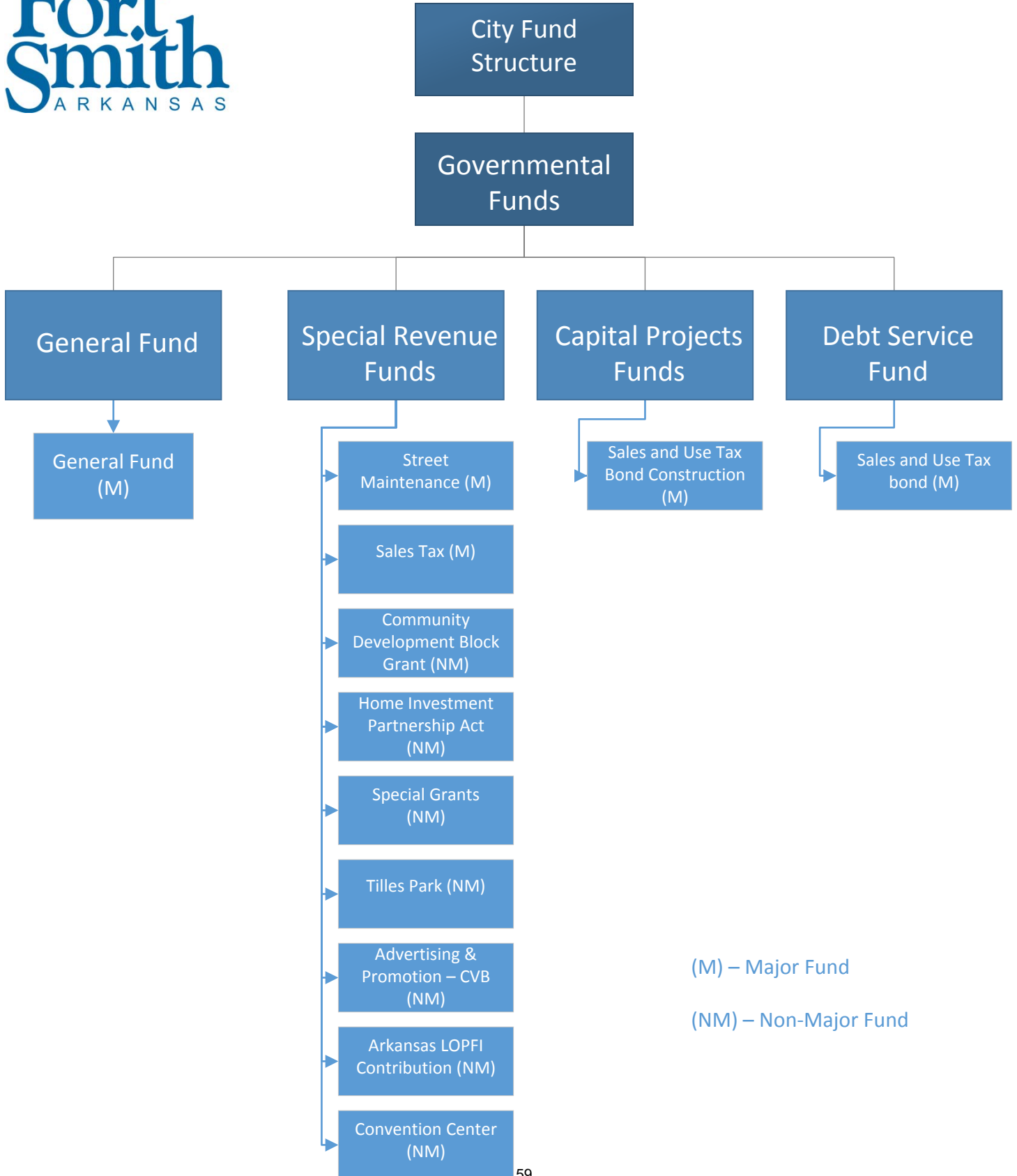
The City provides the full range of municipal services as provided by the City Charter. These include public safety, water, sewer, sanitation, public transportation, parking, public improvements, recreational, and general administrative services.

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 59 and 60, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2021 Budget for each individual fund by fund type is presented.

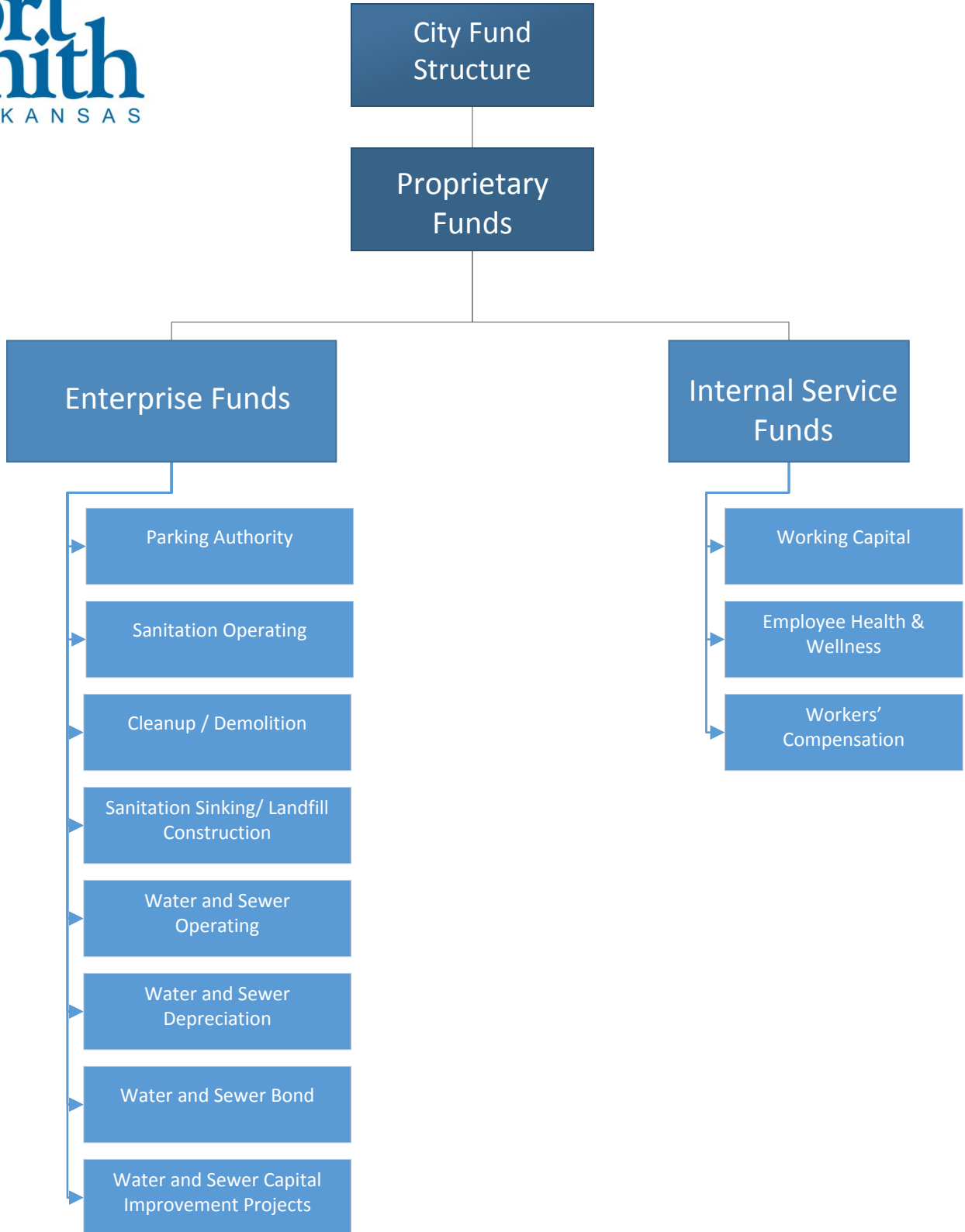


# City of Fort Smith, Arkansas Chart of Fund Types





# City of Fort Smith, Arkansas Chart of Fund Types



## **Definition of Fund Types and Individual Funds**

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

**Special Revenue Funds** - Funds to account for the proceeds of specific revenue (other than 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 (A&P) Commission governs this fund and the operation of the Convention and Visitors Bureau (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 sworn 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 (A&P) 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 and 2014 bonds. The 2012 bonds were issued to refund outstanding sales and use tax bonds 2006, 2008 and 2009 and provide construction funds for fire facilities and apparatus, a water park, wastewater improvements, and water improvements. The 2014 bonds were issued for additional water and wastewater improvements.

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.

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 Refunding and Construction Bonds, Series 2011, Water and Sewer Revenue Refunding Bonds, Series 2015, Water and Sewer Refunding and Construction Bonds, Series 2016, and Water and Sewer Refunding and Construction Bonds, Series 2018.

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.

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 as well as fleet and equipment replacement.

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.

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 & 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.

## 2021 Summary by Fund Types - GENERAL

### GENERAL

#### REVENUES

Intergovernmental		\$ 4,907,000
Taxes and Assessments	(Note 1)	37,552,966
Court Fees and Forfeitures		1,750,000
Licenses and Permits		1,789,199
Service Charges and Fees		537,206
Miscellaneous		50,000
Transfers In		125,000
	Total	<u>\$ 46,711,370</u>

#### EXPENDITURES

##### Operating

Policy and Administrative Services		\$ 2,537,601
Management Services		2,288,055
Development Services		1,516,694
Police Services		16,939,537
Fire Services		12,050,201
Operation Services		4,859,905
Non-Departmental		2,626,257
	Total	<u>\$ 42,818,251</u>

#### Excess (Deficiency)

Revenues Over Expenditures 3,893,120

Fund Balance, Beginning of Year 24,363,792

Fund Balance, Reserved  
Unobligated 28,256,911

Fund Balance, End of Year \$ 28,256,911

Note 1: Taxes and Assessments include 1/4% Sales Tax funds restricted for Fire and Parks in the amount of \$5,564,287.



2021 Summary by Fund Types - SPECIAL REVENUE

	STREET MAINTENANCE	STREET SALES TAX	COMMUNITY DEVELOPMENT BLOCK GRANT	HOME INVESTMENT PARTNERSHIP ACT	SPECIAL GRANTS	TILLES PARK	ADVERTISING & PROMOTION- CVB	ARKANSAS LOPFI CONTRIBUTION	CONVENTION CENTER	TOTAL
<b>REVENUES</b>										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Turnback	6,256,855	-	-	-	100,000	-	-	1,930,380	-	8,287,235
Federal Grant	-	-	1,433,220	438,430	6,395,981	-	-	-	-	8,267,631
State Grant	-	-	-	-	480,900	-	-	-	-	480,900
Local Grant	-	-	-	-	11,855	-	-	-	-	11,855
Licenses and Permits	182,500	-	-	-	-	-	-	-	-	182,500
Taxes and Assessments										
Ad Valorem Tax	2,268,972	-	-	-	-	-	-	2,999,790	-	5,268,762
Sales Tax	-	22,257,147	-	-	-	-	-	-	-	22,257,147
Prepared Food Tax	-	-	-	-	-	-	-	-	-	-
Hospitality Tax	-	-	-	-	-	-	805,564	-	-	805,564
Court Fines and Forfeitures	-	-	-	-	-	-	-	97,090	-	97,090
Service Charges and Fees	-	-	-	-	-	-	-	-	624,500	624,500
Interest	5,500	-	-	-	-	80	2,400	1,220	1,710	10,910
Contributions	-	-	-	-	-	-	-	512,770	-	512,770
Miscellaneous	30,000	-	-	-	-	-	2,500	-	-	32,500
Transfers	-	-	-	-	-	-	-	-	777,000	777,000
Total	\$ 8,743,827	\$ 22,257,147	\$ 1,433,220	\$ 438,430	\$ 6,988,737	\$ 80	\$ 810,464	\$ 5,541,250	\$ 1,403,210	\$ 47,616,365
<b>EXPENDITURES</b>										
Operating	\$ 8,135,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,135,967
Capital Improvements	-	38,012,420	-	-	-	-	-	-	-	38,012,420
Community Assistance	-	-	-	-	-	-	-	-	-	-
Development Services	-	-	345,776	-	-	-	-	-	-	345,776
Public Safety	-	-	-	-	6,507,836	-	-	-	-	6,507,836
Public Works and Community	-	-	-	-	-	-	-	-	-	-
Service Projects	-	-	804,544	-	381,361	-	-	-	-	1,185,905
Housing Assistance	-	-	282,900	438,430	-	-	-	-	-	721,330
Pension Benefits/Retirement Cont.	-	-	-	-	-	-	-	8,900,200	-	8,900,200
Other	-	-	-	-	-	-	806,367	-	1,454,471	2,260,838
Total	\$ 8,135,967	\$ 38,012,420	\$ 1,433,220	\$ 438,430	\$ 6,889,197	\$ 0	\$ 806,367	\$ 8,900,200	\$ 1,454,471	\$ 66,070,272
<b>EXCESS (DEFICIENCY)</b>										
REVENUES OVER EXPENDITURES	607,860	(15,755,273)	-	-	99,540	80	4,097	(3,358,950)	(51,261)	(18,453,907)
FUND BALANCE, BEGINNING OF YEAR	6,378,867	35,829,697	6,859	765	663,807	25,552	399,865	499,491	368,261	44,173,164
FUND BALANCE, END OF YEAR	6,986,727	20,074,424	6,859	765	763,347	25,632	403,962	(2,859,459)	317,000	25,719,257

**2021 Summary by Fund Types - DEBT SERVICE**

		<u>SALES &amp; USE TAX BOND</u>
<b>REVENUES</b>		
Taxes and Assessments		\$ 16,692,860
Interest		156,434
	Total	<u>\$ 16,849,294</u>
<b>EXPENDITURES</b>		
Debt Service - Current		\$ 16,785,200
	Total	<u>\$ 16,785,200</u>
<b>EXCESS (DEFICIENCY)</b>		
<b>REVENUES OVER EXPENDITURES</b>		\$ 64,094
<b>FUND BALANCE, BEGINNING OF YEAR</b>		<u>17,199,332</u>
<b>FUND BALANCE, END OF YEAR</b>		<u><u>\$ 17,263,426</u></u>

2021 Summary by Fund Types - ENTERPRISE FUNDS

	<u>WATER AND SEWER OPERATING</u>	<u>WATER AND SEWER DEPRECIATION</u>	<u>WATER AND SEWER BOND</u>	<u>WATER AND SEWER CAP IMPROV PROJECTS</u>	<u>TOTAL</u>
<b>REVENUES</b>					
Service Charge Fees	\$ 55,092,857	\$ -	\$ -	\$ -	\$ 55,092,857
Interest	-	-	96,000	364,790	460,790
Miscellaneous	20,000	-	-	-	20,000
Bond Proceeds	-	-	-	-	-
Transfers In	-	-	19,120,035	-	19,120,035
Total	<u>\$ 55,112,857</u>	<u>\$ -</u>	<u>\$ 19,216,035</u>	<u>\$ 364,790</u>	<u>\$ 74,693,682</u>
<b>EXPENSES</b>					
Operating	\$ 55,117,239	\$ -	\$ -	\$ -	\$ 55,117,239
Capital Improvements	-	-	-	29,397,100	29,397,100
Debt Service:					
Current	-	-	19,120,035	-	19,120,035
Total	<u>\$ 55,117,239</u>	<u>\$ -</u>	<u>\$ 19,120,035</u>	<u>\$ 29,397,100</u>	<u>\$ 103,634,374</u>
<b>EXCESS (DEFICIENCY)</b>					
REVENUES OVER EXPENDITURES	\$ (4,382)	\$ -	\$ 96,000	\$ (29,032,310)	\$ (28,940,692)
<b>WORKING CAPITAL, BEGINNING OF YEAR</b>					
	<u>20,740,663</u>	<u>1,401,182</u>	<u>-</u>	<u>11,943,877</u>	<u>34,085,721</u>
<b>WORKING CAPITAL, END OF YEAR</b>					
	<u>\$ 20,736,281</u>	<u>\$ 1,401,182</u>	<u>\$ 96,000</u>	<u>\$ (17,088,433)</u>	<u>\$ 5,145,029</u>

**2021 Summary by Fund Types - ENTERPRISE FUNDS**

	<b>SOLID WASTE OPERATING</b>	<b>CLEAN-UP/ DEMOLITION</b>	<b>SINKING/ CONSTRUCTION</b>	<b>TOTAL</b>
<b>REVENUES</b>				
Taxes and Assessments	\$ -	\$ -	\$ -	\$ -
Service Charges and Fees	16,950,000	-	-	16,950,000
Interest	15,000	-	18,770	33,770
Miscellaneous	-	-	-	-
Transfers In	-	560,000	3,364,000	3,924,000
Total	<u>\$ 16,965,000</u>	<u>\$ 560,000</u>	<u>\$ 3,382,770</u>	<u>\$ 20,907,770</u>
<b>EXPI</b> Operating	16,848,328			16,848,328
Capital Improvements	-	-	1,610,000	1,610,000
Debt Service:				
Current	-	-	-	-
Other	-	720,611	-	720,611
Total	<u>\$ 16,848,328</u>	<u>\$ 720,611</u>	<u>\$ 1,610,000</u>	<u>\$ 19,178,939</u>
<b>EXCESS (DEFICIENCY)</b>				
<b>REVENUES OVER EXPENDITURES</b>	\$ 116,672	\$ (160,611)	\$ 1,772,770	\$ 1,728,831
<b>WORKING CAPITAL, BEGINNING OF YEAR</b>	<u>14,082,923</u>	<u>291,638</u>	<u>9,589,766</u>	<u>23,964,328</u>
<b>WORKING CAPITAL, END OF YEAR</b>	<u>\$ 14,199,595</u>	<u>\$ 131,027</u>	<u>\$ 11,362,536</u>	<u>\$ 25,693,159</u>
Adjustmet for CIP Transfers	<u>(8,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ADJUSTED WORKING CAPITAL, END OF YEAR</b>	<u>\$ 6,199,595</u>	<u>\$ 131,027</u>	<u>\$ 11,362,536</u>	<u>\$ 25,693,159</u>

**2021 Summary by Fund Types - PARKING AUTHORITY**

**REVENUES**

Service Charges and Fees		\$	124,000
Interest			<u>800</u>
	Total	\$	<u>124,800</u>

**EXPENDITURES**

Other:			
Deck Support/Cleaning			477,100
Deck Support Personnel			<u>77,704</u>
	Total	\$	<u>554,804</u>

**Excess (Deficiency)**

Revenues Over Expenditures	\$	(430,004)
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**WORKING CAPITAL, BEGINNING OF YEAR** 240,045

**WORKING CAPITAL, END OF YEAR** \$ (189,959)

**INTERNAL SERVICE FUNDS**

	<u>WORKING CAPITAL</u>	<u>HEALTH INSURANCE</u>	<u>WORKERS' COMPENSATION</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Service Charges and Fees	\$ 493,100	\$ 9,199,400	\$ 918,417	\$ 10,610,917
Interest		<u>14,380</u>	<u>1,860</u>	<u>16,240</u>
Total	\$ <u>493,100</u>	\$ <u>9,213,780</u>	\$ <u>920,277</u>	\$ <u>10,627,157</u>
<b>EXPENSES</b>				
Health Insurance and Workers' Compensation Claims	\$	\$ 8,660,500	\$ 918,417	\$ 9,578,917
Other - Materials and Supplies		<u>482,600</u>		<u>482,600</u>
Total	\$ <u>482,600</u>	\$ <u>8,660,500</u>	\$ <u>918,417</u>	\$ <u>10,061,517</u>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	\$ 10,500	\$ 553,280	\$ 1,860	\$ 565,640
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>152,329</u>	<u>5,082,187</u>	<u>2,272,986</u>	<u>7,507,502</u>
<b>FUND BALANCE END OF YEAR</b>	<u><u>162,829</u></u>	<u><u>5,635,467</u></u>	<u><u>2,274,846</u></u>	<u><u>8,073,142</u></u>

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## **OPERATING FUNDS BUDGET SUMMARIES**

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

The Budget Comparison Summary for the Operating Funds and individually for each fund compare FY20 Estimated to FY21 budget.

The Statement of Revenue Comparisons for the Operating Funds and individually for each fund compares revenues based on Actual FY19, Budget and Estimated FY20, and Budget FY21. Projections for FY22 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 FY21 and FY22.

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**City of Fort Smith  
FY21  
Budget Comparison Summary-Operating Funds**

	Estimated FY20	Budget FY21	Increase (Decrease)	Projected FY22
<b>Revenues</b>				
Intergovernmental	\$ 10,790,470	\$ 11,163,855	\$ 373,385	\$ 11,163,855
Taxes and Assessments	34,107,619	34,257,651	150,032	34,296,372
Court Fines and Forfeitures	1,749,287	1,750,000	713	1,750,000
Licenses and Permits	2,019,057	1,971,699	(47,359)	2,152,639
Service Charges and Fees	68,421,645	72,580,063	4,158,419	72,924,263
Contributions	834,233	-	(834,233)	-
Miscellaneous	512,616	120,500	(392,116)	120,500
Transfers	114,500	125,000	10,500	125,000
Total	<u>\$ 118,549,427</u>	<u>\$ 121,968,768</u>	<u>\$ 3,419,341</u>	<u>\$ 122,532,629</u>
<b>Expenditures/Expenses</b>				
Policy and Administration				
Services	\$ 3,313,884	\$ 3,763,085	\$ 449,201	\$ 3,763,085
Management Services	7,242,478	7,807,356	564,878	7,807,356
Development Services	1,689,489	1,882,121	192,632	1,882,121
Police Services	14,203,912	16,939,537	2,735,625	16,939,537
Fire Services	11,486,318	12,050,201	563,883	12,050,201
Operation Services	66,908,151	73,268,042	6,359,891	73,268,042
Non-Departmental	8,002,251	7,209,442	(792,809)	7,209,442
Total	<u>\$ 112,846,484</u>	<u>\$ 122,919,784</u>	<u>\$ 10,073,300</u>	<u>\$ 122,919,784</u>
<b>Excess (Deficiency)</b>				
Revenues Over				
Expenditures/Expenses	\$ 5,702,942	\$ (951,017)	\$ (6,653,959)	\$ (387,156)
<b>Fund Balance/Working</b>				
Capital, Beginning of Year	\$ <u>60,863,303</u>	\$ <u>65,566,245</u>	\$ <u>4,702,942</u>	\$ <u>56,615,228</u>
<b>Fund Balance/Working</b>				
Capital, End of Year	66,566,245	64,615,228	(1,951,017)	56,228,072
Adjustment for CIP Transfers	<u>1,000,000</u>	<u>8,000,000</u>	<u>7,000,000</u>	<u>-</u>
Adjusted Fund Balance/ Working Capital, End of Year	<u>\$ 65,566,245</u>	<u>\$ 56,615,228</u>	<u>\$ (8,951,017)</u>	<u>\$ 56,228,072</u>
Contingency Reserve Percent	58.1%	46.1%		45.7%

**City of Fort Smith  
FY21  
Budget Comparison Summary-General Fund**

	Estimated FY20	Budget FY21	Increase (Decrease)	Projected FY22
<b>Revenues</b>				
Intergovernmental	\$ 5,445,642	\$ 4,907,000	\$ (538,642)	\$ 4,907,000
Taxes and Assessments	31,866,664	31,988,679	122,015	32,027,400
Court Fines and Forfeitures	1,749,287	1,750,000	713	1,750,000
Licenses and Permits	1,836,557	1,789,199	(47,359)	1,970,139
Service Charges and Fees	413,833	537,206	123,373	542,406
Contributions	834,233	-	(834,233)	-
Miscellaneous	434,760	50,000	(384,760)	50,000
Transfers	114,500	125,000	10,500	125,000
Total	<u>42,695,476</u>	<u>41,147,084</u>	<u>(1,548,392)</u>	<u>41,371,945</u>
<b>Expenditures</b>				
Policy and Administration Services	2,252,102	2,537,601	285,500	2,537,601
Management Services	2,116,280	2,288,055	171,775	2,288,055
Development Services	1,366,070	1,516,694	150,624	1,516,694
Police Services	14,203,912	16,939,537	2,735,625	16,939,537
Fire Services	11,486,318	12,050,201	563,883	12,050,201
Operation Services	5,119,321	4,859,905	(259,416)	4,859,905
Non-Departmental	2,631,756	2,626,257	(5,499)	2,626,257
Total	<u>39,175,759</u>	<u>42,818,251</u>	<u>3,642,491</u>	<u>42,818,251</u>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	3,519,716	(1,671,167)	(5,190,883)	(1,446,306)
Fund Balance, Beginning of Year	<u>21,844,076</u>	<u>24,363,792</u>	<u>2,519,716</u>	<u>22,692,625</u>
Fund Balance, End of Year	<u>25,363,792</u>	<u>22,692,625</u>	<u>(2,671,167)</u>	<u>21,246,319</u>
Adjustment for Transfers (LOPFI)	1,000,000	-	(1,000,000)	-
Fund Balance, End of Year	<u>\$ 24,363,792</u>	<u>\$ 22,692,625</u>	<u>(1,671,167)</u>	<u>\$ 21,246,319</u>
Contingency Reserve Percent	62.2%	53.0%		49.6%

**City of Fort Smith  
FY21  
Budget Comparison Summary-Street Maintenance Fund**

	Estimated FY20	Budget FY21	Increase (Decrease)	Projected FY22
<b>Revenues</b>				
Intergovernmental	\$ 5,344,828	\$ 6,256,855	\$ 912,027	\$ 6,256,855
Taxes and Assessments	2,240,955	2,268,972	28,017	2,268,972
Licenses and Permits	182,500	182,500	-	182,500
Miscellaneous	42,856	35,500	(7,356)	35,500
	<u>7,811,139</u>	<u>8,743,827</u>	<u>932,688</u>	<u>8,743,827</u>
<b>Total</b>				
<b>Expenditures</b>				
Policy and Administration Services	178,558	224,656	46,098	224,656
Management Services	743,011	794,946	51,934	794,946
Development Services	68,885	76,305	7,420	76,305
Operation Services	5,564,788	6,481,980	917,192	6,481,980
Non-Departmental	524,920	558,080	33,160	558,080
	<u>7,080,163</u>	<u>8,135,967</u>	<u>1,055,804</u>	<u>8,135,967</u>
<b>Total</b>				
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	730,976	607,860	(123,116)	607,860
<b>Fund Balance, Beginning of Year</b>				
	<u>5,647,891</u>	<u>6,378,867</u>	<u>730,976</u>	<u>6,986,727</u>
<b>One Time Fund Balance - Transfer to Sinking Fund</b>				
	-	-	-	-
<b>Fund Balance, End of Year</b>				
	<u>\$ 6,378,867</u>	<u>\$ 6,986,727</u>	<u>\$ 607,860</u>	<u>\$ 7,594,587</u>
<b>Contingency Reserve Percent</b>				
	90.1%	85.9%		93.3%

Fund balance includes \$1,704,884 for Reserve for Asset Replacement.

**City of Fort Smith  
FY21  
Budget Comparison Summary-Water and Sewer Operating Fund**

	Estimated FY20	Budget FY21	Increase (Decrease)	Projected FY22
<b>Revenues</b>				
Services Charges and Fees	\$ 51,747,812	\$ 55,092,857	\$ 3,345,046	\$ 55,092,857
Miscellaneous	20,000	20,000	-	20,000
Total	<u>51,767,812</u>	<u>55,112,857</u>	<u>3,345,046</u>	<u>55,112,857</u>
<b>Expenses</b>				
Policy and Administration Services	558,299	616,509	58,210	616,509
Management Services	3,166,858	3,415,043	248,185	3,415,043
Development Services	254,534	289,122	34,588	289,122
Operation Services	45,708,503	50,605,460	4,896,957	50,605,460
Non-Departmental	1,191,105	191,105	(1,000,000)	191,105
Total	<u>50,879,299</u>	<u>55,117,239</u>	<u>4,237,940</u>	<u>55,117,239</u>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	888,512	(4,382)	(892,894)	(4,382)
Working Capital, Beginning of Year	<u>19,852,151</u>	<u>20,740,663</u>	<u>888,512</u>	<u>20,736,281</u>
Working Capital, End of Year	20,740,663	20,736,281	(4,382)	20,731,899
Adjustment for CIP Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Working Capital, End of Year	<u>\$ 20,740,663</u>	<u>\$ 20,736,281</u>	<u>\$ (4,382)</u>	<u>\$ 20,731,899</u>
Contingency Reserve Percent	40.8%	37.6%		37.6%

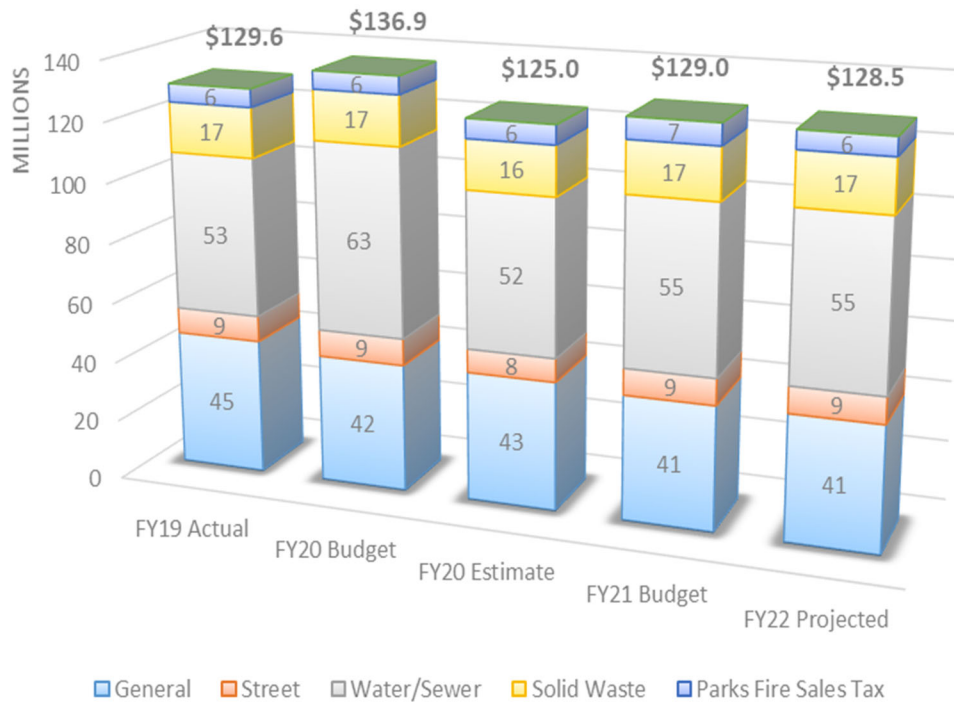
**City of Fort Smith  
FY21  
Budget Comparison Summary-Solid Waste Operating Fund**

	Estimated FY20	Budget FY21	Increase (Decrease)	Projected FY22
<b>Revenues</b>				
Service Charges and Fees	\$ 16,260,000	\$ 16,950,000	\$ 690,000	\$ 16,950,000
Miscellaneous	15,000	15,000	-	15,000
Total	<u>16,275,000</u>	<u>16,965,000</u>	<u>690,000</u>	<u>16,965,000</u>
<b>Expenses</b>				
Policy and Administration Services	324,925	384,318	59,393	384,318
Management Services	1,216,329	1,309,312	92,984	1,309,312
Operation Services	10,515,539	11,320,697	805,158	11,320,697
Non-Departmental	<u>3,654,470</u>	<u>3,834,000</u>	<u>179,530</u>	<u>3,834,000</u>
Total	<u>15,711,263</u>	<u>16,848,328</u>	<u>1,137,065</u>	<u>16,848,328</u>
<b>Excess (Deficiency)</b>				
Revenues Over Expenditures	563,737	116,672	(447,065)	116,672
<b>Working Capital, Beginning of Year</b>				
	<u>13,519,186</u>	<u>14,082,923</u>	<u>563,737</u>	<u>6,199,595</u>
<b>Working Capital, End of Year</b>				
	14,082,923	14,199,595	116,672	6,316,268
<b>Adjustment for CIP Transfers</b>				
	<u>-</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>
<b>Adjusted Working Capital, End of Year</b>				
	<u>\$ 14,082,923</u>	<u>\$ 6,199,595</u>	<u>\$ (7,883,328)</u>	<u>\$ 6,316,268</u>
<b>Contingency Reserve Percent</b>				
	89.6%	36.8%		37.5%

**Combined Operating Funds  
Statement of Revenue Comparisons**

	<u>Actual FY19</u>	<u>Budget FY20</u>	<u>Estimated FY20</u>	<u>Budget FY21</u>	<u>Projected FY22</u>
Intergovernmental	\$ 11,393,304	\$ 11,201,325	\$ 10,790,470	\$ 11,163,855	\$ 11,163,855
Taxes and Assessments	38,919,146	39,898,982	39,671,906	39,715,993	39,808,372
Court Fines and Forfeitures	1,615,269	1,750,030	1,749,287	1,750,000	1,750,000
Licenses and Permits	2,097,689	2,089,900	2,019,057	1,971,699	2,152,639
Service Charges and Fees	69,077,718	79,798,192	68,421,645	72,580,063	72,924,263
Contributions	1,352,276	1,323,477	1,674,994	1,570,000	500,000
Miscellaneous	4,971,043	637,439	512,616	120,500	120,500
Transfers	126,637	125,000	114,500	125,000	125,000
<b>Total</b>	<b>\$ 129,553,081</b>	<b>\$ 136,824,345</b>	<b>\$ 124,954,475</b>	<b>\$ 128,997,109</b>	<b>\$ 128,544,629</b>

**Combined Operating Funds  
Comparison of Total Revenue**



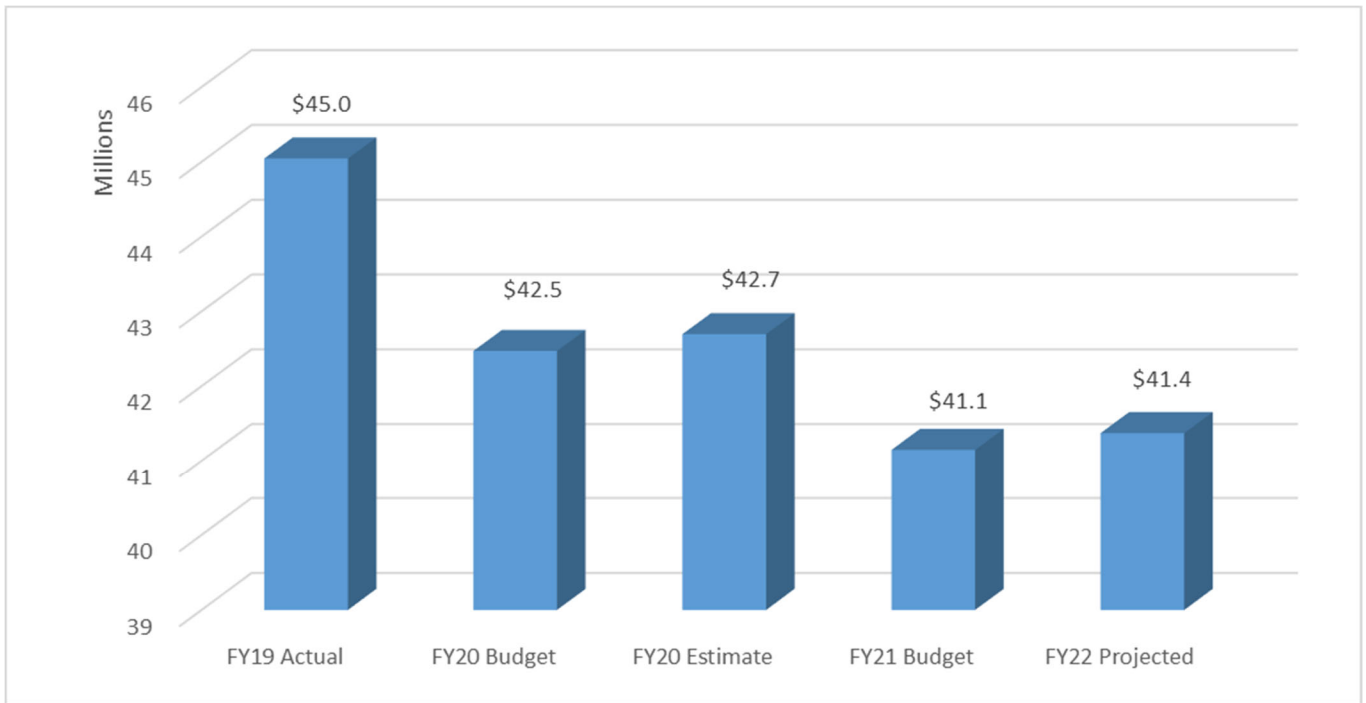
# General Fund

## Statement of Revenue Comparisons

	Actual FY19	Budget FY20	Estimated FY20	Budget FY21	Projected FY22
Intergovernmental					
State Turnback - General	\$ 1,292,470	\$ 1,275,000	\$ 1,243,163	\$ 1,243,000	\$ 1,243,000
Transit Reimbursement	2,724,887	2,284,350	2,721,208	2,721,000	2,721,000
Airport Security Reimbursement	100,764	113,000	85,067	85,000	85,000
State Act 833 Fire Funds	114,620	100,000	100,000	0	0
Gasoline Tax Refund-Transit	12,644	12,000	12,300	12,000	12,000
Federal Grant	21,953	314,120	314,120	0	0
State Grant Revenue-Parks	240,374	0	142,680	0	0
Sebastian County Participation	511,035	490,000	471,104	490,000	490,000
Reimbursement from Enhanced 9-1-1 Fund	255,000	255,000	255,000	255,000	255,000
Reimbursement from FSPS for SRO Positions	42,345	101,000	101,000	101,000	101,000
	<u>5,316,092</u>	<u>4,944,470</u>	<u>5,445,642</u>	<u>4,907,000</u>	<u>4,907,000</u>
Taxes and Assessments					
Franchise	6,272,963	6,517,000	6,471,594	6,500,000	6,500,000
Property Taxes	7,674,292	8,195,200	7,572,671	7,666,279	7,705,000
County Sales Tax	17,264,744	17,292,240	17,822,399	17,822,400	17,822,400
1/4% City Sales Tax-Fire & Parks	0	0	0	0	0
	<u>31,211,999</u>	<u>32,004,440</u>	<u>31,866,664</u>	<u>31,988,679</u>	<u>32,027,400</u>
Court Fines and Forfeitures	<u>1,615,269</u>	<u>1,750,030</u>	<u>1,749,287</u>	<u>1,750,000</u>	<u>1,750,000</u>
Licenses and Permits					
Business License	339,415	364,000	180,940	183,060	364,000
Construction	829,391	855,850	1,063,791	946,591	946,591
Alcohol	709,145	607,050	575,150	642,148	642,148
Other	16,314	63,000	16,676	17,400	17,400
	<u>1,894,265</u>	<u>1,889,900</u>	<u>1,836,557</u>	<u>1,789,199</u>	<u>1,970,139</u>
Service Charges and Fees					
Community Center	31,539	29,000	4,000	29,000	29,000
Fire Protection Contracts	99,740	90,000	99,740	99,740	99,740
Parks & Aquatics	157,549	152,200	31,063	94,306	94,306
Oak Cemetery	128,720	75,000	118,400	100,000	100,000
Animal Control	0	200	0	0	200
False Alarm Fees	20,200	35,000	12,800	16,500	16,500
Mobile Data Support Fees	4,160	4,160	4,160	4,160	4,160
Transit System	209,027	193,500	143,670	193,500	198,500
	<u>650,935</u>	<u>579,060</u>	<u>413,833</u>	<u>537,206</u>	<u>542,406</u>
Contributions	<u>706,764</u>	<u>823,477</u>	<u>834,233</u>	<u>0</u>	<u>0</u>
Miscellaneous					
Interest Earned	56,647	25,000	89,534	50,000	50,000
Property Sales and Proceeds	117,698	500	0	0	0
Other	3,348,837	329,171	345,226	0	0
	<u>3,523,182</u>	<u>354,671</u>	<u>434,760</u>	<u>50,000</u>	<u>50,000</u>
Transfers					
Sales Tax Fund**	0	0	0	0	0
A&P Fund	26,637	25,000	14,500	25,000	25,000
Street Maintenance Fund	0	0	0	0	0
Water and Sewer Oper Fund	100,000	100,000	100,000	100,000	100,000
Sanitation Operating Fund	0	0	0	0	0
	<u>126,637</u>	<u>125,000</u>	<u>114,500</u>	<u>125,000</u>	<u>125,000</u>
Total	<u>\$ 45,045,142</u>	<u>\$ 42,471,048</u>	<u>\$ 42,695,476</u>	<u>\$ 41,147,083</u>	<u>\$ 41,371,945</u>

# General Fund

## Comparison of Total Revenue



### Revenue Comment

Total revenue of the General Fund FY21 Budget is estimated to decrease by approximately \$1,548,392 or 3.6% from FY20 Estimated. This is primarily due to a decrease in Grants and Contributions.

The General Turnback from the state was \$15.50 for FY19. The estimate for FY20 is \$15.50 and is anticipated to be \$15.50 per capita for FY21 and FY22.

The Franchise Fee, beginning FY18, has been increased to 4.25% for utility companies and increased to 5% for cable companies. The Franchise Fee was 4% for utilities and cable in FY16 and FY17. This is the maximum allowed by state statute. Franchise Fees are assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenues are expected to remain flat in FY21.

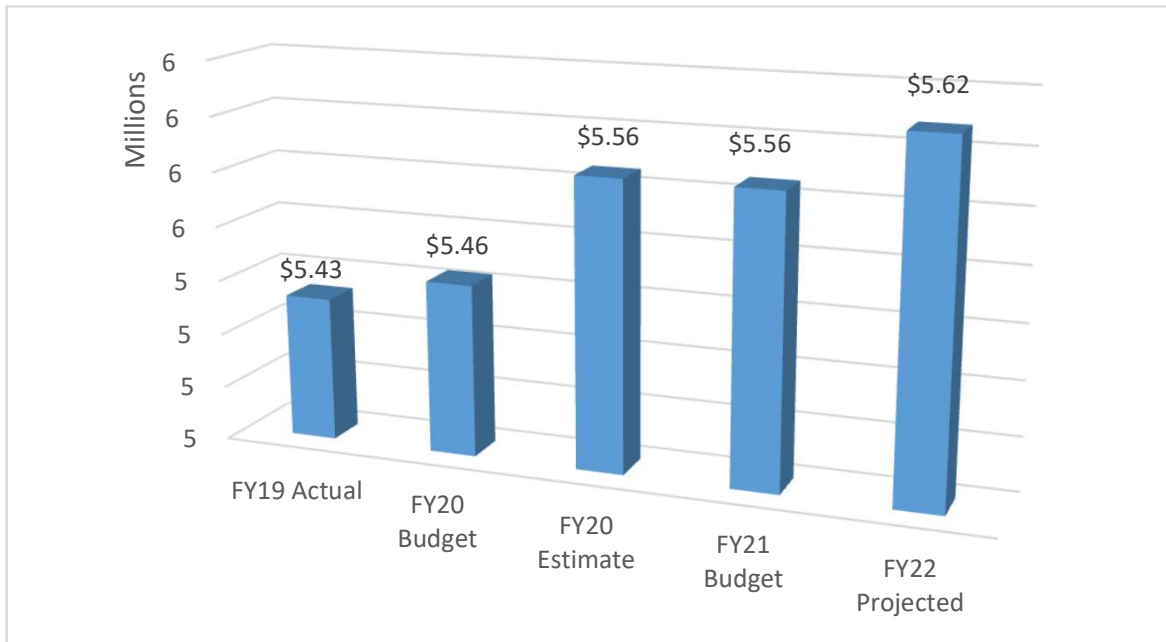
The property tax assessment for General Fund use remains at 5.0 mills for all four years presented. This is the maximum rate allowed by state statutes. The ad valorem tax revenue is a product of the millage rate assessed upon the real estate and personal property values within the city limits. Projections for FY21 are 1.2% higher than FY20 Estimated.

The city's share of the county sales tax is allocated to the General Fund. There is no estimated increase in revenue for FY21 from the estimated FY20. Projections for FY22 will remain flat as well.

The city's 1/4% sales tax allocated for fire and parks programs is anticipated to decrease by 1.9% for FY21 and increase by 1% in FY22. This sales tax has been presented separately for budget planning purposes.



# Fire and Parks City Sales Tax (General Fund)



## Revenue Comment

The City's 1/4% sales tax allocated for fire and parks programs is posted to the General Fund. In the 2021 Budget, this sales tax is presented separately from the General Fund for planning purposes only.

The sales tax revenue is anticipated to decrease by 1.9% for FY21 and increase by 1% in FY22. The sales tax continues to fluctuate throughout the year and maintains a steady rate. While slight increases are expected for 2022, long-term projections still hold the revenue at or near \$5.6 million.

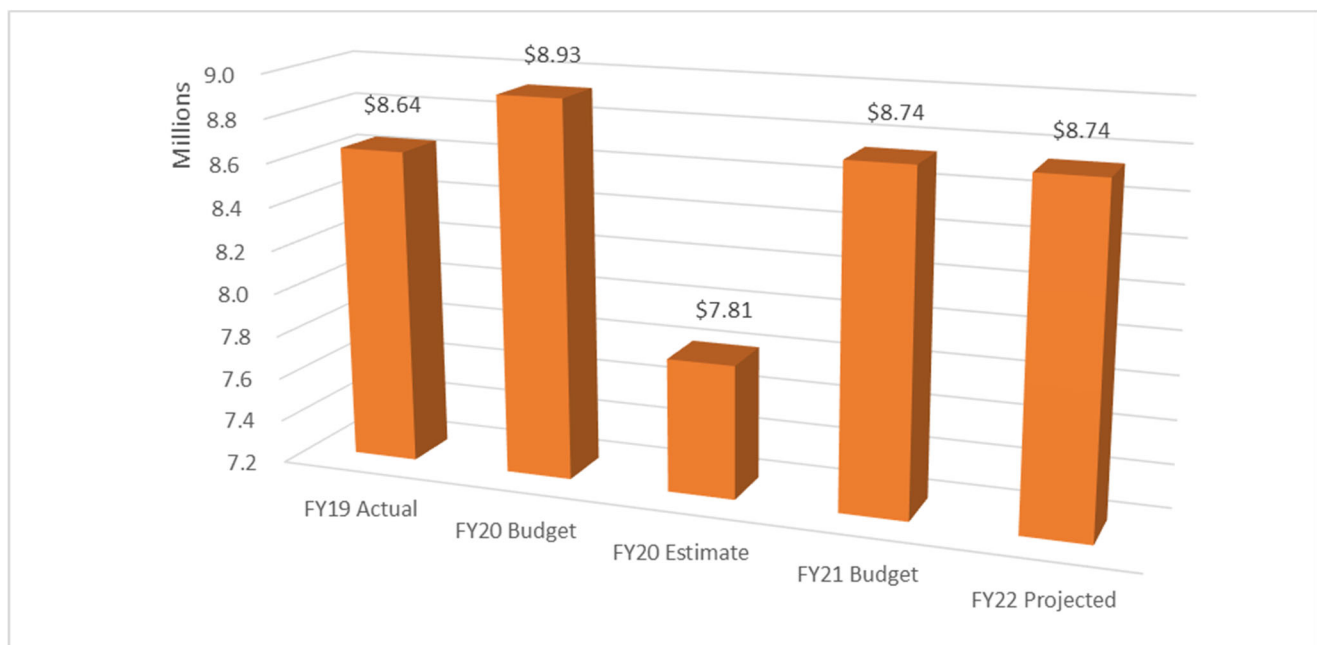
# Street Maintenance Fund

## Statement of Revenue Comparisons

	<b>Actual FY19</b>	<b>Budget FY20</b>	<b>Estimated FY20</b>	<b>Budget FY21</b>	<b>Projected FY22</b>
Intergovernmental					
State Turnback -					
Gasoline Tax	\$ 4,084,047	\$ 4,170,312	\$ 3,384,273	\$ 4,170,312	\$ 4,170,312
Highway Sales Tax	1,993,165	2,086,543	1,960,555	2,086,543	2,086,543
Taxes and Assessments					
Property Taxes	2,274,582	2,436,200	2,240,955	2,268,972	2,268,972
Licenses and Permits					
Sidewalk Permit Assessments	203,424	200,000	182,500	182,500	182,500
Miscellaneous					
Interest Earned	15,716	5,500	5,500	5,500	5,500
Other	73,126	30,000	37,356	30,000	30,000
<b>Total</b>	<b>\$ 8,644,059</b>	<b>\$ 8,928,555</b>	<b>\$ 7,811,139</b>	<b>\$ 8,743,827</b>	<b>\$ 8,743,827</b>

## 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 50% 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 \$46.49 for FY19 and \$38.53 for FY20 Estimated. The per capita for FY21 and FY22 is \$47.47.

Beginning July 1, 2013, the city began receiving a share of the 1/2% state sales tax dedicated to highway improvements. The FY20 revenue is estimated at \$1.9 million. This shared revenue is allocated based on the population that is currently 87,845 per the 2018 census. The per capita turnback for the highway sales tax is \$22.69 for FY19, \$22.32 for FY20 Estimated and \$23.75 for FY21 and FY22. The AML provides estimates each year. This tax is in place until June 30, 2023.

Ad valorem tax revenue for the Street Maintenance Fund is expected to remain flat in 2021. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes.

The permit assessment fees applied to building permits are accounted for in the Street Maintenance Fund. This revenue is expected to generate \$182,500 in FY21 and FY22.

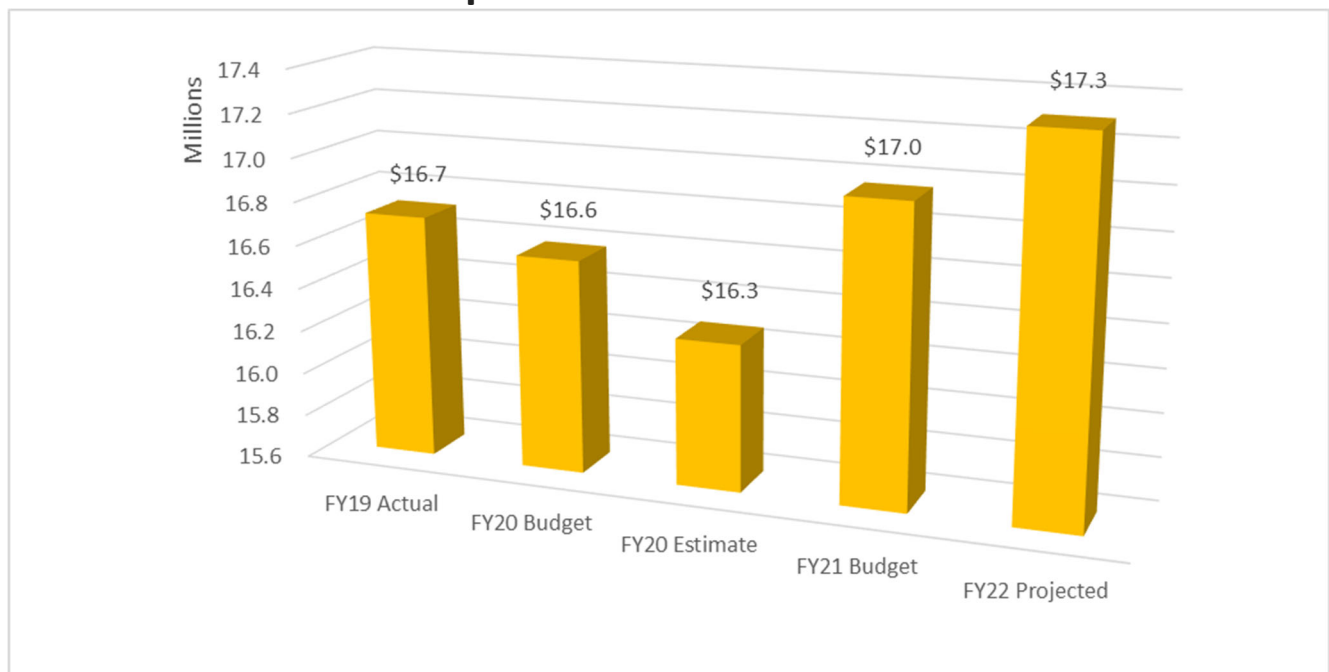
# Solid Waste Operating Fund

## Statement of Revenue Comparisons

	Actual FY19	Budget FY20	Estimated FY20	Budget FY21	Projected FY22
<b>Service Charges and Fees</b>					
Residential Collections	\$ 4,267,426	\$ 5,000,000	\$ 4,700,000	\$ 5,200,000	\$ 5,304,000
Commercial Collections	2,655,180	2,500,000	2,410,000	2,650,000	2,703,000
Sanitary Landfill Operations	7,324,065	5,700,000	6,050,000	6,000,000	6,120,000
Roll-Off Collections	1,476,380	2,300,000	2,250,000	2,250,000	2,295,000
Sale of Methane Gas	828,976	900,000	850,000	850,000	867,000
Recycling Operations	0	0	0	0	0
<b>Miscellaneous</b>					
Interest Earned	0	15,000	15,000	15,000	15,000
Other	169,597	169,440	0	0	0
<b>Total</b>	<b>\$ 16,721,625</b>	<b>\$ 16,584,440</b>	<b>\$ 16,275,000</b>	<b>\$ 16,965,000</b>	<b>\$ 17,304,000</b>

## Solid Waste 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.

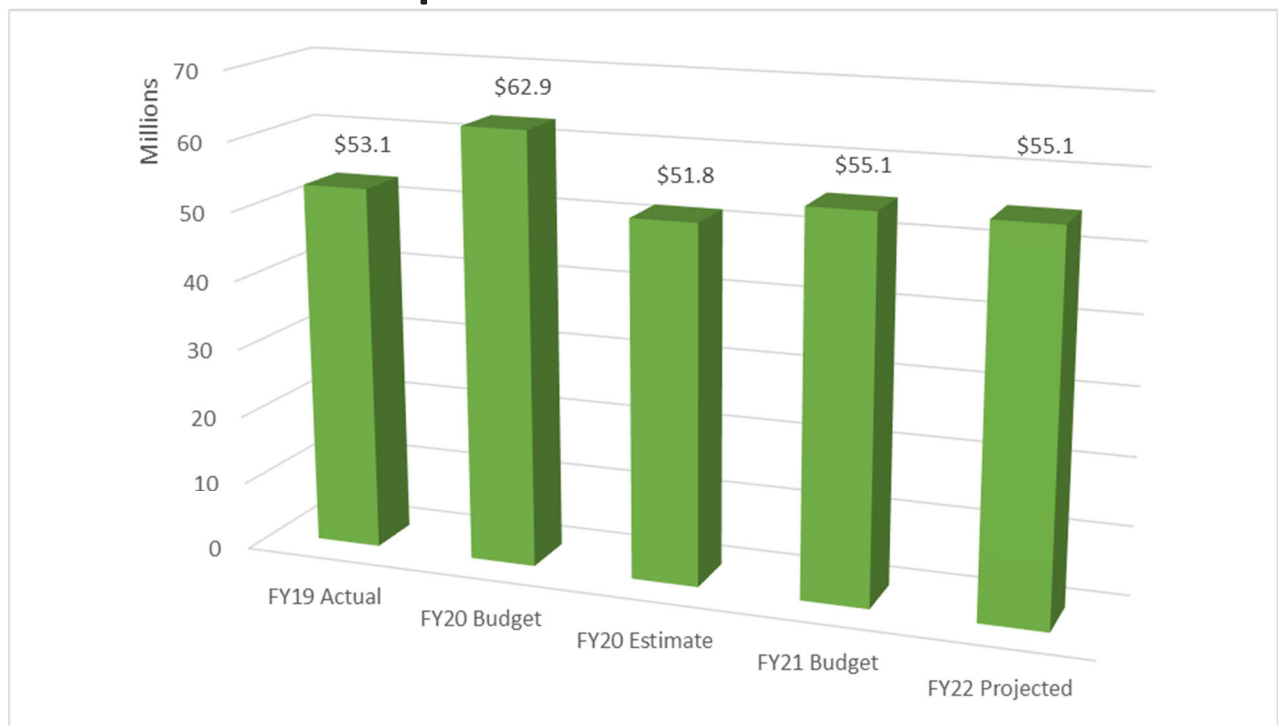
Revenues generated by residential, commercial, industrial, and roll-off services are anticipated to increase by \$740,000 or 7.9% from 2020. This is due to a Residential and Commercial Collection rate increase adopted by O-69-20.

Landfill operations are expected to remain flat between FY20 and FY21.

# Water and Sewer Operating Fund Statement of Revenue Comparisons

	<u>Actual FY19</u>	<u>Budget FY20</u>	<u>Estimated FY20</u>	<u>Budget FY21</u>	<u>Projected FY22</u>
<b>Service Charges and Fees</b>					
Water Sales	\$ 15,831,273	\$ 20,357,145	\$ 16,385,015	\$ 17,900,000	\$ 17,900,000
Monthly Customer Charges	29,072	773,633	28,491	46,275	46,275
Contract Water Sales	7,448,915	6,795,425	7,311,237	8,000,000	8,000,000
Fire Protection	67,092	54,810	65,750	66,408	66,408
Installations - Water Service	336,607	258,084	329,875	333,174	333,174
Sewer Service Charges	27,903,887	34,433,875	27,500,000	28,600,000	28,600,000
Sewer Connection Charges	77,866	75,110	65,492	75,000	75,000
Industrial Waste Monitoring F	180,044	71,050	61,952	72,000	72,000
<b>Miscellaneous</b>					
Interest Earned	7,804	20,300	0	0	0
Other	1,181,618	42,528	20,000	20,000	20,000
<b>Total</b>	<b>\$ 53,064,178</b>	<b>\$ 62,881,960</b>	<b>\$ 51,767,812</b>	<b>\$ 55,112,857</b>	<b>\$ 55,112,857</b>

## Water and Sewer Operating Fund Comparison of Total Revenue



## **Revenue Comment**

Service charges and fees account for more than 99% of the total revenue for this fund. Total revenue of the fund in FY21 is anticipated to be \$3,345,045 or 6% more than FY20. Consumption level is expected to be slightly elevated in FY21.

Water sales from residential, commercial, and industrial users are expected to increase by 8.5% between FY20 and FY21. Water sales to Van Buren and the other contract users are also anticipated to increase by 8.6%. Sewer service charges for FY21 will be expected to increase by 3.8%.

Water rate adjustments are included in the FY21 Budget.

**Distribution of Appropriations to the Operating Funds  
FY21 Budget**

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water &amp; Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Policy &amp; Administrative Services</b>					
4100 Mayor	249,624	99,850	12,481	84,872	22,466
4101 Board of Directors	129,365	36,222	10,349	47,865	23,286
4102 City Admin	668,637	120,355	53,491	314,259	133,727
4201 District Court	1,558,950	1,558,950	-	-	-
4202 City Prosecutor	195,886	195,886	-	-	-
4203 Public Defender	92,500	92,500	-	-	-
4204 City Attorney	518,000	259,000	129,500	-	129,500
4206 District Court - State Division	41,500	41,500	-	-	-
4207 District Court - DWI Court	58,000	58,000	-	-	-
4405 Internal Auditor	376,695	75,339	18,835	169,513	75,339
<b>Total Policy and Administration Services Division*</b>	<b>3,889,157</b>	<b>2,537,601</b>	<b>224,656</b>	<b>616,509</b>	<b>384,318</b>
<b>Management Services</b>					
4104 Human Resources	567,179	198,513	56,718	198,513	85,077
4105 City Clerk	331,999	92,960	26,560	122,840	59,760
4301 Finance	1,774,162	319,349	177,416	745,148	266,124
4303 Collections	-	-	-	-	-
4304 Utility Billin/Customer Service	-	-	-	-	-
4306 Purchasing	668,364	200,509	80,204	247,295	100,255
4401 Information & Technology Svcs	3,924,562	1,452,088	392,456	1,177,368	588,684
5520 Citizens Service	1,231,839	24,637	61,592	923,879	209,413
6921 Public Parking Deck	456,990	-	-	-	-
<b>Total Management Services Division*</b>	<b>8,955,095</b>	<b>2,288,055</b>	<b>794,946</b>	<b>3,415,043</b>	<b>1,309,312</b>
<b>Development Services</b>					
4103 Engineering	1,526,102	30,522	76,305	122,088	-
4106 Planning & Zoning	835,169	542,860	-	167,034	-
4107 Community Development	345,776	-	-	-	-
4108 Building Safety	943,312	943,312	-	-	-
6900 Neighborhood Services	720,611	-	-	-	-
<b>Total Development Services Division*</b>	<b>4,370,970</b>	<b>1,516,694</b>	<b>76,305</b>	<b>289,122</b>	<b>-</b>
<b>Police Services</b>					
4701 Administration	2,580,802	2,580,802	-	-	-
4702 Support Services	3,611,904	3,611,904	-	-	-
4703 Investigations	2,627,655	2,627,655	-	-	-
4704 Patrol	6,990,003	6,990,003	-	-	-
4706 Airport Services	219,118	219,118	-	-	-
4707 Animal Services	910,055	910,055	-	-	-
11076900 Police Grant	42,310	-	-	-	-
6920 Parking Enforcement	97,814	-	-	-	-
<b>Total Police Services Division*</b>	<b>17,079,661</b>	<b>16,939,537</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fire Services</b>					
4801 Administration	891,382	891,382	-	-	-
4802 Suppression	10,888,632	10,888,632	-	-	-
4803 1/8% Sales Tax	-	-	-	-	-
4804 Training	270,187	270,187	-	-	-
<b>Total Fire Services Division</b>	<b>12,050,201</b>	<b>12,050,201</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note\*- Variance in totals is due to allocation to funds other than the four budgeted operating funds.

**Distribution of Appropriations to the Operating Funds  
FY21 Budget**

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water &amp; Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Operation Services</b>					
<b>Streets &amp; Traffic Control</b>					
5101 Administration	592,651	-	592,651	-	-
5302 Street Construction	683,459	-	683,459	-	-
5303 Street Drainage	1,041,258	-	1,041,258	-	-
5304 Street Maintenance	890,457	-	890,457	-	-
5305 Sidewalk Construction	910,003	-	910,003	-	-
5401 Traffic Control	1,093,133	-	1,093,133	-	-
5403 Street Lighting	1,050,000	-	1,050,000	-	-
<b>Total Streets and Traffic Control</b>	<b>6,260,961</b>	<b>-</b>	<b>6,260,961</b>	<b>-</b>	<b>-</b>
<b>Operation Services - Water &amp; Sewer</b>					
5501 Utility Administration	1,146,712	-	-	1,146,712	-
5521 Business Operations	1,264,003	-	-	1,264,003	-
5522 Communications & Training	769,288	-	-	769,288	-
5523 Engineering & Tech	2,831,405	-	-	2,831,405	-
5590 Non-Capital Projects	1,715,000	-	-	1,715,000	-
56560300 Water Reclamation	4,520,022	-	-	4,520,022	-
55560400 Water Treatment	4,906,905	-	-	4,906,905	-
5610 Water Line Maintenance	5,758,328	-	-	5,758,328	-
5611 Water Reclamation Maint	3,345,313	-	-	3,345,313	-
5618 Debt Service	19,120,035	-	-	19,120,035	-
5625 Environmental Quality	1,822,584	-	-	1,822,584	-
5626 Easement, Building, Station Maintenance	3,405,865	-	-	3,405,865	-
<b>Total Water and Sewer</b>	<b>50,605,460</b>	<b>-</b>	<b>-</b>	<b>50,605,460</b>	<b>-</b>
<b>Operation Services - Solid Waste</b>					
6301 Administration	704,971	-	-	-	704,971
6302 Residential Collections	2,257,112	-	-	-	2,257,112
6303 Commercial Collections	1,296,732	-	-	-	1,296,732
6304 Fleets & Grounds Maintenance	1,255,628	-	-	-	1,255,628
6305 Sanitary Landfill	3,895,232	-	-	-	3,895,232
6307 Industrial Collection	1,131,973	-	-	-	1,131,973
6308 Waste Reduction	779,049	-	-	-	779,049
<b>Total Sanitation</b>	<b>11,320,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,320,697</b>
<b>Operation Services - Parks</b>					
6201 Parks Maintenance (Operating)	1,473,460	1,252,441	221,019	-	-
6201 Parks Maintenance (Capital)	-	-	-	-	-
6202 Oak Cemetery	136,340	136,340	-	-	-
6204 Community Centers	160,162	160,162	-	-	-
6205 Aquatics	171,577	171,577	-	-	-
6206 Riverfront/Downtown Maintenance	356,802	356,802	-	-	-
6207 Park at West End	31,179	31,179	-	-	-
6208 1/8% Sales Tax	-	-	-	-	-
<b>Total Parks and Community Services</b>	<b>2,329,520</b>	<b>2,108,501</b>	<b>221,019</b>	<b>-</b>	<b>-</b>

Note\*- Variance in totals is due to allocation to funds other than the four budgeted operating funds.



**Distribution of Appropriations to the Operating Funds  
FY21 Budget**

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water &amp; Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Operation Services - Transit</b>					
01016550 Transit	2,563,233	2,563,233	-	-	-
<b>Total Transit</b>	<b>2,563,233</b>	<b>2,563,233</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Health</b>					
6101 Health	188,171	188,171	-	-	-
<b>Total Health</b>	<b>188,171</b>	<b>188,171</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Departmental</b>					
11130180 Convention & Visitors Bureau	806,367	-	-	-	-
6600 Non-Departmental	7,209,442	2,626,257	558,080	191,105	3,834,000
<b>Total Non-Departmental*</b>	<b>8,015,809</b>	<b>2,626,257</b>	<b>558,080</b>	<b>191,105</b>	<b>3,834,000</b>
<b>Total*</b>	<b>127,628,935</b>	<b>42,818,251</b>	<b>8,135,967</b>	<b>55,117,239</b>	<b>16,848,328</b>

Note\*- Variance in totals is due to allocation to funds other than the four budgeted operating funds.

## Distribution of Appropriations to the Operating Funds FY22 Budget

	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
<b>Policy &amp; Administrative Services</b>					
4100 Mayor	249,624	99,850	12,481	84,872	22,466
4101 Board of Directors	129,365	36,222	10,349	47,865	23,286
4102 City Admin	668,637	120,355	53,491	314,259	133,727
4201 District Court	1,558,950	1,558,950	-	-	-
4202 City Prosecutor	195,886	195,886	-	-	-
4203 Public Defender	92,500	92,500	-	-	-
4204 City Attorney	518,000	259,000	129,500	-	129,500
4206 District Court - State Division	41,500	41,500	-	-	-
4207 District Court - DWI Court	58,000	58,000	-	-	-
4405 Internal Auditor	376,695	75,339	18,835	169,513	75,339
<b>Total Policy and Administration Services Division*</b>	<b>3,889,157</b>	<b>2,537,601</b>	<b>224,656</b>	<b>616,509</b>	<b>384,318</b>
<b>Management Services</b>					
4104 Human Resources	567,179	198,513	56,718	198,513	85,077
4105 City Clerk	331,999	92,960	26,560	122,840	59,760
4301 Finance	1,774,162	319,349	177,416	745,148	266,124
4303 Collections	-	-	-	-	-
4304 Utility Billin/Customer Service	-	-	-	-	-
4306 Purchasing	668,364	200,509	80,204	247,295	100,255
4401 Information & Technology Svcs	3,924,562	1,452,088	392,456	1,177,368	588,684
5520 Citizens Service	1,231,839	24,637	61,592	923,879	209,413
6921 Public Parking Deck	456,990	-	-	-	-
<b>Total Management Services Division*</b>	<b>8,955,095</b>	<b>2,288,055</b>	<b>794,946</b>	<b>3,415,043</b>	<b>1,309,312</b>
<b>Development Services</b>					
4103 Engineering	1,526,102	30,522	76,305	122,088	-
4106 Planning & Zoning	835,169	542,860	-	167,034	-
4107 Community Development	345,776	-	-	-	-
4108 Building Safety	943,312	943,312	-	-	-
6900 Neighborhood Services	720,611	-	-	-	-
<b>Total Development Services Division*</b>	<b>4,370,970</b>	<b>1,516,694</b>	<b>76,305</b>	<b>289,122</b>	<b>-</b>
<b>Police Services</b>					
4701 Administration	2,580,802	2,580,802	-	-	-
4702 Support Services	3,611,904	3,611,904	-	-	-
4703 Investigations	2,627,655	2,627,655	-	-	-
4704 Patrol	6,990,003	6,990,003	-	-	-
4706 Airport Services	219,118	219,118	-	-	-
4707 Animal Services	910,055	910,055	-	-	-
11076900 Police Grant	42,310	-	-	-	-
6920 Parking Enforcement	97,814	-	-	-	-
<b>Total Police Services Division*</b>	<b>17,079,661</b>	<b>16,939,537</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fire Services</b>					
4801 Administration	891,382	891,382	-	-	-
4802 Suppression	10,888,632	10,888,632	-	-	-
4803 1/8% Sales Tax	-	-	-	-	-
4804 Training	270,187	270,187	-	-	-
<b>Total Fire Services Division</b>	<b>12,050,201</b>	<b>12,050,201</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note\*- Variance in totals is due to allocation to funds other than the four budgeted operating funds.

**Distribution of Appropriations to the Operating Funds  
FY22 Budget**

	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water &amp; Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Operation Services</b>					
<b>Streets &amp; Traffic Control</b>					
5101 Administration	592,651	-	592,651	-	-
5302 Street Construction	683,459	-	683,459	-	-
5303 Street Drainage	1,041,258	-	1,041,258	-	-
5304 Street Maintenance	890,457	-	890,457	-	-
5305 Sidewalk Construction	910,003	-	910,003	-	-
5401 Traffic Control	1,093,133	-	1,093,133	-	-
5403 Street Lighting	1,050,000	-	1,050,000	-	-
<b>Total Streets and Traffic Control</b>	<b>6,260,961</b>	<b>-</b>	<b>6,260,961</b>	<b>-</b>	<b>-</b>
<b>Operation Services - Water &amp; Sewer</b>					
5501 Utility Administration	1,146,712	-	-	1,146,712	-
5521 Business Operations	1,264,003	-	-	1,264,003	-
5522 Communications & Training	769,288	-	-	769,288	-
5523 Engineering & Tech	2,831,405	-	-	2,831,405	-
5590 Non-Capital Projects	1,715,000	-	-	1,715,000	-
56560300 Water Reclamation	4,520,022	-	-	4,520,022	-
55560400 Water Treatment	4,906,905	-	-	4,906,905	-
5610 Water Line Maintenance	5,758,328	-	-	5,758,328	-
5611 Water Reclamation Maint	3,345,313	-	-	3,345,313	-
5618 Debt Service	19,120,035	-	-	19,120,035	-
5625 Environmental Quality	1,822,584	-	-	1,822,584	-
5626 Easement, Building, Station Maintenance	3,405,865	-	-	3,405,865	-
<b>Total Water and Sewer</b>	<b>50,605,460</b>	<b>-</b>	<b>-</b>	<b>50,605,460</b>	<b>-</b>
<b>Operation Services - Solid Waste</b>					
6301 Administration	704,971	-	-	-	704,971
6302 Residential Collections	2,257,112	-	-	-	2,257,112
6303 Commercial Collections	1,296,732	-	-	-	1,296,732
6304 Fleets & Grounds Maintenance	1,255,628	-	-	-	1,255,628
6305 Sanitary Landfill	3,895,232	-	-	-	3,895,232
6307 Industrial Collection	1,131,973	-	-	-	1,131,973
6308 Waste Reduction	779,049	-	-	-	779,049
<b>Total Sanitation</b>	<b>11,320,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,320,697</b>
<b>Operation Services - Parks</b>					
6201 Parks Maintenance (Operating)	1,473,460	1,252,441	221,019	-	-
6201 Parks Maintenance (Capital)	-	-	-	-	-
6202 Oak Cemetery	136,340	136,340	-	-	-
6204 Community Centers	160,162	160,162	-	-	-
6205 Aquatics	171,577	171,577	-	-	-
6206 Riverfront/Downtown Maintenance	356,802	356,802	-	-	-
6207 Park at West End	31,179	31,179	-	-	-
6208 1/8% Sales Tax	-	-	-	-	-
<b>Total Parks and Community Services</b>	<b>2,329,520</b>	<b>2,108,501</b>	<b>221,019</b>	<b>-</b>	<b>-</b>

Note\*- Variance in totals is due to allocation to funds other than the four budgeted operating funds.

**Distribution of Appropriations to the Operating Funds  
FY22 Budget**

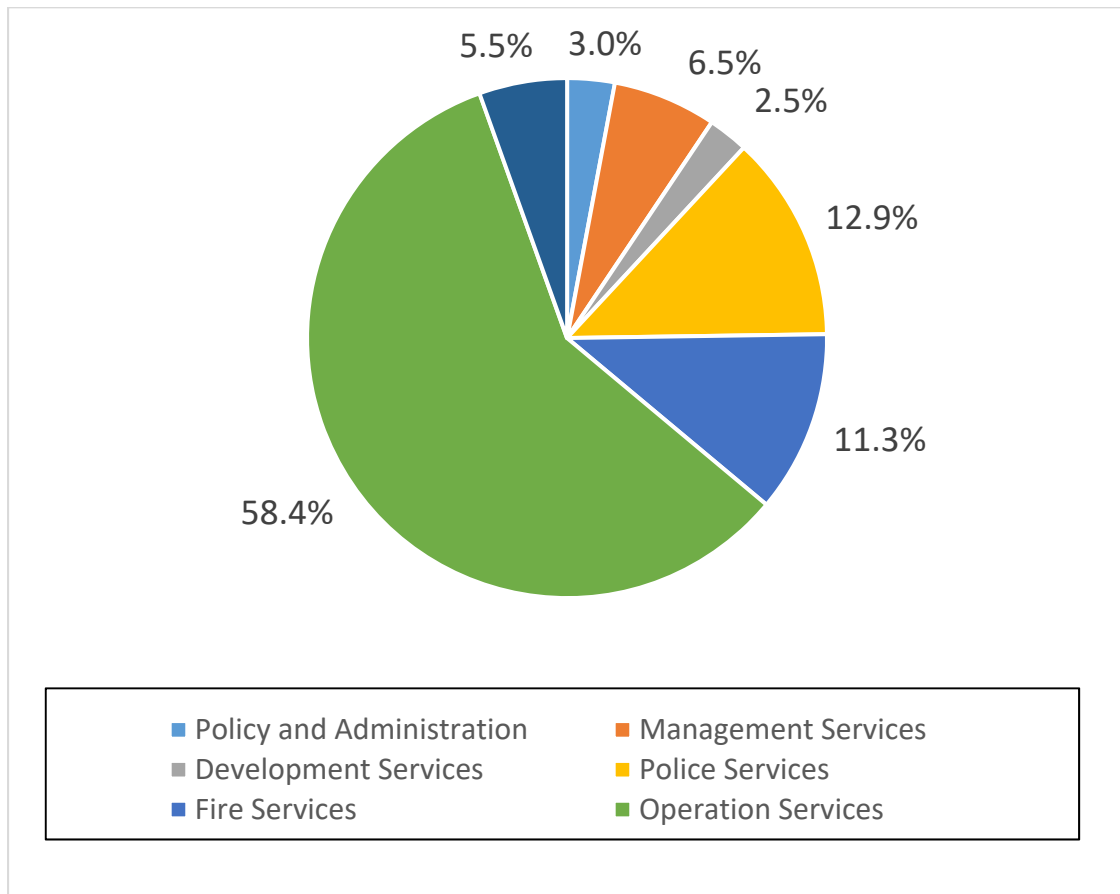
	<b>Total Funds</b>	<b>General Fund</b>	<b>Street Maintenance Fund</b>	<b>Water &amp; Sewer Operating Fund</b>	<b>Sanitation Operating Fund</b>
<b>Operation Services - Transit</b>					
01016550 Transit	2,563,233	2,563,233	-	-	-
<b>Total Transit</b>	<b>2,563,233</b>	<b>2,563,233</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Health</b>					
6101 Health	188,171	188,171	-	-	-
<b>Total Health</b>	<b>188,171</b>	<b>188,171</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-Departmental</b>					
11130180 Convention & Visitors Bureau	806,367	-	-	-	-
6600 Non-Departmental	7,209,442	2,626,257	558,080	191,105	3,834,000
<b>Total Non-Departmental*</b>	<b>8,015,809</b>	<b>2,626,257</b>	<b>558,080</b>	<b>191,105</b>	<b>3,834,000</b>
<b>Total*</b>	<b>127,628,935</b>	<b>42,818,251</b>	<b>8,135,967</b>	<b>55,117,239</b>	<b>16,848,328</b>

Note\*- Variance in totals is due to allocation to funds other than the four budgeted operating funds.

## Combined Division Summary Operating Funds

	<u>Estimated FY20</u>	<u>Budget FY21</u>	<u>Projected FY22</u>
<b>By Division Classification</b>			
Policy and Administration Services	\$ 3,425,939	\$ 3,889,157	\$ 3,889,157
Management Services	7,903,486	8,498,105	8,498,105
Development Services	2,968,777	3,304,583	3,304,583
Police Services	14,203,912	16,939,537	16,939,537
Fire Services	14,975,533	14,903,655	14,903,655
Operation Services	70,843,043	76,999,217	76,999,217
Non-Departmental	<u>8,002,251</u>	<u>7,209,442</u>	<u>7,209,442</u>
<b>Budget Appropriations</b>	<b><u>\$ 122,322,941</u></b>	<b><u>\$ 131,743,696</u></b>	<b><u>\$ 131,743,696</u></b>

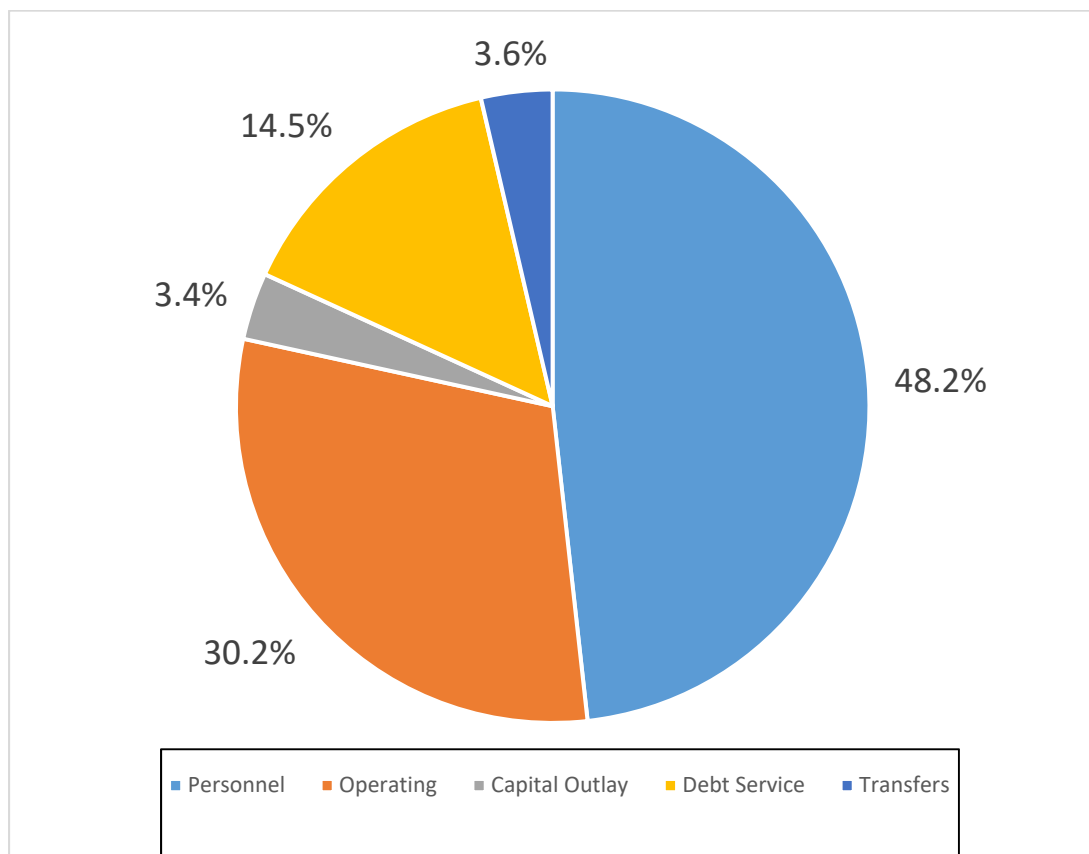
### 2021 Operating Budget Appropriations by Division Classification \$131,743,696



## Combined Division Summary Operating Funds

By Expenditure/Expense Classification	Estimated	Budget	Projected
	FY20	FY21	FY22
Personnel	\$ 57,843,262	\$ 63,551,372	\$ 63,551,372
Operating	36,971,313	39,758,320	39,758,320
Operating Budget	\$ 94,814,575	\$ 103,309,692	\$ 103,309,692
Capital Outlay	3,638,572	4,512,969	4,512,969
Debt Service	18,248,322	19,120,035	19,120,035
Transfers	5,621,470	4,801,000	4,801,000
<b>Budget Appropriations</b>	<b>\$ 122,322,941</b>	<b>\$ 131,743,696</b>	<b>\$ 131,743,696</b>

### 2021 Operating Budget Appropriations by Expenditure/Expense Class \$131,743,696



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## 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 FY20 which is based on August 31, 2020 authorizations. The dollar summaries reflect Actual FY19, Budget FY20, Estimated FY20, and Budget FY21.

Also, provided is a narrative of each division which reflects the purpose, overview, 2021 service objectives. 2020 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 FY21 Budget Supplement, a separate document.

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## Policy/Administration Overview:

Policy and Administration is comprised of three programs: 4100 Mayor, 4101 Board of Directors, and 4102 City Administrator. 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.

The FY21 Budget is \$76,352, or 7.9% more than the FY20 Budget. The increase is due to an additional FTE and a slight increase in Operating costs. Priorities continuing in 2021 follow the Future Fort Smith Comprehensive Plan, highlighted as follows; implement the comprehensive plan update; provide additional recreational opportunities; continue economic growth strategies; develop and improve citizen engagement and outreach initiatives; support riverfront development; enhance neighborhood vitality; support economic development; compliance with the federal consent decree; educate stakeholders regarding funding for police and fire pensions, and continue converting some fleet to alternatively fueled vehicles as budget allows.

Total personnel for these programs is 13FTE, consistent with FY20.

POLICY & ADMINISTRATION	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 538,550	\$ 673,779	\$ 581,055	\$ 710,516	\$ 710,516
Operating Expenditures	<u>191,166</u>	<u>297,495</u>	<u>358,032</u>	<u>337,110</u>	<u>337,110</u>
Operating Budget	\$ 729,716	\$ 971,274	\$ 939,087	\$ 1,047,626	\$ 1,047,626
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 729,716	\$ 971,274	\$ 939,087	\$ 1,047,626	\$ 1,047,626
Authorized Positions	12.00	13.00	13.00	13.00	13.00

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

### Policy/Administration 2021 Service Objectives

#### Mayor:

1. Support and enhance existing city processes utilizing a business mindset. The Mayor recognizes the good work performed by city staff while also seeking to improve accountability, efficiency and transparency in all aspects of city government. The Mayor further recognizes challenges to efficient service delivery and continues to champion the serious consideration of a City Hall project in 2021.
2. Prioritize the Public Safety and Public Health needs of the community. The Mayor recognizes the impact of the COVID-19 Virus and the effect of the Civil Protests to the State of Arkansas and to the City of Fort Smith. Ensuring that every resident of the city has access to accurate information, vaccines, and medical providers will be a project of high importance in 2021 and beyond. In addition, ensuring that the rights, provided by law, to every resident are enforced without difficulty. The Mayor's office will continue to solicit feedback from residents regarding how the community is or is not meeting their needs.

3. Engage with state leaders on issues and matters of importance to Fort Smith. The Mayor recognizes that Fort Smith is a leading municipality in the state. Often times the decisions made by Leadership influence other municipalities or statewide policy. The Mayor further recognizes that when an issue matters to Fort Smith, it frequently has repercussions statewide, and Fort Smith will be a leader in addressing tough issues and inviting innovation in service delivery and policymaking. Cultivating relationships with state officials and other Mayors throughout Arkansas and beyond will continue as an objective of the Mayor's office in 2021.
4. Bolster ties with State Agencies and work to encourage economic development efforts focused on Fort Smith. The Mayor encourages the State of Arkansas, as well as, the Federal Government to continue to invest resources in Fort Smith. The Mayor also recognizes the importance of working with statewide economic development initiatives to ensure that Fort Smith and its workforce remains at the forefront of statewide initiatives to bring economic investment to ArkansasSupport and enhance existing city processes utilizing a business mindset to highlight positive attributes and identify areas where increased efficiency is needed.
5. Continue an exceptional relationship with the military to ensure an ongoing and vigorous presence in Fort Smith. The Mayor recognizes the city's long history of working with our military interests so that Fort Smith remains vital and relevant to defense efforts. The 188th Wing of the Arkansas Air National Guard is an important employer and community partner in Fort Smith and the Mayor will continue working with all military partners to ensure that Fort Smith, Fort Chaffee, and the Ebbing Air National Guard Base continues to be at the forefront of our nation's defense efforts.
6. Continue to be a passionate champion of our educational system including our public and private schools, as well as Peak Innovation Center, UAFS, ACHE, UAMS West and Vista College.

**Board of Directors:**

1. Incorporate implementation of the Future Fort Smith Comprehensive Plan and vision statement into the city's operating and capital budgets.
2. Provide additional recreation through use of Parks Capital Improvement funds to continue improvements to Riverfront Drive properties, other park properties and continue construction of trails according to priorities identified in the updated Trails & Greenways Master Plan.  
(FFS Goals FLU-2; FLU-3.2; ED-6.1; CCD-2; NCR-1; TI-3)
3. Continue economic growth strategies to increase the job market with higher paying jobs as well as support the construction of Interstate 49, the regional intermodal freight facilities, and improvements/maintenance of the Arkansas River navigation system in order to capitalize on the City's strategic position at the crossroads of highways, rail, and navigable waterways. (FFS Goals ED-1; TI-2)
4. Support riverfront development, restoration and the revitalization of downtown into a prominent multipurpose center of activity. (FFS Goals FLU-2; FLU-3)
5. Preserve, protect, and revitalize the City's neighborhoods with continued proactive code enforcement, community beautification, public sidewalk improvements, and planting parkway trees. (FFS Goal PFS-1; HN-1; TI-1; TI-3)
6. Continue compliance with the Consent Decree for wet weather sanitary sewer system improvements in order to alleviate the occurrence of backups and overflows.  
(FFS Goal TI-5)
7. Educate and inform the community, legislators, and other stakeholders on the funding obligations for Police and Fire pensions.
8. Continue converting portions of the City's fleet to alternatively-fueled vehicles.  
(FFS Goal NCR-2.3)

9. Support sustainable tourism development initiatives in the City of Fort Smith by partnering with local organizations as tourism partners. (FFS Goals FLU-2; FLU-3; NCR-3)
10. Build, establish, and maintain a communication strategy to educate citizens and increase community awareness of programs, activities, projects and accomplishments. This strategy will add prompt communication within challenges, issues and concerns. (FFS Goal PFS-2)
11. Evaluate the following areas for improvement in 2019:
  - a. Personnel Reductions / Job Evaluations – positions vacant more than one year
  - b. Contract Compliance and Administrative Services
  - c. City Hall location and cost evaluations
  - d. Add language to fiscal policies to address LOPFI funding parameters

**Administration:**

1. *Improve transparent communication with the Board of Directors and the public on all matters, especially regarding the status of ongoing projects or initiatives.* Continue to support all city departments in presenting the messages the City pushes out to the public. Improving the quality of and access to the information the City provides to its citizens through better use of open data resources. Continue affirmative outreach and responsiveness via traditional media and social media outlets. Continue and improve upon regular information provided to the Board as updates to ongoing issues or projects.
2. *Continue reporting on the status of implementation of the Future Fort Smith comprehensive plan, and actively participate in efforts to expand the details of such plan.* The FFS plan remains at the forefront in providing guidance to decision-making for budgeting, capital projects and operations. Annual reporting from city departments/agencies will continue, as will the annual status reporting to the Board of Directors. City Administration recognizes the role it plays in keeping the FFS plan (and the Propelling Downtown Forward plan) in front of city departments, outside agencies, and the local elected officials and maintaining the document’s relevance to the entire community.
3. *Continue to identify efficiency of city service delivery and facilities management.* Administration remains focused on consolidating city services and streamlining citizen contact points and service delivery. Continued improvements at all city facilities are an important piece of this, but a more significant component is the location and layout of the city’s administrative offices and public service functions. COVID-19 accommodations have played a significant part in determining how city services are delivered, and the types of space needed to deliver them. To that end, Administration will continue to evaluate options for a proper City Hall facility. In 2020/2021, Administration intends to narrow previously developed prospects for such a project and advance a proposal to the Board of Directors for consideration. Administration will also continue to pursue a management arrangement for the Fort Smith Convention Center, along with continuing to seek solutions that will lead to the facility’s ongoing operations.
4. *Continue efforts to refine, redraft, and modify the Consent Decree, particularly in terms of time frame and affordability.* Administration will continue efforts to modify the Consent Decree so that projects can be pursued in a more logical and efficient manner, and so the city has more time to accomplish the needed improvements. An extended timeframe will be critically important to making the entire program fit the affordability parameters of our community without further adjustments to the sewer rate. Progress was made toward this end in 2020, but 2021 will require further diligence in pursuing dispute resolution and hopefully a better program whereby the results can be achieved at a more moderate and affordable cost to the community.
5. *Improve the entire organization’s use and implementation of the abilities of the ERP system in the interest of improved service delivery, data collection, reporting and transparency.* Administration and Finance will continue insist that all departments learn its capabilities, adapt service delivery processes, and make full use of the system’s capacity for providing streamlined budgeting and performance data reporting to the public. This project has been a tremendous investment of both money and staff

resources, so all departments will have to embrace the changes in service delivery processes to take full advantage of that investment.

6. *Improve and strengthen relationships between city administration and local agencies, businesses, organizations and political representation to ensure that the City of Fort Smith provides appropriate support to all who strive to improve our region and community.* The outreach and involvement of city administration in community efforts, both large and small, to advance and promote Fort Smith will continue to be a primary focus of the City Administrator's office in 2021.

### **City Administrator 2020 Service Objectives and Outcomes**

1. **Service Objective:** Improve transparent communication with the Board of Directors and the public on all matters, especially regarding the status of ongoing projects or initiatives.  
**Outcome:** Through the new Public Relations Manager, Administration reaffirmed its support of all city departments in increasing and evaluating the messages the City pushes through traditional and social media and improved the information the City provides to its citizens. Affirmative outreach and responsiveness via traditional media and social media outlets was a vital service objective throughout the year. A more proactive communications style is preferred and is being implemented.
2. **Service Objective:** Continue reporting on the status of implementation of the Future Fort Smith comprehensive plan, and actively participate in efforts to expand the details of such plan.  
**Outcome:** The FFS plan remains at the forefront in providing guidance to decision-making. Annual reporting from city departments/agencies continued, as did the annual status reporting to the Board of Directors. City Administration encouraged departments to regularly refer to the FFS plan and keep it (and the Propelling Downtown Forward plan) in front of city departments, outside agencies, and the local elected officials as continued justification for projects and initiatives. These are the tools whereby the public has indicated what it wants from its local government, and Administration continues to emphasize these documents in decision-making.
3. **Service Objective:** Continue to identify efficiency of city service delivery and facilities management.  
**Outcome:** Administration continued progress toward a one-stop shop of service delivery related to utility billing, human resources, and initial development services/licensing in order to address the shuffling of public service points in the Stephens building. The COVID-19 pandemic changed how business flows through the building, but service delivery remains a priority, even if it looks differently. A project to offer drive-thru payment and account services exemplifies the type of new-thinking that exists for addressing customer needs. The Call Center, even though not fully funded at the beginning of the year, was continued and remains a solid customer resource and service delivery access point. The call center remains in place, still answering inquiries on topics across all city departments and providing regular reporting of data to Administration and the Board regarding the call volume, types of calls, and resolution of issues. This call center approach was needed for the city, and continues to prove that it is an effective step toward the one-stop shop for customer service.
4. **Service Objective:** Continue efforts to refine, redraft, and modify the Consent Decree, particularly in terms of time frame and affordability.  
**Outcome:** Administration continued efforts to modify the Consent Decree so that projects can be pursued in a more logical and efficient manner, and so the city has more time to accomplish the needed improvements. The city was successful in establishing a pathway toward an extended timeframe, but it comes at the price of requiring additional work. The city is pursuing all avenues of dispute resolution in order to achieve affordability with the Consent Decree. Administration, Utilities, and the city's engineering and legal consultants made significant progress during 2020 in the effort to modify the Consent Decree to better suit the city's needs and abilities.

5. **Service Objective:** Improve the administrative and reporting efficiency of the entire organization by making use of the reporting abilities within the new ERP system.  
**Outcome:** The ERP system project has proven to be a significant challenge, and the City has experienced growing pains as it moves toward full implementation. All departments have improved in learning its capabilities and are nearer to making full use of the system's capacity for providing streamlined budgeting and performance data reporting to the public. Work toward providing appropriate and meaningful reporting through this system continued throughout 2020 and continues still. This project has been a tremendous investment of both money and staff resources.
6. **Service Objective:** Improve and strengthen relationships between city administration and local agencies, businesses, organizations and political representation to ensure that the City of Fort Smith provides appropriate support to all who strive to improve our region and community.  
**Outcome:** The outreach and involvement of city administration in community efforts, both large and small, to advance and promote Fort Smith continued as a primary focus of the City Administrator's office in 2020.

## Legal Department Overview:

The Legal Department contains six programs: 4201 District Court, 4202 Prosecutor, 4203 Public Defender, 4204 City Attorney, 4206 District Court-State Division, and 4207 DWI Court. 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 2021 Budget represents the City's share of costs for the year.

The FY21 Budget is \$1,260 or .1% less than the FY20 Budget for these programs due to a slight decrease in personnel costs.

Total Legal Department personnel is consistent with FY20.

LEGAL DEPARTMENT	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 1,375,499	\$ 1,562,311	\$ 1,416,470	\$ 1,483,126	\$ 1,483,126
Operating Expenditures	<u>766,125</u>	<u>903,785</u>	<u>727,560</u>	<u>981,710</u>	<u>981,710</u>
Operating Budget	\$ 2,141,624	\$ 2,466,096	\$ 2,144,030	\$ 2,464,836	\$ 2,464,836
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 2,141,624	\$ 2,466,096	\$ 2,144,030	\$ 2,464,836	\$ 2,464,836
Authorized Positions	22.88	22.88	22.88	22.88	22.88

## Legal Department 2021 Service Objectives

### District Court:

1. Continue to emphasize education and the development of Court staff to ensure efficient high quality service to the patrons of the Court and to maintain professional credential/certifications through specialized training and cross-training.
2. Develop, Implement and Review specialty programs to promote the rehabilitation of offenders in effort to reduce recidivism and incarceration.
3. Continuous review of the Court's processes and procedures to ensure efficient workflow and case management while ensuring that all statutory requirements are being met. Implement new processes with an emphasis to increase technology and automation.
4. Establish standards and guidelines to promote access to justice, timeliness, integrity, equality and accountability for optimum court performance. Identify key measures to assess and recognize areas within the system that require attention and/or improvement.
  - 1) Case processing standards: Clearance rates (# of outgoing cases as a percentage of the # of incoming cases); Time to Disposition (Cases resolved w/in the established timeframe); Trial Date Certainty (# of continuances)

- 2) Court Accessibility (Fairness in decisions, equality, respect, court automation and integrity of case files)
- 3) Financial Obligation Management: Accounts Receivable (How much is owed); Clearance rates (\$assessed as a percentage to the \$ collected); Community Contribution (labor hours put back into the community through community service work)
- 4) Compliance Clearance rate (#Sanctions issued as a percentage of # resolved)

**City Prosecutor:**

- 1. Continue to proactively review cases appealed to Circuit Court from District Court for the purpose of disposition prior to setting on trial docket.
- 2. To provide legal services as requested by the City Administrator and other City Departments.
- 3. Continue to provide legal training, advice, and assistance for law enforcement officers.
- 4. To become able to efficiently apply and operate new technology, particularly the new Case Management System to be implemented through District Court.

**DWI Court:**

- 1. Continue to emphasize education and the development of the DWI Court Team to provide assistance and guidance to participants in the program. Foundational training required to of all team members to obtain and maintain certification.
- 2. Maintain compliance with the Standards established by the National Center for DWI Courts. Consistently follow the 10 Guiding Principles of DWI Courts and adhere to the 98 standards set by the Arkansas Supreme Court to maintain certification and grant funding eligibility.
- 3. Identify key measures to assess and recognize areas of the program that need improvement. Maintain a program that promotes public safety and restores the lives of its participants and their families, while reducing recidivism and the costs of incarceration.
- 4. Ensure the financial stability of the program by applying for available grants and assessing appropriate program user fees to keep operational expenses of the program to a minimum.
- 5. Maintain statistical reporting to measure the quality of the program and submit timely reports to the appropriate agencies.

**Legal Department 2020 Service Objectives and Outcomes**

**District Court:**

- 1. **Service Objective:** Education and Development of Court Personnel  
**Outcome:** 5 employees were cross-trained in additional positions. Deputy Clerk I: 60% are cross-trained in all 5 positions. Deputy Clerk II: 41% are cross-trained in all 7 positions. Deputy Clerk: 55% trained in all 3 positions.  
**Outcome:** Certifications and Certification Updates- Certifications are up to date, however there were no trainings conducted in 2020 due to COVID-19. 80% of court staff are certified through the State and 2 are nationally certified through the National Center for State Courts as Court Managers.
- 2. **Service Objective:** Specialty Court Programs  
**Outcome:** The Court applied for a grant through the Arkansas Department of Safety to attend "Foundational Training" in 2020 for implementation of a DWI Court. The DWI Court will be up and running by year end 2020.  
**Outcome:** The Court implemented a program to rehabilitate and educate offenders in accordance with the State's "Restore Hope" initiative. In 2018, 182 offenders entered the program, with 52 completing. In 2019, 599 offenders entered the program, with 155 completing. YTD (thru July 31) 92 offenders have entered and 9 have completed.
- 3. **Service Objective:** Workflow and Case Management

**Outcome:** As a result of COVID-19, several of the court's practices have been modified to reduce the number of in person appearances required from the general public. On-line payments have been encouraged to reduce the foot traffic reporting in and out of the Courts Building.

**Outcome:** In effort to increase technology and automation, a paperless procedure for warrants and subpoenas

4. **Service Measure:** Identify Key Measures to Measure Court Performance

**Outcome:** COVID-19 has greatly impacted the operations of the court. There have been less criminal and traffic filings, less payments being made due to the loss of jobs/reduced hours of pay, restricted access to the Court, an increase in case continuances, less cases have been resolved. All of which has disrupted the Court's normal practices and standards of conducting business.

#### **DWI Court:**

1. **Service Objective:** Education and Development of DWI Court Team

**Outcome:** Grant funding has been received for all 8 members to attend the Foundational Training in November of 2020.

2. **Service Objective:** Compliance with Specialty Court Programs guidelines and standards

**Outcome:** The program has been set up according to the established guidelines and standards, however the program has not been fully implemented.

3. **Service Objective:** Key Measures for Improvement

**Outcome:** The program has not been fully implemented.

4. **Service Measure:** Financial Stability

**Outcome:** Grant received from AHSO for \$15,000 for foundational training of the Team and \$10,000 from AOC to get the program operational.

5. **Service Measure:** Statistical Reporting

**Outcome:** The program has not been fully implemented.



## District Court

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY2020 Actual	FY 2021 Target
4201 & 4206 (District Court)	<b>Education/Training</b> Certified Support Staff	turn over 83%	88%	83%	88%
4201 (District Court)	<b>Specialty Court Programs</b> Offenders successfully completing the Restore Hope Program (3-6 mo program)	29%	50%	10%	50%
4201 (District Court)	<b>Caseflow Clearance/Efficiency</b> # outgoing as % of # of incoming	83%	90%	77%	90%
4201 (District Court)	<b>Compliance Clearance/Efficiency</b> Warrants Issued vs. Resolved Resolved by Court-Non-Arrest/Jail	81% 42%	80% 50%	56% 57%	85% 50%
4201 (District Court)	<b>Financial Obligation Management</b> Assessments (goal is to be above 3 yr avg) Collections (goal is to be above 3 yr avg)	90% 88%	100% 100%	68% 85%	100% 100%

## DWI Court

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY2020 Actual	FY 2021 Target
42070101 District Court-DWI	<b>Team Education/Training</b> Certified Support Staff - 9 members	N/A	100%	0%	100%
42070101 District Court-DWI	<b>Program Compliance</b> 10 Guiding Principles 98 Standards and Requirements	N/A N/A	100% 90%	0% 0%	100% 100%
42070101 District Court-DWI	<b>Program Financial Stability</b> Operational Expenses Program User Fees Received Grant Funds Received Reduction of Incarceration Fees % Expenses offset by fees/grant	N/A	100%	0%	90%
42070101 District Court-DWI	<b>Participant Copmpliance</b> Entered Program Sanctioned Out of Program Withdrew from Program Sucessfully Completed Program				

## Internal Audit Overview:

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

The FY21 Budget is \$45,309 or 10.7% less than the FY20 Budget, which is attributable to the addition of one 1 FTE Utilities Auditor and the reduction of Consulting Services expenses.

Total Internal Audit personnel is 1FTE more than FY20 due to Utilities Auditor.

INTERNAL AUDIT	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 171,032	\$ 279,154	\$ 239,972	\$ 323,645	\$ 323,645
Operating Expenditures	<u>103,711</u>	<u>142,850</u>	<u>102,850</u>	<u>53,050</u>	<u>53,050</u>
Operating Budget	\$ 274,743	\$ 422,004	\$ 342,822	\$ 376,695	\$ 376,695
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 274,743	\$ 422,004	\$ 342,822	\$ 376,695	\$ 376,695
Authorized Positions	3.00	3.00	4.00	4.00	4.00

### Internal Audit 2021 Service Objectives

1. Assist all City Departments with Internal Processes to help obtain operational efficiency (doing it well) and effectiveness (doing it right) within the department.
2. Perform Risk Assessments with Administration, City Departments, Audit Committee Members, and Board Directors. The Risk Assessment is continuous throughout the year.
3. Conduct audits based upon audit plans, special request audits, surprise audits, and any audit deemed necessary during the year. Also ensure compliance with laws, regulations and policies.
4. Perform Process Improvements that could possibly result in demonstrable and quantifiable cost savings.
5. Perform Remediation Testing for completed audits.
6. Create and promote a City-wide control infrastructure and consciousness which ensures integrity and ethics in the City's operating environment.

### Internal Audit 2020 Service Objectives and Outcomes

1. **Objective:** Assist all City Departments with Internal Processes to help obtain operation efficiency (doing it well) and effectiveness (doing it right) within the department.  
**Outcome:** Internal Audit continues to provide support to City Departments.

2. **Objective:** Perform Risk Assessment with Administration, Department Heads, Audit Committee Members, and Board Members.  
**Outcome:** Internal Audit continuously throughout the year observe and listen to all employees so that a risk assessment can be performed effectively based upon the 5 specific criteria's. Additionally, Internal Audit attends Board Meetings and Work Sessions in order identify potential risk within information provided and ordinances passed.
3. **Objective:** Prepare audits based upon audit plan, special request audits, surprise audits, and any audit deemed necessary during the year.  
**Outcome:** Completed two audits earlier this year in remediation testing. Completed phase one of meter audit in Utilities and currently wrapping up phase two and have begun phase three. Contract and Construction Analysis – completed process walkthrough currently working on the assessments and entering information obtained from the departments into the analysis template. IA has a team member who just started and currently working on two audit plan items.
4. **Objective:** Perform Remediation testing for completed audits.  
**Outcome:** Internal Audit is currently performing remediation testing and has one scheduled for later this year.

## 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 FY21 Budget decrease of \$58,149 or 9.3% from FY20 is primarily due to a one-time expenditure of relocation in FY20.

Total Human Resource Department personnel is consistent with FY20.

HUMAN RESOURCES	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 466,416	\$ 490,278	\$ 461,325	\$ 467,929	\$ 467,929
Operating Expenditures	<u>43,623</u>	<u>135,050</u>	<u>34,200</u>	<u>99,250</u>	<u>99,250</u>
Operating Budget	\$ 510,039	\$ 625,328	\$ 495,525	\$ 567,179	\$ 567,179
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 510,039	\$ 625,328	\$ 495,525	\$ 567,179	\$ 567,179
Authorized Positions	6.00	6.00	6.00	6.00	6.00

### Human Resources Department 2021 Service Objectives

1. Implement the education incentive policy.
2. Implement online Safety Data Sheet Management System.
3. Implement motor vehicle report/driver's license check process for employees driving for City business.
4. Conduct ongoing safety/risk training on topics such as Active Shooter, Lock out/Tag out, Outdoor Power Equipment Operation, First Aid/CPR/AED.

### Human Resources Department 2020 Service Objectives and Outcomes

1. **Service Objective:** Improve the formal on-boarding process for new hires.  
**Outcome:** Special onboarding developed and presented for swimming pool employees. Additional safety content added to onboarding presentation for all employees.
2. **Service Objective:** Train HR department staff on pertinent human resources related topics.  
**Outcome:** Enrolled staff in KnowledgeCity online Learning Management System to complete fourteen relevant courses. Participation in webinars such as Medical Marijuana, DOT Driver Clearinghouse, AR Freedom of Information Act, OSHA Reporting, COVID-19, Retirement Plans, Unemployment Compensation.
3. **Service Objective:** Continue evaluating employee benefit plans identifying areas of improvement.  
**Outcome:** Poste RFP for retirement plans, exploring short-term disability plan options, developed hearing-aid benefit, worked with provider on "comprehensive" physical exam (delayed by provider due to COVID-19)

4. **Service Objective:** Implement motor vehicle report/driver’s license check process for employees driving for City business.

**Outcome:** Instituted CLD query used to check drug/alcohol infractions on CDL drivers. Class “D” driver’s license check delayed due to budget cuts.

Key Performance Indicators					
Program	Performance Measure	FY 2020 Actual	FY 2021 Target	FY 2021 Actual	FY2022 Target
4104 (Human Resources)	Job descriptions reviewed & updated as needed. Education incentive policy implemented.		Completed by 10/1/2021		
4104 (Human Resources)	Safety Data Sheet Mgt. System purchased and implemented		Completed by 9/30/2021		
4104 (Human Resources)	Driver’s license checks being conducted for employees driving for City business.		Implemented by 10/31/2021		
4104 (Human Resources)	Safety/risk training classes scheduled and conducted.		Implemented by 3/31/2021		

## 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 the 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 FY21 Budget decreased \$71,653 or 17.8% from FY20, due to a combination of cost reductions in Code Supplement and Elections costs.

Authorized positions for this program for FY21 are 3FTE which is consistent with FY20.

CITY CLERK	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 214,707	\$ 238,952	\$ 226,050	\$ 240,199	\$ 240,199
Operating Expenditures	<u>112,436</u>	<u>164,700</u>	<u>82,890</u>	<u>91,800</u>	<u>91,800</u>
Operating Budget	\$ 327,143	\$ 403,652	\$ 308,940	\$ 331,999	\$ 331,999
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 327,143	\$ 403,652	\$ 308,940	\$ 331,999	\$ 331,999
Authorized Positions	3.00	3.00	3.00	3.00	3.00

### City Clerk 2021 Service Objectives

1. Provide educational opportunities for staff to ensure knowledge and skills are increased to benefit both staff and citizens.
2. Provide prompt payment processing of official documents, legal publications and codification of ordinances.
3. Provide various administrative services to the public, Mayor, Board of Directors, Administration and staff. (Comprehensive Plan PFS-2)
4. Provide up to date information on the department web page. (Comprehensive Plan PFS-1)
5. Ensure quality programming on Government Access Channel 214, including live telecast and rebroadcast of regular meetings of the Board of Directors. (Comprehensive Plan PFS-2)

## City Clerk 2020 Service Objectives and Outcomes

1. **Service Objective:** Provide educational opportunities for staff to ensure knowledge and skills are increased to benefit both staff and citizens.  
**Outcome:** Staff has and will continue to attend multiple certification programs hosted by the Arkansas City Clerks, Recorder of Treasurers Association, International Institute of Municipal Clerks, and Arkansas Municipal League. Due to COVID-19, attendance to education courses have been and will be via electronic means.
2. **Service Objective:** Provide prompt payment 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 his signature within 48 hours of the meeting at which they were adopted. Ordinances, resolutions and minutes are typically presented to the mayor for his signature immediately following adjournment of the meeting in which they are adopted/approved. All agreements and contracts are presented to the mayor for his signature as they are received from the respective departments. Ordinances requiring publication are submitted to the local newspaper for publication typically the day after their adopted, but at least within the same week of adoption. Ordinances that require codification 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. (Comprehensive Plan PFS-2)  
**Outcome:** City Clerk staff are accessible at all times.
4. **Service Objective:** Provide up to date information on the department web page (Comprehensive Plan PFS-1)  
**Outcome:** Board packet information for 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. A link to the board packet is also posted to the calendar on the City's main web page. 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 posted to the web page to ensure the public maintains access to all code amendments.
5. **Service Objective:** Ensure quality programming of the Government Access Channel 214, including live telecast and rebroadcast of regular meetings of the Board of Directors. (Comprehensive Plan PFS-2)  
**Outcome:** An average of 259 announcements per month have aired continually providing information on city services and events, and promoting activities of community organizations. The following videos have also aired through July 2020:
  - The Call/CASA PSA Video
  - Meet the Locals (A & P Commission)
  - Water Meter Replacements
  - Census Social Media Challenge (Mayor)
  - Census Social Media Challenge (Jurena)
  - Census Message (Mayor and Board)
  - Census Update (Mayor)
  - COVID-19: Keep Fort Smith Healthy
  - COVID-19: United Way 211
  - COVID-19: Mayor's Message to River Valley
  - COVID-19: Your City is Open
  - COVID-19: Fire Department
  - This Moment Brought to You by Your Hometown (AR Municipal League – factory)

- This Moment Brought to You by Your Hometown (AR Municipal League – baseball)
- This Moment Brought to You by Your Hometown (AR Municipal League – sprinkler)

Due to COVID-19 and to adhere to social distancing requirements, regular meetings of the Board of Directors were relocated and held at the Convention Center. Said location does not maintain the required connection for live broadcast on the Access Channel; therefore, live broadcast of regular meetings of the Board of Directors has been temporarily suspended. Regardless, video of regular meetings are rebroadcast on the Access Channel three (3) times daily, except Tuesdays or Wednesdays, until the next regular meeting. Board meeting agendas are also aired on the Access Channel each Thursday preceding the meeting, and displayed five (5) times daily until the meeting occurs.

6. **Service Objective:** Conduct 2020 municipal elections in compliance with city and state codes.

**Outcome:** There was only one (1) candidate to file for each Ward Director position; therefore, no Municipal Primary or General Election is required for the City of Fort Smith in 2020. All candidates have been declared elected with no necessity of being included on an election ballot.

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY 2020 Actual *	FY 2021 Target
Program #4105 City Clerk	Board meetings attended (voting sessions) / Sets of Board minutes	27	28	17	28
Program #4105 City Clerk	Agenda's prepared	54	55	27	55
Program #4105 City Clerk	Ordinances & Resolutions adopted	323	300	150	300
Program #4105 City Clerk	Oak Cemetery Interments / Inurnments	77	70	26	70
Program #4105 City Clerk	Oak Cemetery deeds issued	40	65	19	65
Program #4105 City Clerk	Average Government Access Channel advertisements	265	275	259	275

\*as of July 31, 2020



## Finance Department Overview:

The Finance Department contains four programs: 4301 Finance Administration, 4303 Collections, 4304 Utility Billing/ Customer Service, and 4306 Purchasing.

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; purchasing management; and financial reporting.

The FY21 Budget is \$475,617 or 16.3% less than FY20 Budget. This decrease is due to additional Auditing and Accounting Fees acquired in FY20 that are not anticipated for FY21.

Total FY21 Finance Department personnel is 19FTE. This is the same level as FY20.

FINANCE	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 1,882,824	\$ 1,533,023	\$ 1,213,671	\$ 1,423,496	\$ 1,423,496
Operating Expenditures	<u>1,325,826</u>	<u>1,385,120</u>	<u>1,257,381</u>	<u>1,019,030</u>	<u>1,019,030</u>
Operating Budget	\$ 3,208,650	\$ 2,918,143	\$ 2,471,052	\$ 2,442,526	\$ 2,442,526
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 3,208,650	\$ 2,918,143	\$ 2,471,052	\$ 2,442,526	\$ 2,442,526
Authorized Positions	31.00	19.00	19.00	19.00	19.00

### Finance Department 2021 Service Objectives

1. Continue to support the City's Technology Plan by mastering the Enterprise Resource Planning (ERP) and system follow-up activities. (Comprehensive Plan: Goal CCD-3.1)
2. Analyze and improve budget management process for all departments. Finance department will streamline the budget planning process in 2021 and look for ways to improve transparency in the budget process with Directors and Citizens. (Comprehensive Plan: Goal CCD-3)
3. Enhance accessibility of financial data for all city management, citizens, vendors and customers. (Comprehensive Plan: Goal CCD-3.1)
4. Enhance accountability across all departments by refining and communicating financial and administrative policies to all employees. Finance department will strive to clearly document business processes and policies and ensure the documentation is readily available to all employees in a timely manner via electronic methods. (Comprehensive Plan: Goal CCD-3)
5. Build bench strength in finance and accounting positions at the analyst and manager level through recruiting, continuing education and cross-training.

6. Improve the accountability and performance of the Finance Department by better defining Key Performance Indicators in 2021 as improved data becomes available via new accounting systems.

### Finance Department 2020 Service Objectives and Outcomes

1. **Objective:** Support the City’s Technology Plan by mastering the Enterprise Resource Planning (ERP) and system follow-up activities. (Comprehensive Plan: Goal CCD-3.1)  
**Outcome:** The ERP system project has proven to be a significant challenge. Finance will continue to focus on improving processes and training departments. Finance will continue to work toward providing appropriate and meaningful reports out of the ERP system.
2. **Objective:** Analyze and improve budget management process for all departments. (Comprehensive Plan: Goal CCD-3)  
**Outcome:** Finance continues to see substantial improvement in the budget process for all departments. Departments have real time data at their fingertips. This is improving visibility across all departments, and we will continue to focus on implementing the personnel section of the budget module in the new system. We fully expect this process to continue to see substantial improvements in the coming years.
3. **Objective:** Enhance accessibility of financial data for all city management, citizens, vendors and customers. (Comprehensive Plan: Goal CCD-3.1)  
**Outcome:** Finance worked to improve the accessibility of financial data in 2020 through the planning and implementation of the ERP system for improved visibility to employees. Departmental budget and 15 spending information is now available to departments in a real-time environment. 2021 will focus on improved accessibility to external parties and citizens through the use of technology.
4. **Objective:** Enhance accountability across all departments by refining and communicating financial and administrative policies to all employees. (Comprehensive Plan: Goal CCD-3)  
**Outcome:** Finance continues to work to improve the accessibility of financial policies and procedures in 2020 through evaluation of business processes, thorough documentation of new procedures for all departments, and continued end user training on the new systems and business processes.
5. **Objective:** Build bench strength in finance and accounting positions at the analyst and manager level through recruiting, continuing education and cross-training.  
**Outcome:** Finance hired a Finance Manager in late 2016 and a Senior Budget Analyst in 2017 to better manage the budgeting process across all departments. These positions and the implementation of the ERP budget module brought a great deal of insight to the budgeting process. The ERP system utilizes live updates to the consolidated budget. This has made a significant improvement in visibility as the departments have real-time budget data. The 2021 budget will be the first budget to utilize the personnel section of the budget module. We expect the implementation of this module to substantially improve the budget process by simplifying the personnel section of the budget.

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target
4301 (Finance)	Number of days to close the year/month. Target: 13 <sup>th</sup> day of month; Feb 5 year end.	%	%	%	%
4301 (Finance)	Requisition Approvals: Average time	Hrs	Hrs	Hrs	Hrs
4301 (Finance)	Bond Rating	A	A	A-	A
4301 (Finance)	A/P Days Outstanding – 30 days or less	%	%	%	%

## 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 FY21 Budget is \$310,514 or 8.6% more than the FY20 Budget. The increase is attributable to a slight increase in operating costs.

The ITS Department continues with 16FTE.

INFORMATION & TECHNOLOGIES/GIS	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 1,083,993	\$ 1,364,843	\$ 1,326,754	\$ 1,376,820	\$ 1,376,820
Operating Expenditures	<u>2,111,715</u>	<u>2,249,205</u>	<u>2,036,900</u>	<u>2,547,742</u>	<u>2,547,742</u>
Operating Budget	\$ 3,195,708	\$ 3,614,048	\$ 3,363,654	\$ 3,924,562	\$ 3,924,562
Capital Outlay	<u>-</u>	<u>-</u>	<u>187,430.00</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 3,195,708	\$ 3,614,048	\$ 3,551,084	\$ 3,924,562	\$ 3,924,562
Authorized Positions	16.00	16.00	16.00	16.00	16.00

### Information & Technology Department 2021 Service Objectives

1. Provide technical assistance, leadership, and when requested, project management services to those departments, wishing to implement new or improve existing technologies and processes to enhance their business processes. Anticipated enterprise projects for 2021 may include, but not limited to: Integration of disparate vehicle fueling systems into a centralized, enterprise system; Continued deployment of Vehicle Tracking and Route Optimization of all City vehicles; Assisting HR with development of onboarding protocol and related technologies for new City staff; Continued upgrade of the public safety (PD and Fire) mobile data terminals (MDTs) to more progressive and innovative technologies and equipment; and upgrade and continued implementation of the Lucity work order system at the Utilities and Streets departments;
2. Continue the effort to centralize and consolidate the access control systems of all City-wide facilities.
3. Update and refresh the 2015 Strategic Technology Plan and IT Governance Policy to span the next five years (2021-2025). This update will include technology-related goals for all City departments including Fire and Police. Pursuant to direction from the Board of Directors, ITS will continue in 2021 to audit and evaluate the deployment of software, technology and services throughout each department in an effort to ensure the most efficient and beneficial use of technology and identify potential cost savings.
4. Continue to work with the Utilities Department to implement Automated Meter Reading (AMR) and Automated Metering Infrastructure (AMI).
5. Continue to provide Project Management and technical leadership for the ongoing ERP project through 2021. As in past years, ITS will play a critical role in aligning each department's respective business processes to the various applications within the ERP for 2021 and ensure availability of the related

technical infrastructure for the production systems.

6. Continue to emphasize, mature and deploy a comprehensive Cybersecurity Plan. The plan will identify key assets and threats, prioritize risks and threats, set achievable goals, and define a detailed a cybersecurity training regimen for internal City staff. The training program will be performed for existing City staff as well as all new-hires going forward.
7. Continue to develop and refine the City-wide Continuity of Operations Plan (COOP). 2020 will see the development and adoption of a Basic COOP to address continuity of operations related to city government as a whole. In 2019, the ITS department has led the development of department-specific COOPs to define specific actions and processes related to the individual needs of the respective City department.
8. Continue to provide timely and effective support of personal computers, related peripherals and communication technology to the Administration and staff of the City of Fort Smith.
9. Continue to develop, implement and load data for the City's Open Data Portal (ODP). When fully-implemented, the ODP will leverage information from various City sources, including the ERP, foster transparency and provide direct public access to certain City data.
10. Continue to work with the Utilities Department and associated contractors to assist with fulfillment of the Wastewater Consent Decree program. This work will include ensuring availability of critical network, web and data storage services, providing access to the City's enterprise GIS, developing and maintaining GIS web services for project management, developing focused web-based GIS applications, and providing focused end-user support for technology devices and peripherals
11. Perform an upgrade/refresh of the City-wide, CISCO-based Voice over Internet Protocol (VOIP) phone system. The existing system is several versions behind and HAS REACHED a no-support status. The upgrade will include all related equipment including servers, switches, routers and, in many cases, new desk phones.
12. Continue to provide GIS support to the Fort Chaffee Redevelopment Authority (FCRA) and Fort Smith Regional Chamber of Commerce. This support will enhance the FCRA's and Chamber's ability to pursue their economic development and management goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Chaffee Crossing GIS Portal and preparation of maps and information for site selectors representing potential business development with the region.
13. Working with the Fire and Police Departments, complete an analysis of migration/upgrade options for the Computer-Aided Dispatch (CAD) and Record Management Systems (RMS) systems currently in use. Every effort will be given to ensure interoperability with the City's new ERP.
14. Expand the use of the LiGO vehicle tracking platform presently in-use with the Utilities Department to include all City departments. This will provide a singlepane of glass portal for Admin and department officials to monitor and track City vehicle use for maintenance, routing and audit purposes.

### **Information & Technology Department 2020 Service Objectives and Outcomes**

1. **Objective:** Provide technical assistance, leadership and, when requested, project management services to those departments wishing to implement new or improve existing technologies and processes to enhance their business processes. Anticipated enterprise projects for 2020 may include, but not limited to: Integration of disparate vehicle fueling systems into a centralized, enterprise system; Vehicle Tracking and Route Optimization of all City vehicles; Assisting HR with development of onboarding protocol and related technologies for new City staff; continued upgrade of the public safety (PD and Fire) mobile data terminals (MDTs) to more progressive and innovative technologies and equipment; and upgrade and continued implementation of the Lucity work order system at the Utilities and Streets departments;

**Outcome:** While the pandemic along with budget and schedule restrictions impacted many projects and initiatives, the ITS Department thus far have been able to assist the fire department with implementation of in-vehicle tablets for routing and fire management; assist the Utilities and Streets Departments with further upgrade and implementation of the Lucity platform; assist Utilities Department with implementation of the LiGO vehicle tracking platform.

2. **Objective:** Continue the effort to centralize and consolidate the access control systems of all City-wide facilities.

**Outcome:** This project is in-progress through 2020 and we anticipate completing the consolidation project by Q2 of 2021.

3. **Objective:** Continue implementation of Strategic Technology Plan and IT Governance Policy. Pursuant to direction from the Board of Directors, ITS will continue in 2020 to audit and evaluate the deployment of software, technology and services throughout each department in an effort to ensure the most efficient and beneficial use of technology and identify potential cost savings.

**Outcome:** ITS staff continue to provide technical leadership, support and guidance to the evaluation, selection and deployment of enterprise and department-specific hardware, software and data structures.

4. **Objective:** Continue to work with the Utilities Department to implement Automated Meter Reading (AMR) and Automated Metering Infrastructure (AMI).

**Outcome:** This project remains on-going with the majority of the water accounts in the City using AMR. ITS staff continues to investigate partnering with other franchise utility providers and technology vendors to fully implement AMI.

5. **Objective:** Continue to provide Project Management and technical leadership for the ongoing ERP project through 2021. As in 2018 and 2019, ITS will play a critical role in aligning each department's respective business processes to the various applications within the ERP for 2020 and ensure availability of the related technical infrastructure for the production systems.

**Outcome:** ITS staff continue to provide project management for the continued development and implementation of the Tyler ERP.

6. **Objective:** Develop a comprehensive Cybersecurity Plan. The plan will identify key assets and threats, prioritize risks and threats, set achievable goals, and define a detailed a cybersecurity training regimen for internal City staff. The training program will be performed for existing City staff as well as all new-hires going forward.

**Outcome:** This project is underway and we have begun to implement end-user Phishtesting and will continue to develop end-user training to recognize and mitigate the potential for ransomware and other cyber threats.

7. **Objective:** Continue to develop and refine the City-wide Continuity of Operations Plan (COOP). 2020 will see the development and adoption of a Basic COOP to address continuity of operations related to city government as a whole. In 2019, the ITS department has led the development of department-specific COOPs to define specific actions and processes related to the individual needs of the respective City department.

**Outcome:** This project remains on-going and continued development was delayed due to impact of staff schedules and availability of the pandemic. However, detailed notes have been kept related to the response and action of various City departments in managing City staff and resources thus far through the pandemic.

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

**Outcome:** ITS staff continue to work with the IA and staff to provide granular insight into the movement and displacement of City equipment and technology.

9. **Objective:** Continue to provide timely and effective support of personal computers, related peripherals and communication technology to the Administration and staff of the City of Fort Smith.  
**Outcome:** User support within ITS consists of three full-time staff with the sole mission of providing timely customer service support and training. To-date, help desk support tickets are routinely managed and resolved and back-log work tickets kept to a minimum.
10. **Objective:** Continue to develop, implement and load data for the City's Open Data Portal (ODP). When fully-implemented, the ODP will leverage information from various City sources, including the ERP, foster transparency and provide direct public access to certain City data.  
**Outcome:** This effort remains ongoing and will more fully develop once the ERP financial system has reached maturation.
11. **Objective:** Continue to consolidate the technology ecosystems of City of Fort Smith ITS and the Fort Smith Police Department. This consolidation will include the combination of licensing and service agreements and cross-training internal staff to ensure availability and diversity of technical expertise.  
**Outcome:** ITS staff at the PD and City IT continue to develop a more cohesive and cooperative mindset to bring a better efficiency to the deployment and operation of technology. Efficiencies include purchasing and management of technology inventory, sharing of human and technology capital (where appropriate) and cross-training and credentialing of ITS staff to ensure continuity across the platforms.
12. **Objective:** Continue to work with the Utilities Department and associated contractors to assist with fulfillment of the Wastewater Consent Decree program. This work will include ensuring availability of critical network, web and data storage services, providing access to the City's enterprise GIS, developing and maintaining GIS web services for project management, developing focused web-based GIS applications, and providing focused end-user support for technology devices and peripherals.  
**Outcome:** Again in 2020, ITS, GIS and MIS staff imbedded within the Utilities Department continue to devote significant time to working with in cooperation with contractors to develop and expand required web services, enterprise GIS data, end-user technology, and data storage.
13. **Objective:** Perform an upgrade/refresh of the City-wide, CISCO-based Voice over Internet Protocol (VOIP) phone system. The existing system is several versions behind and quickly approaching a no-support status. The upgrade will include all related equipment including servers, switches, routers and, in many cases, new desk phones.  
**Outcome:** This project was placed on-hold due to budget restrictions.
14. **Objective:** Continue to provide GIS support to the Fort Chaffee Redevelopment Authority (FCRA) and Fort Smith Regional Chamber of Commerce. This support will enhance the FCRA's and Chamber's ability to pursue their economic development and management goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Chaffee Crossing GIS Portal and preparation of maps and information for site selectors representing potential business development with the region.  
**Outcome:** GIS staff continues to work with the FCRA and the Fort Smith Chamber of Commerce to prepare exhibits and maps in support of economic development efforts and expansion of Chaffee Crossing.
15. **Objective:** Migrate the on-premise instance of the City's Microsoft Exchange (email) system to a cloud-based or hosted environment. This migration will offload a significant workload from City ITS staff and will help mitigate challenges with identifying, funding and retaining technical staff with the requisite skillset.  
**Outcome:** This project is on-track and will be functional and live by end of Q3.
16. **Objective:** Working with the Fire and Police Departments, complete an analysis of migration/upgrade options for the Computer-Aided Dispatch (CAD) and Record Management Systems (RMS) systems currently in use. Every effort will be given to ensure interoperability with the City's new ERP.  
**Outcome:** This project was placed on-hold due to budget restrictions.

## Engineering Department Overview:

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

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

Both FY21 Budget and FTEs are consistent with FY20 Budget and FTE count.

<b>ENGINEERING</b>	<b>ACTUAL FY19</b>	<b>BUDGET FY20</b>	<b>ESTIMATED FY20</b>	<b>BUDGET FY21</b>	<b>BUDGET FY22</b>
Personnel Expenditures	\$ 1,401,971	\$ 1,548,789	\$ 1,324,600	\$ 1,459,232	\$ 1,459,232
Operating Expenditures	<u>52,813</u>	<u>67,690</u>	<u>53,105</u>	<u>66,870</u>	<u>66,870</u>
Operating Budget	\$ 1,454,783	\$ 1,616,479	\$ 1,377,705	\$ 1,526,102	\$ 1,526,102
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 1,454,783	\$ 1,616,479	\$ 1,377,705	\$ 1,526,102	\$ 1,526,102
Authorized Positions	19.00	19.00	19.00	19.00	19.00

### Engineering Department 2021 Service Objectives

- 1.Support the livability of neighborhoods by constructing street overlays/reconstruction projects, street improvement projects, and by alleviating drainage problems, all as identified in the 2021 Capital Improvement Program. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)
- 2.Implement special projects which evolve during the year. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)
- 3.Implement key performance indicators as outlined below. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target
Program # 4103 Engineering	Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by November 30.	11/05/19	11/03/21	On schedule for 11/03/20	11/07/21
Program # 4103 Engineering	Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1. (ADEQ submittal date changed to March 31 in 2020)	05/26/19	03/31/20	03/31/20	03/31/21
Program # 4103 Engineering	Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%	100%	100%	100%
Program # 4103 Engineering	Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	100%	100%	100%	100%

### Engineering Department 2020 Service Objectives and Outcomes

- Objective:** Support the livability of neighborhoods by constructing street overlays/reconstruction projects, street improvement projects, and by alleviating drainage problems, all as identified in the 2021 Capital Improvement Program. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

**Outcome:** The 2020 projects include four street overlay/reconstruction projects, four drainage improvement projects, two traffic signal improvement projects, one signal battery backup project, two storm drain rehabilitation projects, and one aerial survey & photogrammetry project. All projects are under various stages of design with construction scheduled to being later this year or next year.
- Objective:** Implement special projects which evolve during the year. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

**Outcome:** 2019 Flood Recovery efforts have been implemented and are ongoing
- Implement key performance indicators as outlined below. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)



<b>Key Performance Indicators</b>				
<b>Program</b>	<b>Performance Measure</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Target</b>	<b>FY 2020 Actual</b>
Program # 4103 Engineering	Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by November 30.	11/05/19	11/03/21	On schedule for 11/03/20
Program # 4103 Engineering	Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1. (ADEQ submittal date changed to March 31 in 2020)	05/26/19	03/31/20	03/31/20
Program # 4103 Engineering	Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%	100%	100%
Program # 4103 Engineering	Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	100%	100%	100%

## **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 within the framework and policies of the Comprehensive Plan, 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, reviews and processes all property activity 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.

### **4108-**

The purpose of this program is to protect the public's life, health, and welfare in the building environment. The department issues building permits for buildings and structures, and inspects buildings, structures and property for safety and health compliance to federal, state, and local codes and ordinances. 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 the Property Maintenance Code, residential parking ordinances, and other neighborhood improvement codes and ordinances in accordance with the comprehensive plan's goal to "Preserve, Protect and Improve Fort Smith's neighborhoods". The division inspects properties for items such as overgrowth, overcrowding of structures, trash fencing, abandoned vehicles, indoor furniture kept outside, and buildings for compliance with the property maintenance code. The work includes having the properties cleared by supervising contractors that mow and clean the properties.

Both FY21 Budget and FTEs are consistent with FY20 Budget and FTE count.

DEVELOPMENT DEPARTMENT	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 2,119,829	\$ 2,443,729	\$ 2,200,077	\$ 2,372,663	\$ 2,372,663
Operating Expenditures	<u>300,987</u>	<u>529,758</u>	<u>423,539</u>	<u>472,205</u>	<u>472,205</u>
Operating Budget	\$ 2,420,815	\$ 2,973,487	\$ 2,623,616	\$ 2,844,868	\$ 2,844,868
Capital Outlay	<u>70,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 2,490,815	\$ 2,973,487	\$ 2,623,616	\$ 2,844,868	\$ 2,844,868
Authorized Positions	33.00	33.00	33.00	33.00	33.00

### **Development Department 2021 Service Objectives**

#### **Planning and Zoning/Community Development Block Grant:**

1. Finalize the implementation of the Form Based Code for the Central Business Improvement District. The Form Based Code was a recommendation from the Propelling Downtown Forward plan. (FLU 1.6, FLU 3, FLU 3.2.3)
2. Continue implementation of the goals identified for the development services department through the Future Fort Smith Comprehensive Plan.
3. Continue to review, edit, incorporate, and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, ETJ, planning area, annexation plans and other development maps. (FLU 1.1.3, FLU 1.6, ED 1.1, ED 1.3, ED 5.2, HN 1.5, HN 1.5.1, PFS 1.1.2)
4. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs and creating a more proactive program in the neighborhood services division. The staff is implementing the Housing Assistance Program which was CDBG funded for \$270,000.00 for PY 2019 and HOME funds in the amount of \$284,369.00 for new affordable housing on infill lots with designs sensitive to the surrounding neighborhoods. The CDBG budget was slightly increased and the HOME budget was slightly decreased for PY 2019. The staff is anticipating that the CDBG and HOME Programs funding will remain level for PY 2021. (HN 3.3.1, HN 2.4.1, HN 3.1.1, HN 2.2.1, HN 1.6, ED 7.2)
5. Collaborate with IT to improve the department's presence online by updating the Development Services website and the implementation of the ERP/EnerGov software in order to make the experience more user friendly for the customer. (PFS 1, PFS 2)

#### **Building Safety/Neighborhood Services:**

1. The Building Safety Division will continue to administer all applicable State and City Building codes and ordinances and will review construction plans for code compliance and preform all related field inspections and will administer the unsafe structure ordinance. (ED-1, HN-1, HN-2, HN-3)
2. The Neighborhood Services Division will continue administer the City Municipal Code Chapter 16 nuisance cleanup ordinances and the enforcement responsibilities of the City Property Maintenance Code as well as the Municipal Code Chapter 14 use of lands parking regulations as to protect and improve existing neighborhoods. (ED-7, HN-1, HN-2)

3. We will continue strive to improve the professionalism and productivity of the employees in their day to day involvement with designers, developers, contractors, other city department staff and the public. (PFS 1, PFS 2)
4. Staff is continuing to work with IT staff in reviewing possible changes to the existing permitting and code enforcement software as well as reviewing new software as to insure that any possible changes go as smooth as possible in order to make the experience more user friendly for the customer. (PFS 1, PFS 2)

## **Development Department 2020 Service Objectives and Outcomes**

### **Planning and Zoning/Community Development Block Grant:**

1. **Service Objective:** Continue implementation of the goals identified for the development services department through the Future Fort Smith Comprehensive Plan.  
**Outcome:** Staff is continuing to work towards implementing the goals, policies, and actions identified within the Future Fort Smith Comprehensive Plan. The Future Fort Smith Committee meets quarterly to hear updates from city staff and community partners regarding the implementation of the Comprehensive Plan. In 2019, they completed an evaluation of the implementation matrix resulting in an update adopted in December. Additionally, staff provides annual reports to the Board of Directors outlining those action items and facilitated annual departmental reports presented to the Future Fort Smith Committee.
2. **Service Objective:** Finalize the implementation of the Form Based Code for the Central Business Improvement District. The Form Based Code was a recommendation from the Propelling Downtown Forward plan. (FLU 1.6, FLU 3, FLU 3.2.3)  
**Outcome:** Staff continued working with the consultant on the Form Based Code for the Central Business Improvement District. This plan, if adopted, will call for a Form Based Code to be implemented in downtown. This plan will replace the zoning as well as the design guidelines for the CBID.
3. **Service Objective:** Continue to review, edit, incorporate, and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, ETJ, planning area, annexation plans and other development maps. (FLU 1.1.3, FLU 1.6, ED 1.1, ED 1.3, ED 5.2, HN 1.5, HN 1.5.1, PFS 1.1.2)  
**Outcome:** The UDO is a dynamic document that is amended to ensure consistency and ease of use. Additionally, staff regularly facilitates changes to the master land use plan map and the zoning map as requested by citizens. Staff continues to issue construction approval letters and Certificates of Land Use for properties in the ETJ.
4. **Service Objective:** Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs and creating a more proactive program in the neighborhood services division. The staff is implementing the Housing Assistance Program which was CDBG funded for \$270,000.00 for PY 2019 and HOME funds in the amount of \$284,369.00 for new affordable housing on infill lots with designs sensitive to the surrounding neighborhoods. The CDBG budget was slightly increased and the HOME budget was slightly decreased for PY 2019. The staff is anticipating that the CDBG and HOME Programs funding will remain level for PY 2020. (HN 3.3.1, HN 2.4.1, HN 3.1.1, HN 2.2.1, HN 1.6, ED 7.2)  
**Outcome:** The 5 Year Consolidated Plan for Program Years 2016-2020 was adopted by resolution R-59-16 on May 3, 2016 by the Board of Directors. Additionally, the Analysis of Impediments to Fair Housing Choice was completed. The plan and analysis were submitted before the deadline established by HUD of May 15, 2016. Both documents are required as a condition of receiving CDBG and HOME

funding. Implementation of projects and activities recommended by CDAC and subsequently approved by the Board of Directors by Resolution R-41-20 for Program Year 20 will begin once the U. S. Department of Housing and Urban Development Funding Approval Agreement has been fully executed between HUD and the City Administrator. The CDBG program was awarded \$902,378 and the HOME program award was \$438,426 which represents a slight increase for CDBG and HOME from the prior year. Historic detailed reports which contains performance measures objectives and outcomes is available online and titled as the Consolidated Annual Performance Evaluation Report (CAPER). The PY 2019 CAPER is currently being completed which covers the time period of July 1, 2019 to June 30, 2020 and will be placed online once it has been accepted by HUD. Due to COVID-19 HUD has extended the deadline from September 30th to December 31, 2020. The staff has completed the Request for Proposals (RFP) to hire the consultant for the Five Year Consolidated Plan, the processes should begin in September / October 2020. The Five Year Consolidated Plan which will cover Program Years 2021-2025.

5. **Service Objective:** Collaborate with IT to improve the department’s presence online by updating the Development Services website and the implementation of the ERP/EnerGov software in order to make the experience more user friendly for the customer. (PFS 1, PFS 2)

**Outcome:** Staff has worked and continues to work with IT and EnerGov representatives on the implementation of EnerGov for all divisions in the Development Services department. Planning and Zoning is currently utilizing the Business Licensing module to process all city business licenses and hospitality and supplemental tax remittance. Additionally, staff has started working with IT on a new “open for business” website to make the process easier. Finally, staff created fillable Planning and Zoning applications that can be submitted online to streamline the process for customers.

6. **Service Objective:** Manage the business license process including the issuance of all business license and processing of supplemental taxes. Work on the municipal code to clarify the language regarding business licenses and educate the public on changes to the program.

**Outcome:** Staff continues to process over 4,000 renewals, monthly tax remittance, and issue new business licenses. Ensuring the process is as seamless as possible for citizens was the most important for staff.

#### **Building Safety/Neighborhood Services:**

1. **Service Objective:** The Building Safety Division will continue to administer all applicable State and City Building codes and ordinances and will review construction plans for code compliance and preform all related field inspections and will administer the unsafe structure ordinance. (ED-1, HN-1, HN-2, HN-3)

**Outcome:** The Building Safety Division has Issued 1208 Building permits and conducted 630 building, plumbing, electrical and mechanical inspections. We have conducted 345 commercial plan reviews and 238 residential plan reviews. Staff has worked numerous complaints for unsafe structures, plumbing, electrical and mechanical concerns.

2. **Service Objective:** The Neighborhood Services Division will continue administer the City Municipal Code Chapter 16 nuisance cleanup ordinances and the enforcement responsibilities of the City Property Maintenance Code as well as the Municipal Code Chapter 14 use of lands parking regulations as to protect and improve existing neighborhoods. (ED-7, HN-1, HN-2)

**Outcome:** Staff has conducted 5711 Environmental code inspections and 2329 Property Maintenance inspections. Staff has conducted 19 commercial parking violation inspections, 88 recreation/utility vehicles violation inspections and 75 general parking violations in residential areas. Staff has also worked 70 cases in District Court.

3. **Service Objective:** We will continue strive to improve the professionalism and productivity of the employees in their day to day involvement with designers, developers, contractors, other city department staff and the public. (PFS 1, PFS 2)

**Outcome:** Staff evaluations have continued and the zoom meetings taking place because of Covid 19 and onsite meetings with designers, developers, contractors, other city department staff and the public have taken place and been reviewed by supervisory staff.

4. **Service Objective:** Staff is continuing to work with IT staff and the Energov staff in reviewing and making changes to the Energov software to insure that the implementations when going online is smooth as possible in order to make the experience more user friendly for the customer. (PFS 1, PFS 2)

**Outcome:** The building and code enforcement portion of the Energov software was put on hold waiting on Tyler to upgrade. The existing permit system has been upgraded by the provider and we are continuing to use it for permitting and code enforcement modular.

## Police Department Overview:

The Police Department includes eight programs: 4701 Administration, 4702 Support Services, 4703 Criminal Investigations, 4704 Patrol, 4706 Airport Security, 4707 Animal Services, 1107 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, airport security, downtown parking meter collection and enforcement, and public parking deck and lot enforcement.

The FY21 Budget is \$1,388,897 or 7.5% less than the FY20 Budget. This decrease is largely due to the capital outlay budget.

The total personnel of the Police Department is 211.44FTE for FY21, consistent with FY20.

POLICE DEPARTMENT	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 11,265,163	\$ 13,683,933	\$ 11,438,245	\$ 12,737,786	\$ 12,737,786
Operating Expenditures	<u>2,597,874</u>	<u>3,896,144</u>	<u>2,416,662</u>	<u>4,341,875</u>	<u>4,341,875</u>
Operating Budget	\$ 13,863,037	\$ 17,580,077	\$ 13,854,907	\$ 17,079,661	\$ 17,079,661
Capital Outlay	<u>1,658,364</u>	<u>888,481</u>	<u>460,000</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 15,521,402	\$ 18,468,558	\$ 14,314,907	\$ 17,079,661	\$ 17,079,661
Authorized Positions	212.44	211.44	211.44	211.44	211.44

### Police Department 2021 Service Objectives

1. The Administration Division (4701) will support continued economic growth and help to protect the City's neighborhoods through:
  - a. Coordinating efforts of all Police Divisions in the continuation of the implementation of Intelligence-led Policing.
  - b. Coordinate a unified response to crime reduction and other community issues through regular CompStat meetings with command staff.
  - c. Coordinating with all Police Divisions in efforts to recruit, train and hire new officers to reduce the significant staffing shortage the Department is currently experiencing.
  - d. Ensure officers receive continuing education in topics such as diversity and leadership.
  - e. Developing focused supervisor training which will ensure unity in command and continuity among supervisory tasks.
2. The Administration Division (4701) will seek to improve the availability of adequate police services through the continuing goal of creating a precinct in the southern or eastern part of the city, constructing

a firing range, and a dedicated police training center. This is a multi-year goal that is dependent on the availability of funds to complete the project.

3. The Administration Division, in conjunction with other divisions, will strive to improve resource availability for officers to adequately provide police services through upgrading and replacing worn equipment and vehicles.
4. The Support Services Division (4702) will continue to work toward implementing full electronic entry of police records in support of the Crime Intelligence Analyst as the Department continues towards Intelligence Led Policing.
5. The Support Services Division (4702) will continue the goal of increasing diversity within the department through increased recruiting efforts utilizing the newly-formed recruiting teams.
6. The Support Services Division (4702) will work with the City IT Department to replace servers, increase storage capacity, and implement specialized security controls. Improvement in this area are required to mitigate the exposure of malware and loss of public safety data. Current technology is reaching end-of-life and has created limitations in pushing out new technology such as desktop virtualization, and in-car video uploads. Department will look to implement speeds up to 40GB bandwidth in portions of the network.
7. The Support Service Division (4702) will continue to research, identify, purchase and implement a new CAD/RMS (computer Aided Dispatch/Records Management System).
8. The Support Services Division (4702) will increase efficiency and accountability within the 911 Communications Center by hiring five new full-time civilian supervisors for the 911 Center. Various avenues for making the 911 PSAP optimally effective for Sebastian County will be explored and evaluated.
9. The Patrol Division (4704) will provide adequate police response to every member of the community through communication, outreach, and advance planning. This will be completed by consolidating resources when available and determining through data analysis when and where patrol officers should be deployed.
10. The Criminal Investigation Division (4703) will increase customer service and availability to the community through the improvement and development of detectives.
11. The Criminal Investigation Division (4703) will communicate with other department divisions in order to gather needed intelligence and determine the most efficient deployment of resources in order to effect crime reduction in the City.

Key Performance Indicators							
Program	Performance Measure	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target	FY 2021 Actual*
4704 (Police)	Maintain or reduce response time for Priority 1 Calls for Service to less than 5 minutes.	5 Mins	3.5 Mins	5 Mins		5 Mins	
4701 (Police)	Respectful citizen encounters. Percentage of sustained citizen complaints per employee. At or below 5%	<=5%	.6%	<=5%		<=5%	
4701 (Police)	Reduce overall reports of UCR Part 1 crimes	>5411	6005	<6005		<FY2020	
4703 (Police)	Maintain crime clearance rate at or above previous year.	46.43%	47.53%	47.53%		>FY2020	

\*Jan-July



## Police Department 2020 Service Objectives and Outcomes

1. **Service Objective:** The Administration Division (4701) will support continued economic growth and help to protect the City's neighborhoods through:
  - a. Coordinating efforts of all Police Divisions in the continuation of the implementation of Intelligence-led Policing.
  - b. Coordinate a unified response to crime reduction and other community issues through regular CompStat meetings with command staff.
  - c. Coordinating with all Police Divisions in efforts to recruit, train and hire new officers to reduce the significant staffing shortage the Department is currently experiencing.
  - d. Ensure officers receive continuing education in topics such as diversity and leadership.
  - e. Developing focused supervisor training which will ensure unity in command and continuity among supervisory tasks.

**Outcome:** FSPD has continued to conduct bi-weekly COMPSTAT meetings to identify crime trends and patterns and to develop approaches to curtail targeted criminal activity. The Department hired seven new recruits in February and another seven new recruits in August. Department supervisors attended training in diversity and inclusion. Shortly thereafter, sworn members received similar training. Sworn members have need offered opportunities to attend leadership and supervision courses at UAFS Implemented a dedicated Intelligence Unit to augment CID. Multitude of in-person and online training courses provided to all personnel. Supervisory courses offered to non-supervisory personnel in an effort to prepare officers for leadership positions.

2. **Service Objective:** The Administration Division (4701) will seek to improve the availability of adequate police services through the continuing goal of creating a precinct in the southern or eastern part of the city, constructing a firing range, and a dedicated police training center. This is a multi-year goal that is dependent on the availability of funds to complete the project.

**Outcome:** Budgetary funds were not available for this objective.

3. **Service Objective:** The Administration Division, in conjunction with other divisions, will strive to improve resource availability for officers to adequately provide police services through upgrading and replacing worn equipment and vehicles.

**Outcome:** The Police Department purchased five new Patrol Tahoes and two new Dodge Chargers for supervisor vehicles. The Department purchased two drones and two portable message boards with grant funding and launched two K9 teams.

4. **Service Objective:** The Support Services Division (4702) will continue to work toward implementing full electronic entry of police records in support of the Crime Intelligence Analyst as the Department continues towards Intelligence Led Policing.

**Outcome:** 2020 saw the continual progress toward completely electronic entry of police reports. Private property collision reports were added to the list of reports completed electronically rather than paper reports. Data entry and statistics are being entered more accurately, leading the crime analyst to be better able to show accurate crime statistics. This data has been instrumental in the allocation of resources and crime reductions strategies during biweekly COMPSTAT meetings. The Department is fully prepared and compliant with NIBRS reporting for the impending transition of the FBI from UCR/NIBRS to fully NIBRS reporting.

5. **Service Objective:** The Support Services Division (4702) will continue the goal of increasing diversity within the department through increased recruiting efforts utilizing the newly-formed recruiting teams.

**Outcome:** The Department conducted an inquiry into the hiring and recruiting functions of the department, identifying several weaknesses and shortcomings in our recruiting/hiring practices. FSPD recruiting teams have been altered in an effort to more closely represent the City of Fort Smith's demographics. The recruiting teams have attended various recruiting events throughout the region, with plans to attend out-of-state recruiting events prior to the onset of COVID-19 restrictions. Many different advertising methods were utilized to solicit applications, to include; television, radio, newspaper, billboards, and social media. The advertisements focused largely on attracting qualified minority applicants by targeting predominantly minority communities. These efforts were fruitful with the hiring of fourteen new officers. These recruiting efforts have made significant headway toward a diverse, fully staffed department. However despite our best efforts historic results remained steady in that the majority of newly hired officers tended to be white males.

6. **Service Objective:** The Support Services Division (4702) will work with the City IT Department to replace servers, increase storage capacity, and implement specialized security controls. Improvement in this area are required to mitigate the exposure of malware and loss of public safety data. Current technology is reaching end-of-life and has created limitations in pushing out new technology such as desktop virtualization, and in-car video uploads. Department will look to implement speeds up to 40GB bandwidth in portions of the network.

**Outcome:** This process was ongoing, although the impact of the COVID-19 pandemic affected this outcome. Technology was still improved during 2020 despite this setback. The remote functionality of the department through VMware's Virtual Desktop Infrastructure (VDI) was improved drastically in 2020 with a server upgrade. This not only improved speeds on the system but allowed a greater number of non-essential employees to telework during mandatory quarantine periods. The department's IT staff also coordinated with City IT department to improve security in software systems and access control systems. The goal of 40GB bandwidth implementation was affected by the COVID-19 pandemic funding cuts but plans are continuing to implement in 2021. Finally, improved mobile technology was implemented in patrol vehicles through mobile routers and mobile data terminals to improve communications between officers in the field and the department.

7. **Service Objective:** The Patrol Division (4704) will provide adequate police response to every member of the community through communication, outreach, and advance planning. This will be completed by consolidating resources when available and determining through data analysis when and where patrol officers should be deployed.

**Outcome:** Although facing an ever-evolving global pandemic, the patrol division has continued to provide an adequate police response to the community. Through implementation of a detailed, multi-phase operations plan at the onset of the pandemic, the police department has continued operations with only one confirmed case of COVID-19 after 5 months of the pandemic. Officers are equipped with personal protective equipment (PPE), maintain safe distances during contacts when able, and receive advanced warnings of potential hazards from the communications unit while responding to calls for service. The Patrol Field Operations Division deploys resources and emphasizes patrol tactics based on weekly and bi-weekly analytical reports provided by our crime analyst. When appropriate, officers utilize forward looking infrared radar (FLIR) to assist in areas troubled with overnight burglaries and/or breaking or entering. The patrol division consistently places emphasis on positive community engagements by participating in the Community First initiative, We Care Campaign, birthday celebrations, food giveaways and other community based events. In the midst of this tumultuous year, the department's approach to civil unrest across the nation has resulted in numerous peaceful protests within the city. The City has

experience no property damage, no tactical response, and only one associated arrest throughout these protests.

8. **Service Objective:** The Criminal Investigation Division (4703) will increase customer service and availability to the community through the improvement and development of detectives.

**Outcome:** This objective was on track to be met before COVID-19 struck. Several members of the Criminal Investigations Division were scheduled to attend specialized training in Criminal Investigations, Homicide Investigation, Drug Investigation, and Interview and Interrogation Techniques. Due to the worldwide pandemic and travel restrictions, all this training was cancelled. Members of the Criminal Investigations Division have taken advantage of webinars, Virtual Academy, and other online training opportunities to continue to develop their skills as these classes have become available. Despite setbacks, the Criminal Investigations Division was able to implement an Intelligence Unit and assign detectives to a Domestic Violence Unit. The Narcotic Unit was bolstered by the addition of the two new K-9 teams assigned to work with the unit.

9. **Service Objective:** The Criminal Investigation Division (4703) will communicate with other department divisions in order to gather needed intelligence and determine the most efficient deployment of resources in order to effect crime reduction in the City.

**Outcome:** This has been met through bi-weekly CompStat meetings in which collaboration with differing departmental units has facilitated a coordinated effort. This communication continues with detectives attending shift briefings as well as constant electronic communication. The information gathered drives the deployment of resources to best address crime problems as they occur and to prevent future issues. The Criminal Investigations Division has also implemented an intelligence unit that is part of the Narcotics Unit. This unit provides valuable intelligence to other department divisions, providing information on officer safety risks and wanted persons.

10. **Service Objective:** Each division of the Fort Smith Police Department will continue to emphasize the implementation of programs promoting de-escalation, incarceration alternatives, mental health/crisis intervention, homelessness, progressive animal control and community policing.

**Outcome:** The Department has made policy modification to its Response to Resistance policy to further emphasize de-escalation. Part of our COVID-19 response was a reduction of custodial arrests and a significant reduction in incarceration rates. In the second quarter of 2020, the department established a dedicated Crisis Intervention unit to address and combat mental health issues within the community. This unit works to reduce in incarceration of persons with mental illness by diverting to various mental health providers and services within the community. The unit follows up on reports of drug overdoses, suicide threats, etc. and provides intervention and referral for additional services and treatment. The unit assists family members in pursuing involuntary committal orders for loved ones in need of immediate treatment. They assist field personnel who come into contact with persons in acute/emergency crisis. They work with local agencies and community organizations to identify persons in need of additional resources related to mental health issues. To further these operations, the Department established a Vulnerable Persons Database. To aid in fostering community relations, the Animal Control Unit was rebranded as P.A.W.S. (Progressive Animal Welfare Services), complete with new uniforms and the removal of the "special office" designated for newly hired members as we move forward. Community Relations during the COVID-19 restrictions made changes to helping children and adults alike enjoy birthdays and drive-by celebrations with police units. The Police/Community Relations Unit had to slow down, but did not stop participating in meal service programs. Finally, the Department encouraged the

wearing of masks with the #CatchMeCaring program recognizing businesses and citizens for caring enough to mask up.

Key Performance Indicators							
Program	Performance Measure	FY 2018 Target	FY 2018 Actual	FY 2019 Target	FY 2019 Actual	FY 2020 Target	FY 2020 Actual*
4704 (Police)	Maintain or reduce response time for Priority 1 Calls for Service to less than 5 minutes.	5 Mins	4.55 Mins	5 Mins	3.5 Mins	5 Mins	4.69
4701 (Police)	Respectful citizen encounters. Percentage of sustained citizen complaints per employee. At or below 5%	<=5%	5%	<=5%	.6	<=5%	4%
4701 (Police)	Reduce overall reports of UCR Part 1 crimes	<6210	5411	<5411	6005	<6005	3444
4703 (Police)	Maintain crime clearance rate at or above previous year.	34.57%	46.43%	46.43%	47.53%	47.53%	42.92%

\*Jan-July

## Fire Department Overview:

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

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

The Fire Department consists of four programs: 4801 Administration, 4802 Suppression and Rescue, 4803 1/8% Sales Tax Operations, and 4804 Training. The 4801 program includes management of all fire services for the city code enforcement, investigations, construction reviews, fire prevention education, and inspections. Program 4802 responds to all emergencies that may occur within the City of Fort Smith. These emergencies may include fire suppression, emergency medical, rescue operations, and hazardous materials releases. This program also assists citizens with fire protection and prevention problems and fire pre-plans of commercial businesses for familiarization in the event of an emergency. They are also responsible for routine maintenance and testing fire hydrants in conjunction with regular daily schedule of building, grounds, and equipment maintenance. Program 4803 includes the operating and capital costs supported by the 1/8% local sales and use tax. Personnel in this program staff the new fire station built at Chaffee Crossing. A fire training facility is funded through this program as well as the purchase of replacement apparatus for the department. Program 4804 includes the training operations that are certified through the Arkansas State Fire Academy.

The FY21 Budget is \$940,365 or 7.2% less than the FY20 Budget. Decrease is due to a slight adjustment in Personnel budgeting and a decrease in Capital budgets. For purposes of presentation, Program 4803 1/8% Sales Tax was removed from Budget summary numbers.

The total personnel of the Fire Department is 134FTE for FY21 which is one more than the FY20 Budget. An additional Captain position was added in FY20.

<b>FIRE DEPARTMENT</b>	<b>ACTUAL FY19</b>	<b>BUDGET FY20</b>	<b>ESTIMATED FY20</b>	<b>BUDGET FY21</b>	<b>BUDGET FY22</b>
Personnel Expenditures	\$ 9,913,166	\$ 10,856,308	\$ 9,908,930	\$ 9,962,246	\$ 9,962,246
Operating Expenditures	<u>1,308,892</u>	<u>1,587,358</u>	<u>1,530,468</u>	<u>2,087,955</u>	<u>2,087,955</u>
Operating Budget	\$ 11,222,058	\$ 12,443,666	\$ 11,439,398	\$ 12,050,201	\$ 12,050,201
Capital Outlay	<u>36,577</u>	<u>546,900</u>	<u>46,920</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 11,258,635	\$ 12,990,566	\$ 11,486,318	\$ 12,050,201	\$ 12,050,201
Authorized Positions	133.00	133.00	134.00	134.00	134.00

## Fire Department 2021 Service Objectives

1. To provide the best in services by continued following the guidelines of the Insurance Services Office (ISO) and National Fire Protection Association (NFPA) service and response requirements to maintain our ISO Public Protection Classification 1 and for future expansion and growth.
2. Promote a business-friendly and citizen friendly government by adopting and maintaining fair and transparent fire codes and apply equally to all customers.
3. To educate Children, Senior Citizens, and higher risk occupancies on fire prevention.
4. Maintain open communication between the City, the business community, and residents through participation in public programs such as Citizens Fire Academy, attending all neighborhood ward meetings, and delivering public safety education sessions to residents, school children, and businesses.
5. To keep property loss from fires or other incidents to a minimum.
6. Improve the accountability and performance measurement of our budget by including key performance indicators for the Department as outlined below.

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY 2020 Actual Through Mid-Year	FY 2021 Target
Program # 4801-4804 Fire Department	To keep casualties and property loss from fire as low as possible through education and inspections	As of June 30th, the Fire Department has reached 1732 children and 951 adults	To educate Children, Senior Citizens, and higher risk occupancies on fire prevention	Due to COVID restrictions, the Fire Department has only reached 52 Children and 34 Adults	To educate Children, Senior Citizens, and higher risk occupancies on fire prevention
Program # 4801 Fire Department	To keep property fire insurance rates as low as possible by maintaining an ISO PPC-1	Maintaining all areas required by ISO for PPC-1	To maintain an ISO Public Protection Class 1	Maintaining all areas required by ISO for PPC-1	To maintain an ISO Public Protection Class 1
Program # 4802 & 4803 Fire Department	To strive to keep property loss from fires or other incidents to a minimum / To keep property loss to less than 10%	Value of property responded to: \$107.3 Million Total Percent Lost: 2.40% Total Percent Saved: 97.60%	To keep property loss to less than 10%	Value of property responded to: \$105.4 Million Total percent Saved: <b>97.92%</b>	To keep property loss to less than 10%
Program # 4802 & 4803 Fire Department	To meet NFPA and ISO Response Time Standards / To be on scene in 4 minutes or less after receipt of alarm	As of June 30th, 5773 alarms have been responded to with an average of 3:35 response time.	To be on scene in 4 minutes or less after receipt of alarm.	5328 alarms have been responded to with an average response time of 3:36	To be on scene in 4 minutes or less after receipt of alarm.
Program # 4804 Fire Department	To increase safety and efficiency through training / Achieve 30,066 total training hours for individual and company training	3,561 training scenarios totaling 53,762 hours.	Achieve a minimum of 30,066 total training hours for individual and company training	4290 Training scenarios totaling 32,893 combined hours	Achieve a minimum of 30,066 total training hours for individual and company training

## Streets and Traffic Control Department Overview:

The Streets and Traffic Control Department is made up of seven programs: 5101 Administration, 5302 Street Construction, 5303 Street Drainage, 5304 Street Maintenance, 5305 Sidewalk Construction, 5401 Traffic Control Operations, and 5403 Street Lighting. 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 2021 is to continue 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.

The FY21 budget is consistent with the FY20 budget.

Total personnel for the Department in FY21 is 2FTE more than FY20. 4 Heavy Equipment Mechanics became shared 50% with Utilities.

STREETS & TRAFFIC CONTROL	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 3,122,475	\$ 3,692,546	\$ 3,009,210	\$ 3,486,266	\$ 3,486,266
Operating Expenditures	<u>2,429,745</u>	<u>2,846,845</u>	<u>2,363,290</u>	<u>2,774,695</u>	<u>2,774,695</u>
Operating Budget	\$ 5,552,220	\$ 6,539,391	\$ 5,372,500	\$ 6,260,961	\$ 6,260,961
Capital Outlay	<u>192,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 5,744,839	\$ 6,539,391	\$ 5,372,500	\$ 6,260,961	\$ 6,260,961
Authorized Positions	72.86	70.86	70.86	72.86	72.86

### Streets and Traffic Control Department 2021 Service Objectives

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

## **Streets and Traffic Control Department 2020 Service Objectives and Outcomes (Updated through July 31, 2020)**

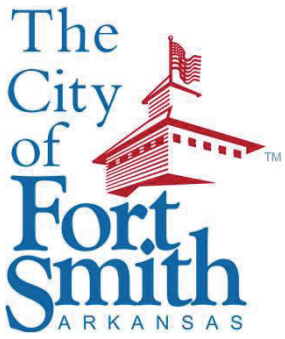
1. **Service Objective:** Continue to respond to citizen's request for service in a timely, effective and efficient manner. (Comprehensive Plan: Goal PFS-1 and 2)  
**Outcome:** Quick response time continues to be a top priority. We have put an emphasis on meeting this objective in responsiveness or by directing citizens to the appropriate department with issues not connected to this department. We have better notification as we can be notified by phone, e-mail, or through myFortSmith either online or in the app.
2. **Service Objective:** Continue to lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches, channels and drainage structures. (Comprehensive Plan: Goal HN-1 and CCD-1)  
**Outcome:** Channels have been cleaned on a rotation from large channels to small channels based on the best time of year to accomplish this cleaning.
3. **Service Objective:** Continue to preserve the appearance of public property by mowing detention ponds, levees, City owned right-of-way and drainage easements. (Comprehensive Plan: Goal HN-1 and CCD-1)  
**Outcome:** Regular mowing of these areas has continued even with a significantly depleted mowing staff due to COVID-19 budget reductions.
4. Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices and street surfaces (signals, signs, striping, pedestrian crosswalks and roadways etc.). (Comprehensive Plan: Goal TI-1, TI-3)  
**Outcome:** The traffic control department has adhered to a regular maintenance schedule for signs, signals, street markings and battery maintenance. Street maintenance crews continue to effectively repair and maintain street surfaces by repairing potholes and utility cuts, responding to complaints, and by performing routine maintenance.
5. **Service Objective:** Further develop a long range plan for sidewalk repair and new construction while continuing to implement the year to year plan. (Comprehensive Plan: Goal TI-3)  
**Outcome:** Crews continue to construct new sidewalks and make repairs to damaged and unsafe sidewalks throughout the City. A yearly plan of action will now be submitted and implemented to better handle the continued work.



KEY PERFORMANCE INDICATORS					
DEPARTMENT	PERFORMANCE MEASURE	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target
Traffic Control (5401)	% of traffic light repairs completed within 4 hours of notice.	100%	100%	100%	100%
Street Maintenance (5304)	% of repairs (utility cuts including streets, driveways, and sidewalks) completed within 4 days from start of repair work.	95%	100%	95%	90%
Drainage (5303)	Complete inspection and critical maintenance of major drainage ways annually.	100%	100%	On Schedule for 100%	100%
Street Construction (5302)	Complete construction of drainage, street, and bridge repair projects.	100%	100%	100%	100%
Sidewalks (5305)	Complete 3 miles of sidewalk (includes new construction and repairs).	100%	100%	On Schedule for 100%	100%
Street Maintenance (5304)	Clean, mow, and/or spray drainage easements, rights-of-way, and detention ponds 3 times per year.	100%	100%	On Schedule for 100%	100%
Street Construction (5302) Drainage (5303) Street Maintenance (5304)	Check and ensure storm drain system is clear prior to storm events.	100%	100%	100%	100%
Street Construction (5302) Drainage (5303) Streets Maintenance (5304)	Complete preparations for winter weather by November 1 <sup>st</sup> (Fill brine storage tanks, replenish salt/sand supply, and perform maintenance on brine machine, brine distribution tanks, and snow plows.	11/1/19	11/1/19	On Schedule for 11/1/19	11/1/19

\*Note: Six miles of sidewalk is no longer attainable for the following reasons:

1. Two crews are now performing the sidewalk work instead of three. The Street Construction crew is continuously busy with street, drainage, and bridge repair projects and generally doesn't have time available for sidewalk work.
2. All the "low hanging fruit," the long runs of sidewalk in single locations that are easy and fast to complete, have been repaired. The projects remaining are the smaller and more difficult areas requiring multiple mobilizations and additional work such as retaining walls, driveways, curb and gutter, etc.
3. Construction of new sidewalk projects began in 2020. New construction requires significantly more planning than repair projects and often involves additional work items such as right-of-way acquisition, site grading, driveway reconstruction, curb and gutter installation, storm drain/culvert installation, inlet/junction box construction, retaining wall construction, irrigation system relocation, fence reconstruction, mailbox relocation, and additional site restoration.
4. For 2020, only basic essential services were provided and no sidewalks were constructed from March 16th through May 4th due to staff rotations for COVID-19.



# Operation Services Water and Sewer



## Communications / Training

Program Manager  
Supervisor  
Communications Coordinator  
Specialist (2)  
Technician (3)  
Senior Clerk II

## Engineering & Technology

Program Manager  
GIS Manager  
MIS Manager  
Property Manager  
Inspections Manager  
Project Engineer (4)  
MIS Application Specialist (4)  
Hydraulic Modeler  
GIS Analyst (2)  
Property Agent (2)  
Coordinator (2)  
Construction Inspector (6)  
Technician (4)  
Right of Way Specialist

## Water Reclamation Maintenance

Program Manager  
Supervisor (4)  
Technician (2)  
Leadperson (7)  
Maintenance Person (5)  
Equipment Operator (27)

## Environmental Quality

Program Manager  
Supervisor (3)  
Coordinator(3)  
Ecologist (4)  
FOG Inspector (2)  
Technician (7)  
Analyst (2)

## Easement, Building, & Station Maintenance

Program Manager  
Supervisor (3)  
Mechanic (14)  
Electrician (5)  
Technician (6)  
Crane Operator  
Leadperson  
Maintenance Person (4)

## Water and Sewer Department Overview:

The Water and Sewer Department is comprised of 14 programs that provide operational administration, utility billing and related customer service, parking facilities, 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 FY21 Budget is \$3 Million or 5.5% less than the FY20 Budget. The decrease is attributable to a slight adjustment in personnel budgeting and completed Non-Capital projects.

Total positions for the Department are 311.5FTE for FY21, a decrease of 2FTE over FY20. The decrease is due to 4 Heavy Equipment Mechanics became shared 50% with Streets and Traffic.

<b>WATER AND SEWER OPERATING FUND</b>	<b>ACTUAL FY19</b>	<b>BUDGET FY20</b>	<b>ESTIMATED FY20</b>	<b>BUDGET FY21</b>	<b>BUDGET FY22</b>
Personnel Expenditures	\$ 13,617,184	\$ 19,159,163	\$ 15,536,469	\$ 17,207,869	\$ 17,207,869
Operating Expenditures	<u>28,702,883</u>	<u>35,628,339</u>	<u>31,374,489</u>	<u>34,960,340</u>	<u>34,960,340</u>
Operating Budget	\$ 42,320,067	\$ 54,787,502	\$ 46,910,958	\$ 52,168,209	\$ 52,168,209
Capital Outlay	<u>4,264,133</u>	<u>575,370</u>	<u>-</u>	<u>126,080</u>	<u>126,080</u>
Budget Appropriation	\$ 46,584,200	\$ 55,362,872	\$ 46,910,958	\$ 52,294,289	\$ 52,294,289
Authorized Positions	303.10	313.50	313.50	311.50	311.50

### Water and Sewer Department 2021 Service Objectives

1. Ensure adequate, well maintained water and wastewater treatment, water distribution and sewer collection systems for all development and prevent development ahead of properly constructed water distribution and sewer system or adequate water supply and wastewater treatment facilities. Coordinate land use planning and capital programming to ensure infrastructure improvements and extensions are phased to support the future land use pattern. (FLU-1.4, TI-5.2.1)
2. Continue to ensure that customers within Fort Smith have access to reliable water and wastewater services by reducing or eliminating deficiencies and gaps in infrastructure systems. This includes reducing water leaks and reducing the number and quantity of sanitary sewer overflows. (TI-5.1)
3. Implement an infrastructure Asset Management Program as a tool for management of the utility department's water and sewer systems to track, manage, and schedule necessary facility upgrades and improvements. (TI-5.1.1)
4. Ensure that utility and infrastructure systems can meet the city's long-term needs. Utilize water and sewer modeling to adopt criteria for prioritizing funding for infrastructure-related capital improvement projects. (TI-5.2, TI-5.2.4)
5. Provide new water and wastewater facilities in a manner that protects investments in existing facilities and promotes orderly growth. (PFS-4.2)

KEY PERFORMANCE INDICATORS				
DIVISION	PERFORMANCE MEASURE	FY 2019 ACTUAL	FY 2020 (7/31/2020)	FY 2021 TARGET
Citizen Service (55200101)	Bill Accuracy Rate (adjustments/10,000 bills)	25	10	< 10
Business Op. & Logistics (55212101)	Inventory Lose Rate	0.4%	~ 0.1%	< 2%
Communications & Training (5522)	Training Hours per Employee (Hrs/235 FTEs)	11.3	5.1	>10.0
Utility Engineering (5523)	Plan Review Response Less than 5-Days (as %)	100%	100%	100%
Water Treatment (55560400)	Percent Regulatory Compliance	100%	100%	100%
Water Line Maintenance (56100000)	Number of water leaks & breaks/100 miles of pipe	169.5	63.3	< 100
Sewer Line Maintenance (56110000)	Number of SSOs per 100 miles of pipe	46.3 Tot. SSOs 33.8 Dry SSOs 12.6 Wet SSOs	21.0 Tot. SSOs 14.5 Dry SSOs 6.5 Wet SSOs	<40 Tot. SSOs <30 Dry SSOs <10 Wet SSOs
Environmental Quality (56252101)	Percent Permitted FOG Generator Inspections	50%	23%	50%
Wastewater Treatment (56560300)	Percent Regulatory Compliance	100%	98% ↓*	100%

### Water and Sewer Department 2020 Service Objectives and Outcomes

1. **Service Objective:** Embrace innovation, process improvement and technology to ensure cost effective utilization of resources.

**Outcome:**

- Provide electronic as-built drawings for use by crews in the field by the end of 2021. **Not Started**
- Work with IT and other invested departments to fully implement Lucity by the end of 2020. **Ongoing**
- Fully implement LIGO by the end of 2020. **Ongoing**
- Develop and implement SCADA replacement with Ignition by July 2020. **Completed**
- Complete integration of sanitary sewer and water systems into GIS and full implementation by the end of 2020. **Ongoing**
- Utilize new software to manage all water and wastewater modeling internally by the end of 2020. **Ongoing**
- Use GIS and water modeling software to plot and analyze locations of water leaks and improve predictability and target repair efforts in the most effective manner possible. **Not Started**
- GPS locate all water meters in the City limits and add them to the GIS mapping system by the end of 2021. **Not Started**
- Mobilize all maintenance crews with tablets to access GIS mapping and Lucity work order management by the end of 2020. **Ongoing**

2. **Service Objective:** Implement programs to meet consent decree requirements in a timely and cost effective manner using best management practices, established industry standards and sound engineering judgment.

**Outcome:**

- Integrate recommendations of the Wastewater Management Plan into wastewater projects and management strategies to reduce sanitary sewer overflows (SSOs). *Ongoing*
  - Increase emphasis on reducing dry weather SSOs. *Ongoing*
  - Design, repair, and replace collection system lines with defects identified in the Sanitary Sewer Assessments (SSA). *Ongoing*
  - Design, repair, and replace sanitary sewer interceptors for improving capacity for the goal of eliminating capacity related SSOs improving service reliability. *Ongoing*
  - Replace, as needed, pump stations to resolve capacity related issues and improve service reliability in the sub-basin service areas. *Ongoing*
  - Improve efforts to repair pump station and treatment plants to resolve safety and operational issues. *Ongoing*
  - Fully develop and implement Capacity Management, Operations, and Maintenance (CMOM) program to improve on-going management, operation and maintenance of the sewer collection system. *Ongoing*
  - Fully utilize investigative and diagnostic tools, such as, SL-Rat, CCTV, to investigate SSO causes, line condition and defects. *Ongoing*
- \*Note: All CD related mandates and requirements are subject to review, validation and redesign, as needed, once the anticipated CD modification is finalized and implemented.

3. **Service Objective:** Improve water and wastewater systems to support continued growth and provide timely, cost effective service to the customers.

**Outcome:**

- Complete design and execute of Phase 2 of the 48-inch water transmission line from the Lake Fort Smith water treatment plant. *Ongoing*
- Develop cost effective projects to improve water service to the city, upgrade fire protection, and replace waterlines in older residential neighborhoods. *Ongoing*
- Continue water meter change out program to reduce unaccounted water loss and improved customer billing accuracy. *On Hold*
- Comply with state and federal drinking water and wastewater standards and regulations. *Ongoing*
- Develop and execute projects to eliminate the backlog of water leaks. *Ongoing*
- Continue to implement the water shed management program. *Ongoing*
- Update expired water use agreements. *Ongoing*

4. **Service Objective:** Strengthen customer service.

**Outcome:**

- Increase the number of contacts with the public at town-halls, mailings and workshops. *On Hold*
- Establish a centralized customer service center (at Carnall) to create a one-stop-shop for all Utility related questions and service calls. *Not Started (Re-evaluating)*
- Consolidate the collections, billing and meter function, into the new call center. *On Hold*
- Implement regularly scheduled customer service training for the staff. *On Hold*
- Project Concern program transitioned into the Utility Department and establish reapplication process by the end of 2020. *Completed*

5. **Service Objective:** Staff development.

**Outcome:**

- Send new staff to the water and wastewater 1 classes to learn more about the Utility department operations. **On Hold**
- Establish performance plans for all staff. **Ongoing**
- Establish appraisals for all supervisors and staff. **Ongoing**
- Define efforts to be taken to reduce turn-over. **Not Started**
- Finalize training plans for all staff. **Ongoing**
- Establish management training for all new managers. **Ongoing**
- Develop an effective secession plan to department staff. **Not Started**

**2020 Utility Department**

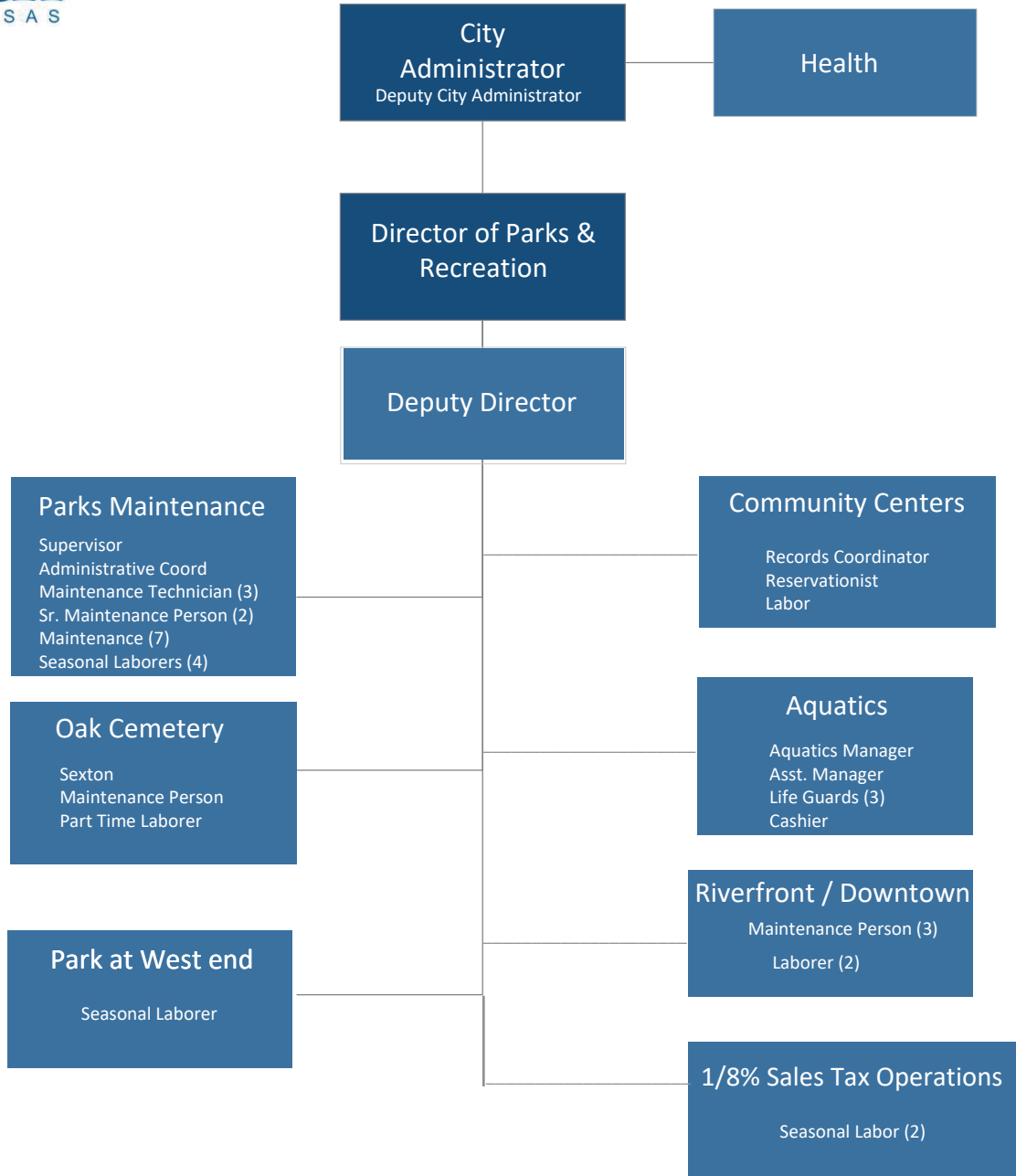
**Performance Measures**

<b>Performance Measure</b>	
Plan Reviews: Complete 98% within 5 days of receipt	
Sewer Line Cleaning: Clean 125,000 LF per year	
Replace all meters within 12 months	<b>On Hold</b>
Sewer Lines TV Inspected: Inspect 50,000 LF per year	
Eliminate water leak backlog by July 2021	<b>Ongoing</b>





# Operation Services Parks and Recreation



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

## Parks and Recreation Department Overview:

The Parks and Recreation Department oversees the operation of seven programs: 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 Department serves as a leader in the community in creating health and well-being of citizens through providing high-quality services which connect the community through facilities, opportunities for social engagement, and programming that encourages a healthy living lifestyle. (Comprehensive Plan: Goal NCR-4) The Department seeks options to improve the city's parks system and enhance citizen's parks and recreation experience/ Beautification and maintenance of a little over 680 acres of city parks for recreational purposes is a function of the Department. In addition, the Department manages the historic 30.27 acre Oak Cemetery and operates the Creekmore Community Center, Elm Grove Community Center, and River Parks Events Buildings which provide affordable venues for citizens to host a variety of events. The Department also maintains Harry E. Kelley Park and Amphitheater that serves as host to several outdoor events, including music festivals. The Department oversees an Olympic-size swimming pool, four splash pads, and one wading pool. The Department is responsible for the maintenance of several Downtown medians/islands in addition to the Garrison Avenue Streetscape. Multiple trails, including the scenic 6.2-miles Greg Smith Trail that extends along the Arkansas River, are also maintained by the Parks Department.

The FY21 Budget is \$506,244 or 17.9% less than the FY20 budget. The decrease is primarily due to the repair and replacement completion of the electrical damages caused by the 2019 flood. These damages were primarily paid for with Insurance Proceeds. For purposes of presentation, Program 6208 1/8% Sales Tax was removed from Budget summary numbers.

The total positions for the Department are 35.75FTE for FY21 which is .25 less than FY20. The decrease is attributable to an FTE adjustment for Seasonal Labors in program 6207.

<b>PARKS &amp; RECREATION</b>	<b>ACTUAL FY19</b>	<b>BUDGET FY20</b>	<b>ESTIMATED FY20</b>	<b>BUDGET FY21</b>	<b>BUDGET FY22</b>
Personnel Expenditures	\$ 1,239,672	\$ 1,568,919	\$ 1,195,959	\$ 1,493,685	\$ 1,493,685
Operating Expenditures	<u>721,814</u>	<u>1,266,845</u>	<u>1,127,605</u>	<u>835,835</u>	<u>835,835</u>
Operating Budget	\$ 1,961,486	\$ 2,835,764	\$ 2,323,564	\$ 2,329,520	\$ 2,329,520
Capital Outlay	<u>73,900</u>	<u>-</u>	<u>29,995.00</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 2,035,386	\$ 2,835,764	\$ 2,353,559	\$ 2,329,520	\$ 2,329,520
Authorized Positions	36.00	36.00	36.00	35.75	35.75

### Parks and Recreation Department Goals

To attract and retain young professionals through the utilization and enhancement of parks, trails and recreational programming.

## Parks and Recreation Department 2021 Service Objectives

1. Continue to meet the goals of the Capital Improvement Plan through dedicated funding of the sales and use tax. (Comprehensive Plan: NCR-1)
2. Continue to develop a continuous and connective trail system throughout the community. (Comprehensive Plan: FLU-3.2.3)
3. Evaluate and identify improvements to existing facilities, parks, and trails to increase inclusivity and accommodate citizens of all abilities. (Comprehensive Plan: PFS-3.2.3).
4. Support beautification efforts within the parks system by completing the renovation of the Anniversary Rose Garden, establishing a turf program, and addressing irrigation/backflow issues. (Comprehensive Plan: CCD-1)
5. Maintain open communication between the City, the CBID, the Parks Commission, and residents through participation in public programs. (Comprehensive Plan: PFS-2.2)
6. Improve accountability and performance measurement of our budget by including key performance indicators for the Parks Department as outlined below. (Comprehensive Plan: Goal PFS-2)

Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY 2020 1/1- 7/31	FY 2021 Target
6201 Parks Maintenance	Mow each park on a seven-day turnaround during the mowing season (approx. 24 weeks).	15	17	11	17
6202 Oak Cemetery	Mow the cemetery weekly during the mowing season (approx. 24 weeks).	22	24	13	24
6204 Community Centers	Maintain the same number of hours reserved.	3,652 Hours	4,200 Hours	1,574* Hours	3,800
6205 Aquatics	Maintain the same revenue to expense ratio.	61%	70%	18%*	65%
6206 Riverfront/Downtown	Increase the number of hours reserved by 3%.	3,657 Hours	3,650 Hours	791* Hours	3,650
6207 The Park at West End	Maintain the same level of revenue.	7,446	10,100	0*	7,500

\* Notes: The number of reservations at the community centers were significantly reduced as a result of COVID-19. In addition, Creekmore Park Pool operated on a substantially limited schedule during the 2020 operating season, and the Park at West End did not operate during FY20.

## Parks and Recreation Department 2020 Service Objectives and Outcomes

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

**Outcome:** The inclusive playground at Harley A. Wilson Park has been completed. Additionally, the design for the resurfacing of the basketball courts and sidewalk improvements is nearing complete. The shade structures that cover the playground and splash pad at Martin Luther King, Jr. Park have been installed. Both structures provide adequate shade for children and families utilizing the park amenities.

The public-private project for the installation of artificial turf at the Kelley Park Ballfields is nearing completion. “The Globe” was installed at the Riverfront Skate and Bike Park offering a climbing style amenity.

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

**Outcome:** Segment One of the Chaffee Crossing Trail System has been completed, adding an additional 1.7 miles of paved trail that connects to existing portions of paved trail. A contract with Morrison-Shipley Engineers, Inc. of Fort Smith was entered into for the design of Phase I of the Maybranch Trail. Phase I of the trail (approximately 1.7 miles) will begin at Riverfront Drive and extend through Martin Luther King, Jr. Park.

3. **Service Objective:** Support beautification efforts within the parks system by devoting more resources to landscaping flowerbeds, addressing irrigation/backflow issues, and working with downtown tenants, the Fort Smith Downtown Business Association, and Central Business Improvement District to renovate and maintain the beds along Garrison Avenue. (Comprehensive Plan: CCD-1)

**Outcome:** Landscape staff increased the number of landscaped beds by planting flowers, shrubs, etc. at Hillcrest Park (2 beds) and the north entrance of Tilles Park (2 beds). Previously broken backflows were replaced at Creekmore Park, Tilles Park, and Hillcrest Park to allow for the proper irrigation of flowerbeds. Additionally, Parks Staff met with the Fianna Hills Garden Club regarding planting and irrigating flowerbeds at Imani Park. The private sector has begun working on a plan for the renovation of the Garrison Avenue Streetscape.

4. **Service Objective:** Perform an assessment on park playground amenities to prioritize improvements and develop an updated inspection checklist for each park that will be completed on a biweekly basis. (NCR-1.5)

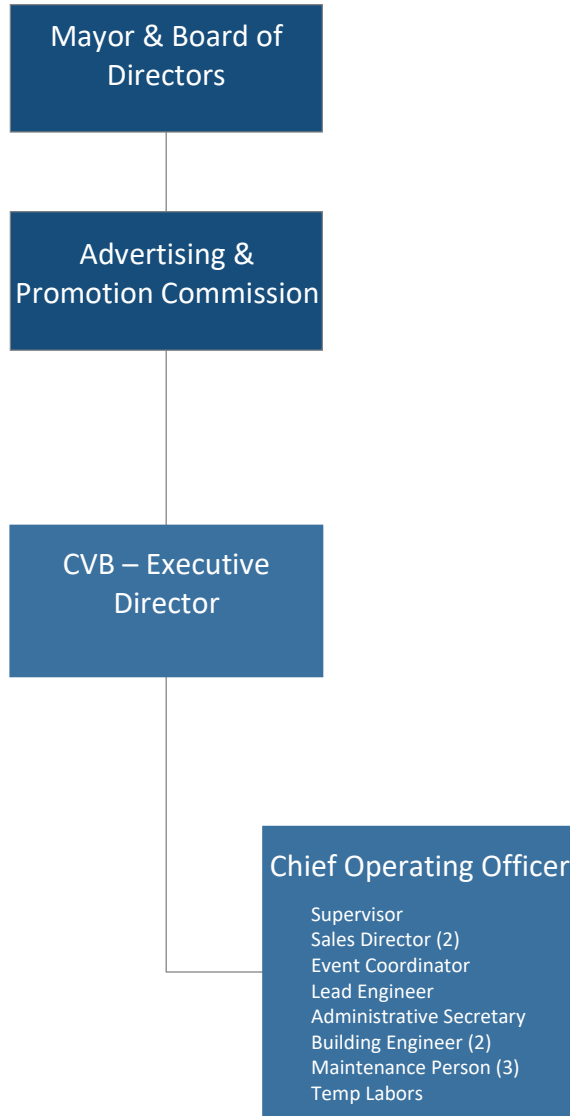
**Outcome:** Due to short staffing resulting from COVID-19 budget reductions, Maintenance Staff have not yet been able to complete the assessment of each playground amenities. However, the inspection list for the playgrounds has been updated.

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

**Outcome:** Staff continues to provide updates on projects and park operations during each Parks Commission, Central Business Improvement District (CBID), and Ward meeting. A virtual public meeting was held to gather input from the general public and target groups to obtain input for the inclusive playground at Creekmore Park.



# 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 1115, 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 FY21 Budget is \$102,892 or 6.6% less than the FY20 Budget. The decrease is attributable to a slight adjustment in personnel budgeting. The City General Fund will provide a transfer of \$777,000 to the Convention Center in FY21 as it did in FY20.

The Convention Center has 13.50FTE positions for FY21, which is consistent with FY20.

CONVENTION CENTER	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 904,788	\$ 915,873	\$ 741,130	\$ 817,646	\$ 817,646
Operating Expenditures	<u>641,985</u>	<u>641,490</u>	<u>617,765</u>	<u>636,825</u>	<u>636,825</u>
Operating Budget	\$ 1,546,773	\$ 1,557,363	\$ 1,358,895	\$ 1,454,471	\$ 1,454,471
Capital Outlay	<u>48,211.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 1,594,984	\$ 1,557,363	\$ 1,358,895	\$ 1,454,471	\$ 1,454,471
Authorized Positions	13.50	13.50	13.50	13.50	13.50

### Convention Center 2021 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.
  - Make 40 contacts per week with local, state, regional or national organizations. Prospect at least 15 new organizations per week to qualify potential future meetings and events business.
  - Conduct a minimum of 22 site tours each month.
  - Hold a pre and post conference meetings with all key client meeting planners to determine customer satisfaction and to maintain current client base.
2. Next to customer service, operational efficiencies will be a top priority for every member of the staff. Each team member will establish ongoing programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.
  - Follow an annually revised/updated ongoing facility and equipment maintenance procedures manual.
  - Completing all critical facility repairs within 12 hours and all other repairs within 72 hours.
  - Resolve all facility cleanliness issues immediately when possible or within 24 hours.
3. Continue to capitalize on working relationship with the Convention and Visitors Bureau with regards to integrated marketing of the Convention Center. The partnership allows The Fort Smith Convention

Center to be better poised to achieve brand recognition, credibility and greater market share. We will continue to emphasize this partnership in our marketing strategies to maximize our customers' understanding of the benefits and opportunities this partnership creates.

- Maximize advertising dollars by co-advertising and tradeshow participations with the Fort Smith Convention and Visitors Bureau by exhibiting in at least five annual convention tradeshows per year to secure leads. Conventions to attend: Rendezvous South, ASAE (Arkansas Society of Association Executives), Meetings Quest, Small Markets, Arkansas Governor's Conference of Tourism and Religious Conference Management Association convention.
  - Track and follow up with leads from various tradeshows to ensure lead quality level and gain business for the Convention Center.
  - Co-advertising in industry publications with the Fort Smith Convention and Visitors Bureau.
4. The Fort Smith Convention Center will create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. The result will be thousands of meeting/event attendee, spending their money in our immediate area. A thriving Convention Center increases business for the local hospitality service and restaurant sectors capturing revenue that would not be there otherwise.
  5. The Fort Smith Convention Center will maximize revenue to allow for future growth by controlling costs, adding additional services, increasing utilization and creating a price schedule that properly reflects market and economic realities to maximize bookings and regain customers who might have chosen an alternate venue based upon affordability.
  6. Continue administering the client survey 'report card' program designed to gather feedback about Convention Center service levels and quality of facilities from our clients. Achieve minimally a 25% client response rate; meaning that we receive a report card completed by the client for at least 25% of our events. Maintain an overall score showing that the Convention Center 'meets or exceeds' expectations 95% of the time in all areas of the sales & planning process and operations areas.
  7. In conjunction with the CVB staff, the Convention Center Sales staff will populate the Event Impact Calculator with appropriate event details within three months following the event's conclusion. This objective will ensure the A and P Commission's goal of producing/publishing measurable local/regional economic impact data in a timely fashion, periodically annually.

#### **REVENUE GOALS FOR 2021**

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

19	Large Center Programs/Concerts	\$117,800.00
8	Exhibits and/or Tradeshows	\$39,600.00
14	State Conventions/Meetings/Events	\$45,600.00
20	Regional/National/Conventions/Meetings/Events	\$92,000.00
101	Local Events	\$124,000.00
40	Theater Events	\$133,500.00
<b>202</b>	<b>Events</b>	<b>\$552,500.00</b>
	Catering/Concessions/Vending/Beverages	\$72,000.00
	<b>Total</b>	<b>\$624,500.00</b>

## Convention Center 2020 Service Objectives and Outcomes

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

  - Make 15 contacts per week with local, state, regional or national organizations. Prospect at least 10 new organizations per week to qualify potential future meetings and events business.
  - Conduct a minimum of 10 site tours each month.
  - Hold pre and post conference meetings with all key client meeting planners to determine customer satisfaction and to maintain current client base.

**Outcome:** (Above targets revised, ongoing)
- Service Objective:** Next to customer service, operational efficiencies will be a top priority for every member of the staff. Each team member will establish ongoing programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.

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

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

  - Maximize advertising dollars by co-advertising and tradeshow participations with the Fort Smith Convention and Visitors Bureau by exhibiting in at least five annual convention tradeshows per year to secure leads. Conventions to attend: Rendezvous South, ASAE (Arkansas Society of Association Executives), Meetings Quest, Small Markets, Arkansas Governor's Conference of Tourism and Religious Conference Management Association convention.
  - Track and follow up with leads from various tradeshows to ensure lead quality level and gain business for the Convention Center.
  - Co-advertising in industry publications with the Fort Smith Convention and Visitors Bureau.

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

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

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

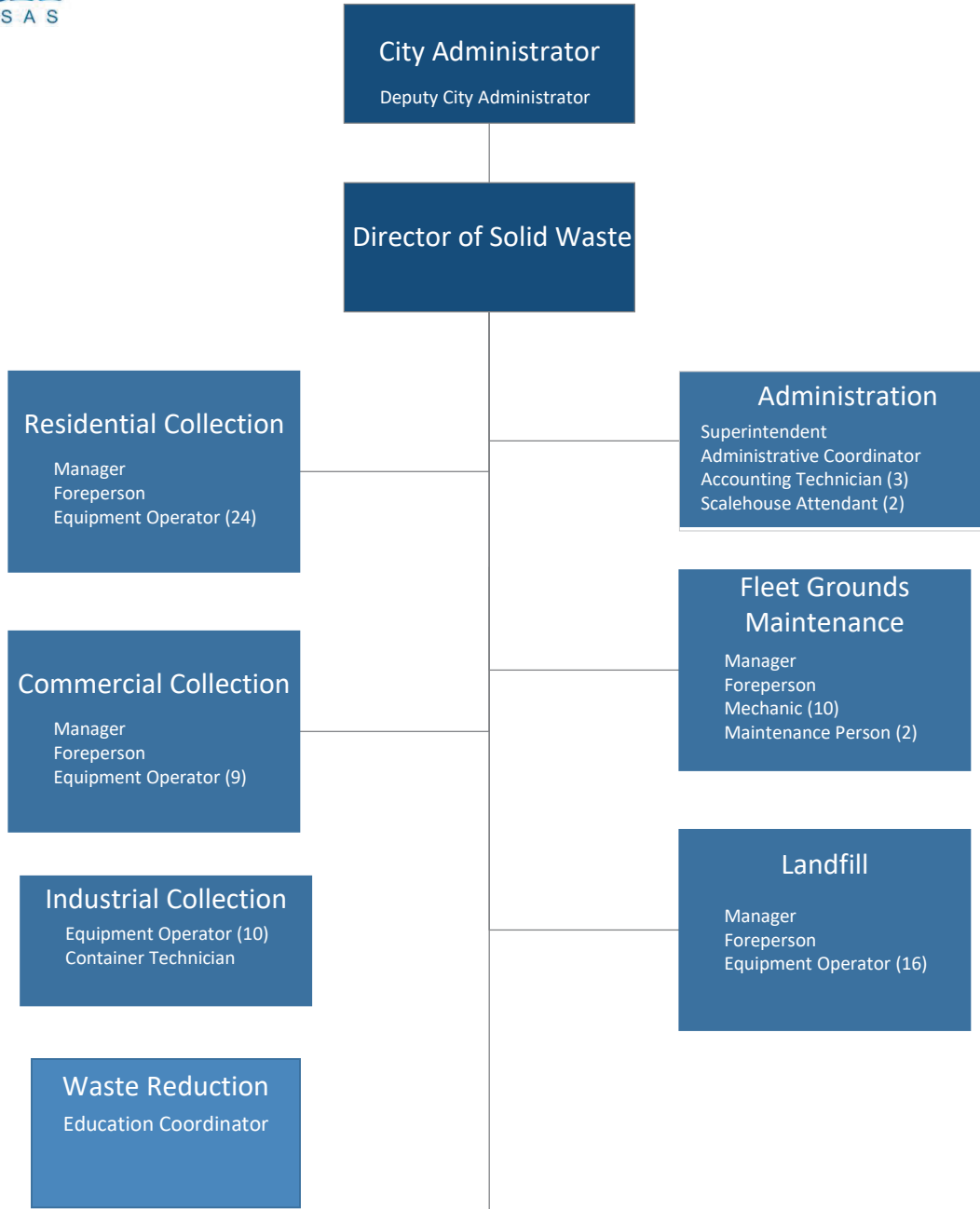
**Outcome:** (Completed and ongoing)



6. **Service Objective:** Continue administering the client survey 'report card' program designed to gather feedback about Convention Center service levels and quality of facilities from our clients. Achieve minimally a 25% client response rate; meaning that we receive a report card completed by the client for at least 25% of our events. Maintain an overall score showing that the Convention Center 'meets or exceeds' expectations 95% of the time in all areas of the sales & planning process and operations areas.  
**Outcome: (Completed and ongoing)**
7. **Service Objective:** In conjunction with the CVB staff, the Convention Center Sales staff will populate the Event Impact Calculator with appropriate event details within three months following the event's conclusion. This objective will ensure the A and P Commission's goal of producing/publishing measurable local/regional economic impact data in a timely fashion periodically annually.  
**Outcome: (Completed and ongoing)**



# Operation Services Solid Waste



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

## Solid Waste Department Overview:

The Solid Waste Department is comprised of seven programs: 6301 Administration, 6302 Residential Collection, 6303 Commercial Collection, 6304 Fleet Maintenance, 6305 Sanitary Landfill, 6307 Industrial Collection and 6308 Waste Reduction.

The Department manages and coordinates the solid waste collection and disposal system within the Solid Waste Management District. The Department manages the recyclables program, coordinates construction of landfill expansions, provides collection service for residential, commercial, and industrial accounts for solid waste and recyclables and provides for disposal of solid waste.

The FY21 Budget is \$736,064 or 6.1% less than the FY20 Budget. The decrease is due to a slight adjustment in Personnel budgeting and less Capital Outlay.

Solid Waste has 91.75FTE positions for FY21 that is consistent with FY20.

SOLID WASTE	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 4,318,625	\$ 5,337,860	\$ 4,503,020	\$ 4,844,272	\$ 4,844,272
Operating Expenditures	<u>5,424,185</u>	<u>6,032,901</u>	<u>5,460,092</u>	<u>6,096,425</u>	<u>6,096,425</u>
Operating Budget	\$ 9,742,810	\$ 11,370,761	\$ 9,963,112	\$ 10,940,697	\$ 10,940,697
Capital Outlay	<u>177,693</u>	<u>686,000</u>	<u>552,427.00</u>	<u>380,000</u>	<u>380,000</u>
Budget Appropriation	\$ 9,920,503	\$ 12,056,761	\$ 10,515,539	\$ 11,320,697	\$ 11,320,697
Authorized Positions	90.75	91.75	91.75	91.75	91.75

### Solid Waste Department 2021 Service Objectives

1. Continue to implement policy, procedure, and planning strategies derived from the financial analysis of the department performed by the department in 2019/2020
2. Increase the customer base/market share of the Industrial/Commercial collections divisions. Continue to research and explore the option of being the sole provider for commercial collection inside the city limits.
3. Continue refinement of the Residential Collections division in the interest of efficient service delivery to all residents.
4. Maximize efficiencies in managing the landfill operations and the overall landfill property to extend the life of the facility and accommodate the needs of other city departments.
5. Manage the fleet and grounds maintenance in a responsible and strategic manner.
6. Begin work on cell A-6.
7. Finalize the routing software implementation to realize operational savings.

Key Performance Indicators					
Program	Performance Measure	FY2019 Actual	FY2020 Target	FY2020 Estimated	FY2021 Target
6302	Tons of curbside recycling Collected & Diverted	2,514	3,708	2,800	3,000
6302	Tons of Residential yard waste collected & diverted	3,420	2,500	2,500	2,500
6302	Residential Collections Serviced by the Trouble Shooter per day (Missed Stops)	67	20/day	19/day	10/day
6302	Request for Dial-A-Truck	4,800	3,500	4526	5000
6302	Tons of residential refuse collected per year	25,678	15,450	32,000	30,000
6302	Residential Accounts - Active			28,590	28,650
6302	Stops per hour for Dial-a-truck service	2.5	3.5	2.6	3.5
6302	Residential stops per hour	105	80 per hour	100/ hour	110/ hour
6302	Residential stops per route	1,052	1,051	1100	1000
6303	Commercial tons collected per year	21,105	12,875	20,000	21,105
6303	Tons of Commercial Recycling collected & diverted from the landfill (OpGo)	340	1,030	300	340
6303	Commercial Lifts/Hour	10.26	10/hr	11.3/hr	11.8/hr
6303	Tons of OCC Collected & Diverted	1,212	960 tons	1400	1500
6303	Commercial customer base	1,800	1,800	1850	1850
6304	Percentage of the fleet to have a PM every 300 miles or 3 months (which ever comes quicker)		90%	45%	90%
6305	Tons of Refuse disposed at the Landfill per year	258,003	245,000	237,000	248,000
6305	Tons of yard waste diverted from landfill	4,609	4,700	5,700	5,800
6305	Tons diverted from Landfill working face (brick and metal)	156	100	75	100
6305	Compaction Rate	1,337 lbs/cy	1,300 lbs/c.y	1,468 lbs/c.y	1,500 lbs/c.y
6307	Industrial Roll-off tons collected/year	33,685	33,685	27,214	30,000
6307	Industrial Customer Base	200	200	200	200
6307	Roll-off miles per haul	22	20	24.2	22
6308	Number of Schools/Events presented to	33	12	0	12

### Solid Waste Department 2020 Service Objectives and Outcomes

1. **Service Objective:** Continue to implement policy, procedure, and planning strategies derived from the economic analysis of the department performed by the city's consultant in 2017.

**Outcome:** The plan was utilized to help department perform financial analysis to insure divisions are covering all costs (direct and indirect) for entire department. Rate increases in the residential & commercial division have been proposed to insure adequate fund balance for future obligations.

2. **Service Objective:** Increase participation in the household curbside recycling program, and the industrial cardboard/office paper collection program, determine and implement a plan for sorting single-stream recyclable material locally, and solidify the city's position regarding planning for a Material Recovery Facility (MRF) at the department's landfill.  
**Outcome:** The city is likely to renew the recycling contract with Pen Sales for 3 years. Recycling processing has doubled. Pen Sales has purchased scales and is looking at a manual sort system.
3. **Service Objective:** Continue refinement of the Residential Collections division in the interest of efficient service delivery to all residents.  
**Outcome:** Routing software is being finalized to help with efficiencies in this division. An 8<sup>th</sup> trash route is proposed to be added in Q4 of 2020.
4. **Service Objective:** Maximize efficiencies in managing the landfill operations and the overall landfill property to extend the life of the facility and accommodate the needs of other city departments.  
**Outcome:** Continue to refine the Carlson GPS software to help with daily densities and cover utilization. The department continues to look at other forms of Alternate Daily Cover (ADC) to help with airspace management. Expand Carlson GPS to other working face units for redundancy.
5. **Service Objective:** Manage the fleet and grounds maintenance in a responsible and strategic manner.  
**Outcome:** The replacement of department assets has helped this division tremendously. We started a joint maintenance program with the operators and mechanics and is working out very well. The 2<sup>nd</sup> shift maintenance staff was put on hold, but would be beneficial for staff to be able to address small issues before they become larger, more expensive issues.
6. **Service Objective:** The department's Administrative Services division is responsible for scale house operations and the overall financial accountability of the Sanitation Department.  
**Outcome:** Transitions from GB billing to Paradigm billing has been successful. Our collection rate is over 95%. We are exploring the option to have all GB Sanitation bills transitioned to Paradigm for billing.

## 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 16 buses on six fixed routes and three demand response routes with one downtown shuttle using a trolley.

The FY21 Budget is \$3,343,183 or 56.6% less than the FY20 Budget. The decrease is attributable to additional capital requests approved by O-42-20 and funded by the Cares Act grant. The grant was awarded to help reduce the risks associated with the pandemic.

Total personnel in the Department is 34FTE for FY21, which is consistent with FY20.

TRANSIT	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 1,665,321	\$ 1,900,566	\$ 1,822,080	\$ 1,761,273	\$ 1,761,273
Operating Expenditures	<u>480,593</u>	<u>596,290</u>	<u>562,310</u>	<u>801,960</u>	<u>801,960</u>
Operating Budget	\$ 2,145,915	\$ 2,496,856	\$ 2,384,390	\$ 2,563,233	\$ 2,563,233
Capital Outlay	<u>1,610,024</u>	<u>3,409,560</u>	<u>376,565</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 3,755,939	\$ 5,906,416	\$ 2,760,955	\$ 2,563,233	\$ 2,563,233
Authorized Positions	34.00	34.00	34.00	34.00	34.00

### Transit Department 2021 Service Objectives

1. Transfer station improvements including the design and installation of a new awning and the addition of a multi-use room. (Comprehensive Plan: Goal TI – 3.1)
2. Install a new generator in the administrative facility to provide electrical service to critical infrastructure during emergencies. (Comprehensive Plan: Goal TI – 3.1)
3. Implement a new public notification system on transit buses to display real time information, updates and changes related to department services. (Comprehensive Plan: Goal PFS – 2) (Board of Directors 2021 Goal 11)
4. Improve the accountability and performance measurement of the department's budget by including key performance indicators as outlined below. (Comprehensive Plan: Goal PFS-2)

### Transit Department 2020 Service Objectives and Outcomes

1. **Service Objective:** Work with Arkansas Department of Transportation (ArDOT) to procure large heavy duty transit buses to enhance accommodations for the fixed routes.  
**Outcome:** ArDOT, in conjunction with Razorback Transit, Rock Region Metro, and Fort Smith Transit completed the RFP specifications and established a timeline schedule for contract award.
2. **Service Objective:** Collaborate with the Arkansas Department of Workforce Services to identify funding to provide night time transportation services.  
**Outcome:** The expanded transportation project is currently in the planning phase. Collaboration between all parties continues along with an additional effort organized through the Frontier Metropolitan Planning Organization involving a rural transportation advisory consultant.

3. **Service Objective:** Partner with ArDOT to develop a Public Transportation Agency Safety Plan (PTASP) with statewide interest.

**Outcome:** Project completed and approved by the Board of Directors, ArDOT, and the Frontier MPO.

<b>Key Performance Indicators</b>					
<b>Program</b>	<b>Performance Measure</b>	<b>FY 2019 Actual</b>	<b>FY 2020 Target</b>	<b>FY 2020 Estimated Actual</b>	<b>FY 2021 Target</b>
6550 - Transit	Total Ridership	207,629	200,000	155,870	175,000
6550 – Transit	Cost Per Passenger	10.24	12.34	12.24	13.43
6550 – Transit	Cost Per Hour	67.91	82.23	69.84	78.38
6550 – Transit	Demand Response on Time Performance - Appointments	99.00%	100%	98.65%	100%

## Non-Departmental

NON-DEPARTMENTAL	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Operating Expenditures	<u>7,383,459</u>	<u>4,510,026</u>	<u>4,497,981</u>	<u>3,487,362</u>	<u>3,487,362</u>
Operating Budget	\$ 7,383,459	\$ 4,510,026	\$ 4,497,981	\$ 3,487,362	\$ 3,487,362
Capital Outlay	<u>2,912,417</u>	<u>3,004,270</u>	<u>3,004,270</u>	<u>3,222,080</u>	<u>3,222,080</u>
Budget Appropriation	\$ 10,295,876	\$ 7,514,296	\$ 7,502,251	\$ 6,709,442	\$ 6,709,442
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 also budgeted for transfers for capital improvements, the parking programs, and the cleanup of unsightly property. The County Sales Tax commitments for the public library and senior citizen services are budgeted in this program.

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



## GENERAL FUND

APERS - Ct Clerk Retirement	19,100	
Pension Paid Monthly - Court	9,420	
Unemployment	100,000	
Property Insurance	2,195	
Ft Smith Museum of History	20,000	
SRCA	175,000	
Area Agency on Aging	60,000	
Project Compassion	7,500	
Senior Citizens Center Insurance	6,060	
Good Neighbors Day Housing	562	
FCRA - Mars Petcare	124,837	
FCRA - Umarex	32,878	
West Ark Reg Intermodal Author	18,125	
State Drug Asset Forfeiture	4,915	
Port Authority Insurance	9,320	
Fort Smith Public Library - 6% County Tax Allocation	1,069,345	
FEMA	100,000	
Trsf Out to Cleanup/Demo Fund	90,000	
Trsf Out to Conv Ctr Fund	<u>777,000</u>	
Sub-Total		2,626,257

## STREET MAINTENANCE FUND

Capital Replacement Fund	<u>558,080</u>	
Sub-Total		558,080

## WATER AND SEWER OPERATING FUND

James Fork (SSWUA)	91,105	
Trsf Out to GF for Franchise	<u>100,000</u>	
Sub-Total		191,105

## SANITATION OPERATING FUND

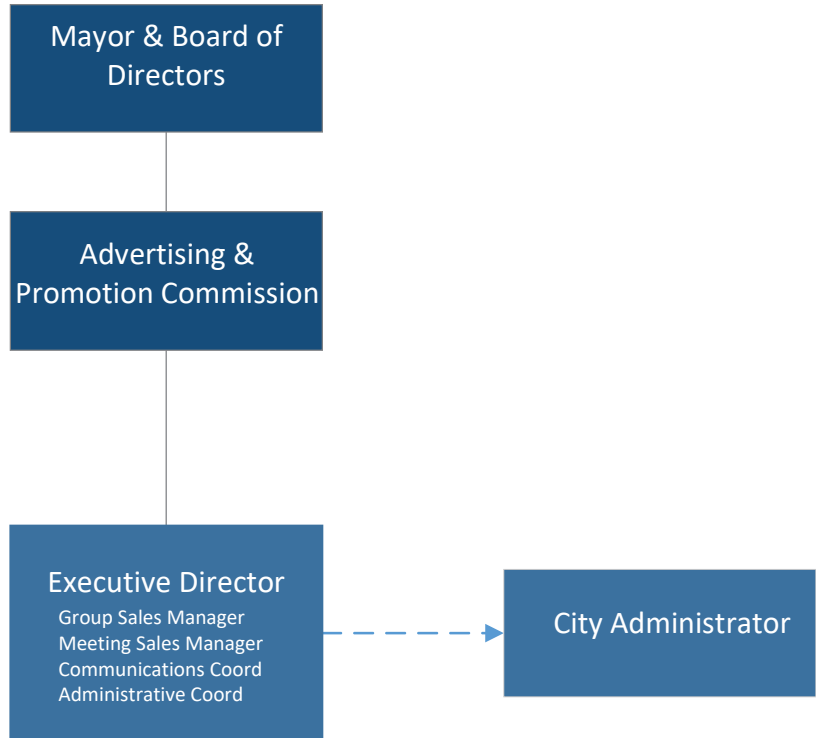
Trsf Out to Cleanup/Demo Fund	470,000	
Trsf Out to San Sinking -Equip	2,664,000	
Trsf Out to San Sinking - Closure	<u>200,000</u>	
Sub-Total		3,334,000

GRAND TOTAL

\$6,709,442



# 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 FY19 Budget is \$62,082 or 5.7% more than the FY21 Budget, due to a slight increase in Operating costs.

The FY21 positions for the Department is 5FTE, consistent with FY20.

CONVENTION & VISITORS BUREAU	ACTUAL FY19	BUDGET FY20	ESTIMATED FY20	BUDGET FY21	BUDGET FY22
Personnel Expenditures	\$ 369,854	\$ 408,736	\$ 353,610	\$ 390,410	\$ 390,410
Operating Expenditures	<u>474,056</u>	<u>353,875</u>	<u>307,611</u>	<u>415,957</u>	<u>415,957</u>
Operating Budget	\$ 843,910	\$ 762,611	\$ 661,221	\$ 806,367	\$ 806,367
Capital Outlay	<u>99,018</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>-</u>
Budget Appropriation	\$ 942,928	\$ 762,611	\$ 661,221	\$ 806,367	\$ 806,367
Authorized Positions	5.00	5.00	5.00	5.00	5.00

### Convention and Visitors Bureau 2021 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 local tax base and thus quality of life for area citizens.
3. Continue to build upon cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality industry.
4. Ensure a positive guest experience by connecting the guest with quality products or services provided by our Fort Smith area business partners.
5. Take a leading role in the Fort Smith economic development efforts through interface with those involved in development efforts, particularly on a regional level in surrounding counties in both Arkansas and Oklahoma.
6. Educate local and area business leaders and state/regional event planners as to the Fort Smith Bureau's role in assisting with attracting and servicing events in Fort Smith.
7. Take an active role in "destination development" efforts to support tourist attractions through active (and more inclusive) promotions. Adjust our marketing efforts according to present tourism as it relates to the impact of Covid – 19 on the U. S. Tourism market.
8. Ongoing refinement of the communications program to maximize Fort Smith's exposure to all target audiences through standard marketing practices in print and relying more heavily on digital media.

9. Place top priority on responding to economic conditions in the local market by adjusting marketing plans based on funding.
10. Continue to take an active role in guaranteeing the availability of quality meeting and exhibit space and service at the Fort Smith Convention Center, the Kay Rodgers Park facility, Temple Live and The Majestic. New event venues will also include The Bakery at 70 South 7th Street, and The New Theater for Performing Arts & Education, scheduled to open in 2021.
11. Place a primary emphasis on the rebooking of successful events, particularly those that comprise a two state region of attendees of Arkansas and Oklahoma memberships, taking full advantage of our geographic location as a “border” destination.
12. Capture, on a regular basis, post event statistics for use in the Event Impact Calculator to maximize our knowledge of the economic value of hosted events.
13. Continue to expand our direct sales methods to sell to the sporting events market now that expanded facilities are available.
14. Continue to reach into the Dallas market, which is a main “feeder city”.

Key Performance Indicators					
Program	Performance Measure	FY 2019 Actual	FY 2020 Target	FY 2020 Actual*	FY 2219 Target
1113	Sales leads to hospitality community	276	282	12 due to COVID (Jan-June)	50
1113	Contribute to hotel bac through more convention/guests	\$885,000	\$905,000	\$298,000 (Jan-Jun)	\$500,000
1113	Convention/event proposals	57	53	4 due to COVID (Jan-June)	27
1113	Decrease in number of tour groups to Fort Smith	35 decrease due to May Flood	60	Due to COVID (Jan-Jun)	40
1113	Number of guests to Fort Smith Visitor Center adjusted due to pandemic	18,880 Decrease due to May Flood	13,800	1,157 closed March 15 to July 20 due to COVID	10,000
1113	Influence increases in digital traffic as follows Influence increases in digital traffic as follows Influence increases in digital traffic as follows:			Jan-June 2020	*See Below
	Users:	215,831 <b>(+12.37%)</b>	+10%=237,414	81,144 <b>(-18.82%)</b>	+27%=210,820
	Sessions:	275,689 <b>(+7.22%)</b>	+5%=289,473	98,218 <b>(-21.64%)</b>	+20%=254,000
	Pages Per Session:	2.2	2.5	2.38 <b>(+2.455)</b>	2.5
	Duration:	1.3 Mins	1.5 Mins	1.41 Mins <b>(+4.13%)</b>	1.5
	Facebook Referrals:	2,011	+15%=2,3.12	3,323 <b>(+65.24%)</b>	+15%=3,821
<b>*FY 2020: Adjusted Expectations related to impact of COVID-19</b>					
	Users:	151,000-166,000			
	Sessions:	190,000-200,000			
	Pages Per Session:	2.5 (no change)			
	Duration:	1.5 mins (no change)			



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## **CAPITAL IMPROVEMENT PROGRAM**

This section includes highlights of the City's FY21 Capital Improvement Program for the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the Sales and Use Tax Bond Construction Fund, 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 FY21. 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.

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# 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.

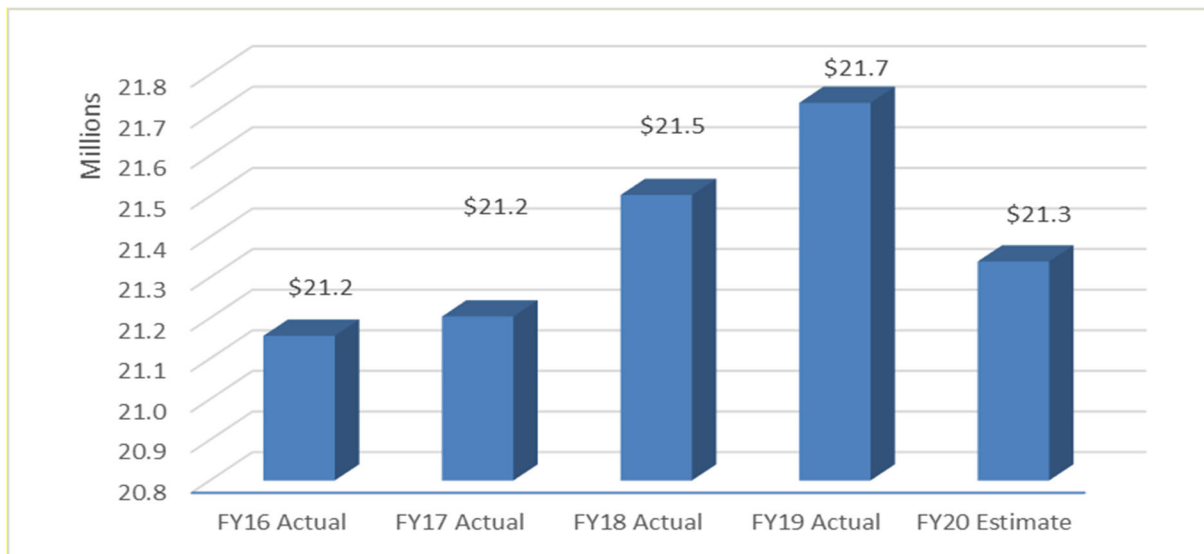
## Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund November 10, 2020. The FY21 CIP for the sales tax street program was included in the approval document Resolution No. R-137-20.

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 citizens voted to extend the tax for an additional ten (10) years in May 2015. 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 2021 is \$22.2 million, which represents a 1.8% decrease from the estimated 2020 sales tax revenue of \$22.6. The beginning fund balance is estimated to be \$35.7 million; therefore, total resources available for 2021 are \$57.9 million. Of this amount, \$19.2 million is estimated as the ending fund balance at December 31, 2021, which represents funds available for contingency and for future years' projects. Total project funds available are \$38 million and will be used for the 2021 program allocated as follows:

<b>FY21 Program:</b>		(in millions)
Neighborhood Overlays and Reconstruction	\$	9.0
Neighborhood Drainage Improvements		6.8
Intersection Signal Improvements		0.8
Multi-Year and/or Major Projects		17.6
Special Projects		1.3
Administrative Costs		2.0
Overlays by Street Department		0.5
	\$	<u>38.0</u>

**The 2021 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>
Horan Dr.	Massard Rd.	Green Ridge Dr.	1771	\$ 334,522
Albert Pike Ave.	Rogers Ave.	Park Ave.	3240	853,834
Dallas St.	S. 91st St.	Meandering Wa	5510	1,405,050
Churchill Rd.	Division St.	Warner St.	736	187,680
Warner St.	Churchill Rd.	N 35th St.	291	74,205
N. 35th St.	Churchill Rd.	Warner St.	595	151,725
S. 59th St.	Boston St	Boston St.	110	28,050
Boston St.	S. 58th St.	S. 59th St.	236	40,120
Brockman Ave.	Albert Pike Ave.	46th St.	1313	186,008
Independence	Old Jenny Lind F.S.	34th St.	4978	1,103,904
Gary St.	S 34th St.	Old Greenwooc	1332	251,600
Darby St.	Taylor Ave.	Terry St.	1695	640,333
N. 25th St.	High St.	Spradling	1324	225,080
S. 30th St.	Phoenix Ave.	S. Quincy St.	494	60,652
N. 55th St.	Plum St.	Poplar St.	1328	188,133
N 6th St.	Spradling Ave.	Reed Ln.	4426	1,003,227
S. 66th St.	Phoenix Ave.	Sunchase Ln.	2870	542,111
Brentwood Ct.	Brentwood Dr.	End of Road	213	54,315
Brentwood Dr.	Bryn Mawr Cr.	Croxted Rd.	1377	351,135
S 32nd St	Savannah St.	Utica St.	803	136,510
Savannah St.	S 24th St.	S 28th St.	1578	298,067
Gary St.	Valley Rd.	Old Greenwooc	2250	722,500
Greenwood Ave.	Grand Ave.	Rogers Ave.	3860	1,312,400
				\$ 10,151,161
				(9,000,000)
				<u>7,850,002</u>
				\$ <u>9,001,163</u>

Total 2021 Street Overlay/Reconstruction Program

There is \$7.9 million of prior year projects to be completed during FY21.



**The 2021 Neighborhood Drainage Improvements total \$6.8 million:**

The project identified in the 2021 Drainage program include drainage improvements in seven areas. The projects are associated with structure flooding and infrastructure damage that occurred during the heavy rains this past year. The total estimated cost for this work is \$5.0 million, with an estimated \$500,000 expended in 2021 and \$4.5 million expended in 2022. The total cost is \$6.8 million which includes \$6.3 million in remaining work for ongoing drainage projects.

**Intersection Signal Improvements total \$750,000 for FY21:**

These improvements include replacement of traffic signals at three intersections along 9<sup>th</sup> Street. These intersections include Rogers Avenue, North A Street and North B Street.

**Multi-year and major projects are allocated at \$17.6 million FY21 are described as follows:**

**Kelley Highway Extension to Riverfront Drive -**

This project is for the reconstruction and widening of Kelley Highway to a three lane section from Midland Boulevard to Riverfront Drive. This extension of Kelley Highway will provide a direct route between I-540 and the riverfront area. The engineering design is complete. Right of Way acquisition and franchise utility relocations are scheduled to begin in 2021 with completion in 2022. Construction is scheduled to begin in 2023 and extend into 2024.

**Towson Avenue – Garrison Avenue to Zero Street-**

This partnering project with ArDOT includes the complete rehabilitation of the approximately four mile section of Towson Avenue (Hwy 71B) between Garrison Avenue (Hwy 64) and Zero Street (Hwy 255). The project will include upgrading of the drainage system to current standards, replacements of the curb/guttering and driveway approaches, installation of sidewalks and pavement improvements to the street surface. ArDOT's cost estimate for this project is \$12.5 million and the city's share will be 16% of the project costs, up to a maximum amount of \$2.0 million. Upon completion of the work, this section of Hwy 71 B (Towson Avenue) will be removed from ArDOT's highway system and will become a city street. ArDOT estimates the project will bid for construction in November 2021.

**Geren Road Reconstruction -**

This project is for the reconstruction and widening of Geren Road to a three lane section between Highway 45 and 58th Street. Plans are complete, the right of way has been acquired and the franchise utilities have been relocated. The street project is scheduled to bid for construction in October with construction during 2021.

**Major Stormdrain Rehabilitation-**

This work includes the installation of a cured in place lining in two major storm sewer lines. Both lines are very deep and have a significant problem of leaking pipe joints, which have creased numerous sinkholes. The first line (Carnall Outfall) varies in size from 60" to 72", averages 20 feet deep and extends 3,000 feet from Towson Avenue to the Poteau River. This line runs immediately adjacent to the police department, county jail and under a significant portion of the National Cemetery. The second line is 54" in diameter, averages 20 feet in depth and extends 1,000 feet from the J Street pump station to the Arkansas River adjacent to the U.S. Marshals Museum. The work at this location also includes minor joint repairs to six locations along the City's floodwall. These six areas experienced leakage during the Arkansas River flooding in 2019.

**May Branch Outfall Culvert Remediation -**

This project includes the evaluation and remediation work for the May Branch outfall culvert relating to construction problems and potential FEMA reimbursement for damage from the 2019 Arkansas River flooding. The evaluation recommends replacement of approximately 250 feet of

the 12' x 10' box culvert and comprehensive filling of the voids in the soil surrounding the remaining 800 feet of box culvert.

**FCRA (Fort Chaffee Redevelopment Authority) Development –**

This work includes the construction of two additional two lanes on Massard Road completing approximately 5,600 feet of the four lane boulevard section south of Zero Street. The project also includes the installation of a traffic signal at the intersection of Massard Road and McClure Drive. The construction is ongoing and will be completed this fall.

**Highway 45 Widening-Zero Street to Highway 71 -**

This partnering project with ArDOT is for the widening of Highway 45 between Highway 255 (Zero Street) and Highway 71. The project also includes the installation of a traffic signal at the intersection of Highway 45 and Planters Road and Geren Road. The project is a collaboration between the ArDOT, the City of Fort Smith and Sebastian County. ArDOT's cost estimate for the total project is \$16 million. The City and Sebastian County are providing funding in total amounts not to exceed \$4 million and \$1.1 million, respectively. ArDOT estimates the project will bid for construction in March 2021.

**Special projects are various street related improvements and studies and include the following for FY21:**

Traffic Studies	\$	110,000
Railroad Crossing Panels		150,000
Flooded Residence Buyout Program		250,000
Levee/Bank Stabilization		500,000
Contingency		300,000
		<u>1,310,000</u>
	\$	<u>1,310,000</u>

Administrative- costs for in-house engineering services and administration services total \$2,038,143.

Overlays provided by the Street Maintenance department will total \$500,000 for 2021.

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	2017	2018	2019	2020
January	\$ 2,148,054	\$ 2,069,973	\$ 2,149,293	\$ 2,097,056
February	1,578,223	1,552,258	1,588,806	1,708,839
March	1,676,636	1,670,499	1,629,338	1,725,447
April	1,861,668	1,872,477	1,839,278	1,776,485
May	1,708,967	1,715,221	1,769,865	1,693,635
June	1,762,883	1,816,568	1,748,977	1,908,591
July	1,848,912	1,865,017	1,841,414	2,028,023
August	1,798,130	1,799,696	1,844,492	2,000,275
September	1,637,569	1,809,195	1,834,237	1,900,735
October	1,745,759	1,756,854	1,788,810	1,927,058
November	1,664,711	1,738,729	1,782,365	1,921,747
December	1,772,630	1,836,868	1,913,384	1,975,584
Totals	<u>\$ 21,204,143</u>	<u>\$ 21,503,354</u>	<u>\$ 21,730,260</u>	<u>\$ 22,663,475</u>
Y-T-D % Change	0.2%	1.4%	1.1%	4.3%

The following schedule reflects the proposed current year projects for the sales tax program for the years 2021 through 2025 (in millions):

<b>Improvements</b>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Neighborhood Overlays and Reconstruction	\$ 9.0	\$ 10.0	\$ 10.0	\$ 10.5	\$ 11.0
Neighborhood Drainage Improvements	6.8	5.6	4.0	4.0	4.0
Intersection and Signal Improvements	0.8	0.7	0.5	0.5	0.5
Kelley Highway Extension to Riverfront Drive	0.5	0.6	6.0	7.5	-
Towson Avenue Garrison to Zero St	2.0	-	-	-	-
Geren Road Construction	6.8	-	-	-	-
Levee/Bank Stabilization	0.5	1.5	-	-	-
Major Stormdrain Rehab	4.0	-	-	-	-
May Branch Outfall Culvert Remediation	0.5	4.1	-	-	-
FCRA Development	0.3	0.3	0.3	0.3	0.3
Flooded Residence Buyout	0.3	0.3	0.3	0.3	0.3
Highway 45 Widening Zero St to Hwy 71	3.6	-	-	-	-
Railroad Crossing Panels	0.2	0.2	0.2	0.2	0.2
Overlays by Street Department	0.5	0.5	0.5	0.5	0.5
Engineering & Other Department	2.1	2.1	2.1	2.1	2.1
Contingency	0.3	0.3	0.3	0.3	0.3
<b>Total</b>	<u>\$ 38.0</u>	<u>\$ 26.1</u>	<u>\$ 24.1</u>	<u>\$ 26.1</u>	<u>\$ 19.2</u>

**Impact on 2021 Operating Budget:**

The street sales tax program projects have no significant impact upon the current year budget. The program does reimburse the General Fund for engineering and administrative services totaling \$2.1 million in FY21. The program also reimburses the Street Maintenance Fund approximately \$500,000 for its assistance for various project. For FY21, \$10,000 is allocated for traffic studies.

### 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. Funding for years 2021 through 2025 will be provided by prior year funding, increased water and sewer rates and future bond issues.

The following is the CIP for the Water and Sewer Utilities:

<b>Water Projects (6505)</b>	2021	2022	2023	2024	2025
Lee Creek Lagoon	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -
Groto Valve Replacement	200,000	-	-	-	-
LFS 48 transmission line Ph 3					
Design	1,727,000	-	-	-	-
LFS 48 transmission line Ph 4					
Design	690,000	-	-	-	-
LFS 48 transmission line Ph 5					
Design	1,000,000	-	-	-	-
Frog Bayou/Stream Bank Restc	500,000	-	-	-	-
Economic Development	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Meter Room Expansion and					
Test Bench Renovation	500,000	-	-	-	-
LFS Filter Media Replacement	2,000,000	-	-	-	-
LFS Buoy Line Replacement	175,000	-	-	-	-
Replace approx 300 fire hydran	1,000,000	500,000	500,000	500,000	-
Neighborhood Water System					
Improvements	2,000,000	2,000,000	2,000,000	2,500,000	2,500,000
Equipment Replacement	2,750,000	2,000,000	2,000,000	2,000,000	2,000,000
Water Tank Painting					
Luce Reservoir	-	2,000,000	-	-	-
Water Tank Painting					
Wildcat Mountain-Standpipe	-	750,000	-	-	-
Water Tank Painting					
Crowe Hill Tank	-	750,000	-	-	-
Water Tank Painting					
(Country Club Tank)	-	1,000,000	-	-	-
Back-up Power Generator for					
LFS WT Plant	-	1,750,000	-	-	-
Towson Relocation Overlay	-	3,500,000	1,500,000	-	-
Mt Fork/Brown Stream Restorat	-	-	200,000	-	-

Water Tank Painting (The Woods Elv Tank)	-	-	500,000	-	-
Water Tank Painting (Pense Tank)	-	-	500,000	-	-
N. M St to Towson and S. I St. 24 in Water Line Replacement (Design and Construction)	-	-	500,000	2,500,000	2,500,000
Chaffee Crossing-Relocate 5100 ft of 18in line (Design and Construction)	-	-	140,000	1,860,000	-
Frog Bayou/Stream Bank Restoration Frog Bayou Watershed	-	-	-	300,000	-
Water Tank Painting (Wildcat Mountain Reservoir)	-	-	-	2,000,000	-
Water Tank Painting Howard Hill	-	-	-	-	1,000,000
LFS 48 transmission line Ph 2 Construction	-	-	-	-	8,500,000
Downtown Pressure Reducing Station (Design and Construction)	-	-	-	-	100,000
LFS 48 Inch Transmission Line Phase 5 (Design)	-	-	-	-	4,500,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500,000</u>
Total Water Projects	<u>15,042,000</u>	<u>15,250,000</u>	<u>8,840,000</u>	<u>12,660,000</u>	<u>22,100,000</u>

<b>Wastewater Projects (6505)</b>	2021	2022	2023	2024	2025
P Street & Massar					
Acid System	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -
P Street Plant Blower					
(OG&E Incentive)	1,540,000	-	-	-	-
Flood Recovery (Reimburable)	8,000,000	2,500,000	-	-	-
Hwy 45 Utility Relocation					
(Reimbursable)	8,900,000	-	-	-	-
Massard Improvements					
Aeration Basin	2,000,000	-	-	-	5,000,000
P Street Stabilization Basin					
Diffuser Replacement	60,000	-	-	-	-
Rogers Ave Sewer Line Realigr	1,000,000	-	-	-	-
Lab HVAC Make-Up Air Repl	130,000	-	-	-	-
Massard Roof Replacement	350,000	-	-	-	-
P Street Air Conditioner Repl					
Operations Building	70,000	-	-	-	-
P Street Mechanical Mixer	100,000	-	-	-	-
P Street Plant	2,000,000	-	-	-	-
P Street Tractor Shed	-	24,000	-	-	-
P Street Grit System					
Rebuild and Upgrade	-	1,500,000	1,500,000	-	-
Automated Compliance					
Sampling	-	30,000	300,000	-	-
Treatment Plant Security					
Upgrade	-	800,000	400,000	-	-
Massard Plant Belt Press	-	-	1,000,000	-	-
Sewer Station & Force					
Chaffee Crossing					
Design/Construction	-	-	-	-	3,500,000
SS 27 Repairs/Upgrades	-	-	-	-	58,000
<b>Totals</b>	<u>25,350,000</u>	<u>4,854,000</u>	<u>3,200,000</u>	<u>-</u>	<u>8,558,000</u>
<b>Total Water and Wastewater CIP</b>	<u>\$40,392,000</u>	<u>\$20,104,000</u>	<u>\$12,040,000</u>	<u>\$12,660,000</u>	<u>\$30,658,000</u>

**Impact on 2021 Operating Budget:**

There is no direct impact on the current year budget from the projects listed for 2021.

**Sanitation Sinking/Landfill Construction Fund**

The Sanitation Sinking/Landfill Construction Fund is reserved for Capital Improvements and Equipment purchases. Equipment purchases planned for 2021 total \$1,610,000. Total capital transfers into the sinking fund total \$3,364,000.

**Impact on 2021 Operating Budget:**

The FY21 capital projects will not impact the FY21 budget.

**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 2021 for improvements or equipment total \$25,470. These funds will be used for future years' capital needs.

**Parking Authority Fund**

Maintenance and operation of the parking facilities are estimated at approximately \$457,000 for FY21.

## 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 2021-2025. Funding will be provided by the Parks 1/8% local sales tax.

	2021	2022	2023	2024	2025
Carol Ann Cross Park					
Improvements	\$ -	\$ 300,000	\$ -	\$ 300,000	\$ 700,000
Chaffee Crossing Trail System	-	-	-	-	1,000,000
Creekmore Park Inclusive					
Playground	450,000	-	-	-	-
Creekmore Park Parking Lot					
Resurface	-	-	250,000	-	350,000
Creekmore Park Pool					
Bathhouse	-	-	750,000	750,000	-
Creekmore Park Tennis					
Court Resurfacing	-	-	-	300,000	-
Creekmore Park Train Track	-	-	-	-	175,000
Creekmore Park Walking					
Trail Improvements	-	-	180,000	-	-
MLK Jr. Park Improvements	-	300,000	350,000	-	-
Maybranch Trail	2,475,000	1,100,000	950,000	600,000	-
McClure Non-Motorized					
Off-Road Trail	180,000	-	-	-	-
Neighborhood Parks	-	-	-	-	250,000
Parrot Island Water Park	250,000	-	-	-	-
Riverfront Dr Sports Fields (51 acres)	1,200,000	1,200,000	-	-	-
Riverfront Dr Sports Fields					
Maintenance Building	23,000	-	-	-	-
Riverfront Dr Skate and Bike Park Phase II	1,330,000	-	-	-	-
Stagecoach Park	-	-	-	75,000	-
Tilles Park Inclusive					
Playground	-	-	-	500,000	-
Wilson Park Basketball					
Court Resurfacing	250,000	-	-	-	-
<b>Total</b>	<b>\$ 6,158,000</b>	<b>\$ 2,900,000</b>	<b>\$ 2,480,000</b>	<b>\$ 2,525,000</b>	<b>\$ 2,475,000</b>

### Impact on the 2021 Operating Budget:

Many of the current year projects are expected to have a favorable impact on the economy and enhance quality of life for citizens. Maybranch Trail project allows for increased access to Harry E. Kelley Park, the Riverfront Drive and Sports Fields (51 Acres), Riverfront Drive Skate and Bike Park, future Marshalls Museum, and Fort Smith Park. Phase I of the trail will begin at the Riverfront Drive and extend through Martin Luther King, Jr. Park.



## 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 FY21:

<b>City Fleet-</b>		
1 2wd Reg Cab/Chassis Dually	WS - 5521 (RPLC)	30,340
2 1/2 Ton 4wd Pickups	WS - 5610 (RPLC)	45,160
4 Door Compact AWD SUV	WS - 5625 (RPLC)	28,000
1 1/2 Ton Reg Cab 4wd Pickup	WS - 5656 (RPLC)	22,580
<b>Total City Fleet</b>		<u>\$ 126,080</u>
<b>Miscellaneous Capital Outlay-</b>		
Refuse Carts	Solid Waste - 6302	180,000
Rear Load Containers	Solid Waste - 6303	100,000
Front Load Containers	Solid Waste - 6303	<u>100,000</u>
<b>Total Miscellaneous</b>		<u>\$ 380,000</u>
		<u>\$ 506,080</u>
<b>Reconciliation of Total Capital Outlay:</b>		
Capital Outlay -		
Operating Funds (see page 94)*		506,080
Convention Center (see page 65)		0
Neighborhood Services (see page 123)		<u>0</u>
		<u>\$ 506,080</u>

\*Capital Outlay on pg 95 includes 1/8% SUT for both Fire & Parks

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 2021 are as follows:

**Streets and Traffic Control:**

2021 Depreciation	\$ 558,080
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**Planned Fleet Purchases in 2021:**

Replace asset #469 - 1997 GMC 20 Ton Dump Truck (5303)	150,000
Replace asset #150 - 2003 Ford F150 (5304)	22,500
Replace asset #155 - 2007 GMC Sierra 2500 (5304)	36,000
Replace asset #547 - 2008 Ford F350 1 Ton Flatbed w/Dump Truck (5304)	49,000
Replace asset #115 - 2006 Ford F450 2 Ton Aerial Buck Truck (5401)	<u>90,000</u>
Total	<u>\$ 90,000</u>

**Solid Waste:**

2021 Depreciation	\$ 2,588,000
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**Planned Fleet Purchases in 2021:**

Replace asset #10 - Pickup Truck (6302)	32,000
Replace asset #141 - 2011 Mack Side Loader (6302)	380,000
Replace asset #4028 - 2011 Kubota Side by Side (6304)	32,000
Replace asset #4001 - 2002 Landfill Backhoe (6304)	100,000
Replace asset #4029 - Magnet (6304)	50,000
Replace asset # 4024 - 2008 Volvo Hydraulic Excavator (6305)	200,000
Replace asset #4031 - Caterpillar Skid Steer Loader (6305)	66,000
Replace asset #11 - 2007 Mack CTP7 Roll-Off Truck (6307)	250,000
Replace asset #91 - 2006 Sterling Mack CV713 Roll-Off Truck (6307)	250,000
Replace asset #246 - 2009 GU713 Mack 32yd Rear Loader Roll-Off (6307)	<u>250,000</u>
Total	<u>\$ 1,610,000</u>

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## **RELATED FINANCIAL INFORMATION**

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

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## **Budget Organizational Structure**

A separate budget is presented for each fund listed in the fund structure on pages 59-60. Each fund's budget is presented on pages 64-70 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:

2021 City of Fort Smith Financial Structure

	General Fund	Street Sales Tax Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund	Other Fund
<b>Policy &amp; Administrative Services</b>						
4100 Mayor	40%	12%	5%	34%	9%	
4101 Board of Directors	28%	9%	8%	37%	18%	
4102 City Administrator	18%	7%	8%	47%	20%	
4201 District Court	100%	-	-	-	-	
4202 City Prosecutor	100%	-	-	-	-	
4203 Public Defender	100%	-	-	-	-	
4204 City Attorney	50%	-	25%	-	25%	
4206 District Court - State Division	100%	-	-	-	-	
4207 District Court - DWI Court	100%	-	-	-	-	
4405 Internal Auditor	20%	10%	5%	45%	20%	
<b>Management Services</b>						
4104 Human Resources	35%	5%	10%	35%	15%	
4105 City Clerk	28%	9%	8%	37%	18%	
4301 Finance	18%	15%	10%	42%	15%	
4303 Collections	12%	3%	5%	50%	30%	
4304 Utility Billing/Customer Service	2%	1%	5%	75%	17%	
4306 Purchasing	30%	6%	12%	37%	15%	
4401 Information & Technology Svcs	37%	8%	10%	30%	15%	
5520 Citizen Services	2%	1%	5%	75%	17%	
6921 Public Parking Deck	-	-	-	-	-	100% Parking Authority Fund
<b>Development Services</b>						
4103 Engineering	2%	85%	5%	8%	-	
4106 Planning & Zoning	65%	15%	-	20%	-	
4107 Community Development	-	-	-	-	-	100% CDBG Fund
4108 Building Safety	100%	-	-	-	-	
6900 Neighborhood Services	-	-	-	-	-	100% Cleanup/Demo Fund
<b>Police Services</b>						
4701 Administration	100%	-	-	-	-	
4702 Support Services	100%	-	-	-	-	
4703 Investigations	100%	-	-	-	-	
4704 Patrol	100%	-	-	-	-	
4706 Airport Services	100%	-	-	-	-	
4707 Animal Services	100%	-	-	-	-	
11076900 Police Grant						100% Special Grants Fund
6920 Parking Enforcement						100% Parking Fund
<b>Fire Services</b>						
4801 Administration	100%	-	-	-	-	
4802 Suppression and Rescue	100%	-	-	-	-	
4803 1/8% Sales Tax Operations	100%	-	-	-	-	
4804 Training	100%	-	-	-	-	
<b>Operation Services</b>						
<b>Streets &amp; Traffic Control</b>						
5101 Administration	-	-	100%	-	-	
5302 Street Construction	-	-	100%	-	-	
5303 Street Drainage	-	-	100%	-	-	
5304 Street Maintenance	-	-	100%	-	-	
5305 Sidewalk Construction	-	-	100%	-	-	
5401 Traffic Control	-	-	100%	-	-	
5403 Street Lighting	-	-	100%	-	-	

2021 City of Fort Smith Financial Structure

	General Fund	Street Sales Tax Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund	Other Fund
Operation Services						
Water & Sewer						
5501 Utility Administration	-	-	-	100%	-	
5521 Business & Logistics	-	-	-	100%	-	
5522 Communications & Training	-	-	-	100%	-	
5523 Engineering & Technology	-	-	-	100%	-	
5590 Non-Capital Projects	-	-	-	100%	-	
5656 Water Reclamation	-	-	-	100%	-	
5556 Water Treatment	-	-	-	100%	-	
5610 Water Line Maintenance	-	-	-	100%	-	
5611 Water Reclamation Maintenance	-	-	-	100%	-	
5618 Debt Service	-	-	-	100%	-	
5625 Environmental Quality	-	-	-	100%	-	
5626 Easement, Bldg, Station Maintenance	-	-	-	100%	-	
Operation Services						
Parks & Recreation						
6201 Parks Maint (Operating)	85%	-	15%	-	-	
6201 Parks Maint (Capital Outlay)	100%	-	-	-	-	
6202 Oak Cemetery	100%	-	-	-	-	
6204 Community Centers	100%	-	-	-	-	
6205 Aquatics	100%	-	-	-	-	
6206 Riverfront/Downtown Maintenance	100%	-	-	-	-	
6207 The Park at West End	100%	-	-	-	-	
6208 1/8% Sales Tax Operations	100%	-	-	-	-	
Operation Services						
Sanitation						
6301 Administration	-	-	-	-	100%	
6302 Residential Collections	-	-	-	-	100%	
6303 Commercial Collections	-	-	-	-	100%	
6304 Fleet & Grounds Maintenance	-	-	-	-	100%	
6305 Sanitary Landfill	-	-	-	-	100%	
6307 Industrial Collection	-	-	-	-	100%	
6308 Waste Reduction	-	-	-	-	100%	
Operation Services						
Public Transit						
01016550 Transit	100%	-	-	-	-	
Non-Departmental						
11130180 Convention & Visitors Bureau	-	-	-	-	-	100% A&P Fund
6101 Health Services	100%	-	-	-	-	

## **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 the 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. In accordance with the City's Fiscal Policies adopted via Ordinance No. 79-19, all appropriations lapse at the year-end. Any encumbrances at year-end may be reappropriated by the Board of Directors in the subsequent year.

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 are reliable.

The City's 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.

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

Revenue derived from the state for fire safety equipment and facilities. These monies are being utilized for fire safety equipment.

#### 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**

### **Community Center**

Rental fees charged for the use of the Creekmere 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.

### **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 carousel are operated by park personnel.

### **Cemetery**

Sale of cemetery plots or columbarium spaces 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 four high school and junior 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. The fee is calculated at 3% of total A&P expenses.

**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.

## **Solid Waste 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**

<b>Purpose</b>	<b>FY21 Principal and Interest</b>	<b>12/31/2020 Principal/Interest Outstanding</b>	<b>Year of Retirement</b>	<b>Original Issue</b>
Water and Sewer Revenue Refunding Bonds-Series 2011	1,808,863	5,035,000	2023	18,920,000
Water and Sewer Revenue Refunding Bonds-Series 2012	Note 1	Note 1	2019	13,250,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2015	2,328,550	30,500,000	2040	35,000,000
Water and Sewer Revenue Refunding Bonds-Series 2016	5,090,800	49,310,000	2032	56,955,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2018	9,522,000	128,020,000	2035	130,680,000
Sales & Use Tax Bonds Series 2012	8,280,075	33,825,000	2027	110,660,000
Sales & Use Tax Bonds Series 2014	1,691,150	9,670,000	2029	34,295,000
<b>Total</b>	<b><u>\$ 28,721,438</u></b>	<b><u>\$ 256,360,000</u></b>		<b><u>399,760,000</u></b>

Note 1: The 2012 Water and Sewer Refunding Revenue Bonds were fully redeemed October 1, 2019.



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 Funds provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2022 Series Bonds is subordinate to Series 2005B 2007 and 2008 water and sewer bonds. Rates generated by the water and sewer system are expected to cover the required debt service payments in 2021.

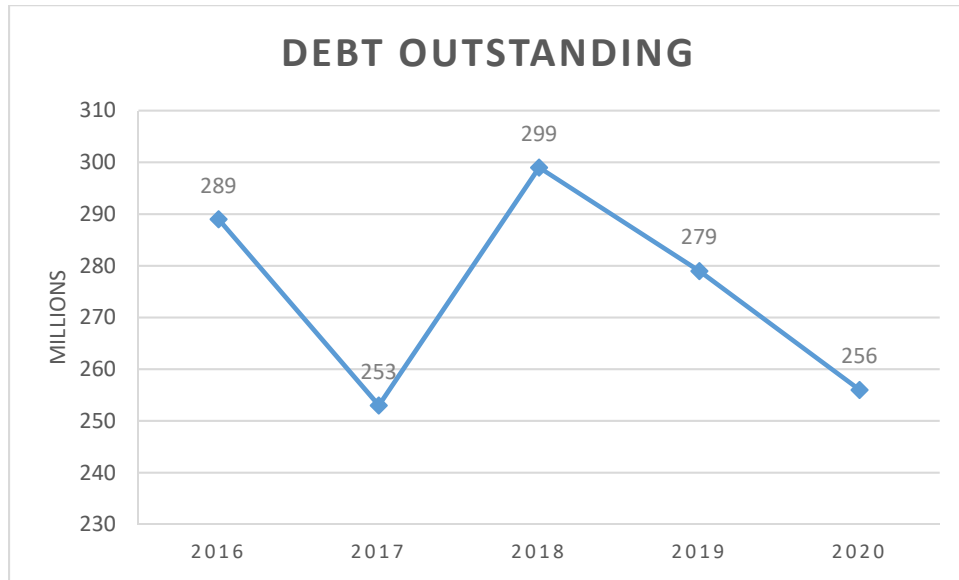
In December 2015, the city issued \$35 million in water and sewer refunding and construction revenue bonds to refund the 2005B and to provide funds to finance all or a portion of the costs of water and sewer improvements, related operations facility improvements, technology systems improvements and equipment. In addition, the bonds were issued to finance all or a portion of the costs of the acquisition of a portion of the South Sebastian County Water Users system. Rates generated by the Water and Sewer system are expected to cover the debt service payments in 2021.

In December 2016, the city issued \$56.9 million in water and sewer refunding and construction revenue bonds to refund the 2007 and a portion of the 2008 Water and Sewer Revenue Bonds. The pledge of the water and sewer system revenues for the 2016 Series bonds is on parity with the Series 2011, 2012, and 2015 Series Bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2021.

In October 2018, the city issued \$130.7 million in water and sewer refunding and construction revenue bonds to refund the remaining portion of 2008 Water and Sewer Revenue Bonds and to finance all or a portion of the costs of improvements to the water and sewer system. The pledge of the water and sewer system revenues for the 2018 Series bonds are on parity with the Series 2011, 2015, and 2016 Series Bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2021.

The Sales and Use Tax Bonds, Series 2012 and 2014, 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 operation. The purposes of the 2012 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 partnership with Sebastian County; wastewater improvements; water improvements; and to refund the remaining 2006, 2008 and 2009 sales and use tax bonds. The 2014 bonds were issued to provide additional wastewater and water improvements.

The following graph reflects the debt outstanding at December 31, 2016 through 2020.



**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, 2020 is:

Assessed Property Value	\$ <u>1.518 million</u>
Debt Limit Per State Statute (25% of Assessed Property Value)	\$ 379 million
General Obligation Bonds Outstanding @ December 31, 2020	<u>0</u>
Legal Debt Margin	\$ <u>379 million</u>

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 27) whereby annual payments should not exceed 25% of total operating revenue. In 2021, the calculation is as follows:

	<u>Water &amp; Sewer Revenue Bonds</u>
2021 Debt Service Payment	\$ 18,750,213
Operating Revenue (Service Charges & Fees)	\$ 55,092,857
Debt Service as a % of Operating Revenue	34%
Policy Limit	25%

Although this policy is not expected to be met in FY21, for the water and sewer revenue bond, it is anticipated that future bond maturities will assist in getting closer to this limit.

Note: Sales and Use Tax Bonds are special obligations of the City and are governed by the 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, 2020.

**5 Year Debt Maturity Disclosure  
For the Fiscal Year Ended 12/31/20**

Primary Government  
Water and Sewer Revenue

Bonds	2011 Series			Note B Total	2015 Series			Total
	Term	Principal	Interest		Term	Principal	Interest	
	2021	1,610,000	198,863	1,808,863	2021	975,000	1,353,550	2,328,550
	2022	1,685,000	126,413	1,811,413	2022	1,025,000	1,304,800	2,329,800
	2023	1,740,000	67,500	1,807,500	2023	1,055,000	1,274,050	2,329,050
					2024	1,105,000	1,221,300	2,326,300
					2025	1,165,000	1,166,050	2,331,050
					2026-2030	6,520,000	5,128,750	11,648,750
					2031-2035	8,290,000	3,357,000	11,647,000
					2036-2040	10,365,000	1,276,000	11,641,000
<b>Total</b>		<b>5,035,000</b>	<b>392,775</b>	<b>5,427,775</b>		<b>30,500,000</b>	<b>16,081,500</b>	<b>46,581,500</b>

\* The 2011 Series Bonds will be fully redeemed in 2023.

Primary Government  
Water and Sewer Revenue  
Bonds (continued)

Term	2016 Series			Term	2018 Series			Total Water & Sewer Revenue Bonds		
	Principal	Interest	Total		Principal	Interest	Total	Principal	Interest	Total
2021	2,850,000	2,240,800	5,090,800	2021	3,635,000	5,887,000	9,522,000	9,070,000	9,680,213	18,750,213
2022	2,965,000	2,126,800	5,091,800	2022	4,700,000	5,705,250	10,405,250	10,375,000	9,263,263	19,638,263
2023	3,080,000	2,008,200	5,088,200	2023	4,805,000	5,611,250	10,416,250	10,680,000	8,961,000	19,641,000
2024	4,195,000	1,885,000	6,080,000	2024	5,860,000	5,371,000	11,231,000	11,160,000	8,477,300	19,637,300
2025	4,360,000	1,717,200	6,077,200	2025	6,095,000	5,136,600	11,231,600	11,620,000	8,019,850	19,639,850
2026-2030	22,300,000	5,222,750	27,522,750	2026-2030	37,130,000	21,311,350	58,441,350	65,950,000	31,662,850	97,612,850
2031-2032	9,560,000	624,850	10,184,850	2031-2035	65,795,000	10,565,500	76,360,500	83,645,000	14,547,350	98,192,350
				2036-2040				10,365,000	1,276,000	11,641,000
<b>Total</b>	<b>49,310,000</b>	<b>15,825,600</b>	<b>65,135,600</b>	<b>Total</b>	<b>128,020,000</b>	<b>59,587,950</b>	<b>187,607,950</b>	<b>212,865,000</b>	<b>91,887,825</b>	<b>304,752,825</b>

Note 1: The 2011 Series Revenue Bonds are on parity with the 2016 Series.

**5 Year Debt Maturity Disclosure  
For the Fiscal Year Ended 12/31/20**

Primary Government:  
Sales & Use Tax Bonds

	2012 Series			2014 Series			Total Sales & Use Tax Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	6,945,000	1,335,075	8,280,075	1,325,000	366,150	1,691,150	8,270,000	1,701,225	9,971,225
2022	7,215,000	1,059,375	8,274,375	1,375,000	312,150	1,687,150	8,590,000	1,371,525	9,961,525
2023	7,500,000	731,325	8,231,325	1,430,000	248,900	1,678,900	8,930,000	980,225	9,910,225
2024	7,870,000	347,075	8,217,075	1,505,000	179,288	1,684,288	9,375,000	526,363	9,901,363
2025	4,295,000	75,163	4,370,163	1,570,000	118,931	1,688,931	5,865,000	194,094	6,059,094
2026-2027	*			2,465,000	92,953	2,557,953	2,465,000	92,953	2,557,953
<b>Total</b>	<b>33,825,000</b>	<b>3,548,013</b>	<b>37,373,013</b>	<b>9,670,000</b>	<b>1,318,372</b>	<b>10,988,372</b>	<b>43,495,000</b>	<b>4,866,384</b>	<b>48,361,384</b>

\* The 2012 SUT Bonds will be fully redeemed in 2025.

\*\* The 2014 SUT Bonds will be fully redeemed in 2027.

## Glossary of Key Budget Terms

A&P-Advertising and promotion

ACOM-Arkansas College of Osteopathic Medicine

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 \$20,000 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.

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.

OAF - Outside Agency Funding

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 and capital costs.

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 or 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 as well as the Fire Department.

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 159 miles west of Little Rock and 145 miles southeast of Tulsa, Oklahoma. The City serves as the central focus for a six-county economic and trade region in the west central area of Arkansas and the east central area of Oklahoma. The City encompasses 68 square miles and has a population of approximately 88,570.

The City has seen significant industrial and residential development. Several major companies have longstanding and growing interests in the region, including OK Foods, Kraft-Planters, ABB Motors and Mechanical Inc., Umarex USA, Phoenix Metals, Mars Petcare, Rheem Manufacturing, ArcBest, PRADCO Outdoor Brands, Graphic Packaging, Owens Corning, Nestle, and Georgia-Pacific Dixie Products.

The Arkansas Colleges of Health Education (ACHE) opened its first college at Chaffee Crossing in Fort Smith in Fall of 2017. The Arkansas College of Osteopathic Medicine (ARCOM) anticipates graduating 150 Doctors of Osteopathic Medicine (DO) annually beginning in May 2021. ACHE's second building, the College of Health Sciences, a \$25 million, 66,000 square foot facility was completed in January 2020 and will be the home for future programs: School of Physical Therapy (PT), School of Occupational Therapy (OT), and Physician Assistant Studies (PA). The ACHE campus has become a center of development in the River Valley. In 2020, ACHE announced the purchase of the former headquarters of Golden Living. This space will become the new home of the ACHE Wellness Institute and Research Center.

After years of preparation, the 53,000 square foot U.S. Marshalls Museum was dedicated on September 24, 2019, along the banks of the Arkansas River. Featuring an iconic design, the Museum will tell the stories of justice, integrity, and service of the Marshals who have bravely served our nation. The museum's complete interactive guest experience is expected to be complete and open to the public in the summer of 2021.

The Arkansas Air National Guard 188th Fighter Wing learned in 2013 that it would receive a new mission and convert from the manned A-10 aircraft to a remotely piloted aircraft, targeting, and intelligence unit. The 188th will be the only organization in the world with RPA, intelligence and targeting at a combined facility. This change preserves the 1,000 full and part-time jobs associated with the 188th with a mission that is sustainable for the long term as part of the modern Air Force. Razorback Operation Center broke ground on the \$14.2 million facility in February 2018 with an expected finish in 2020.

Downtown Fort Smith is experiencing a revitalization. The plan is to create sustainable downtown growth through increased residential and commercial spaces, walkability, and more entertainment and cultural amenities. The Arkansas Department of Transportation and the City approved a joint project for the complete rehabilitation of all Towson Avenue and a public/private partnership was formed with the guidance of the area Metropolitan Planning Organization to work on streetscape project in conjunction with the rehabilitation. A downtown truck and traffic study was also completed that examined the flow of personal and commercial vehicles in order to examine ways to improve walkability while maintain access for commercial vehicles. Several other streetscape projects and private investments in office, residential, and commercial redevelopment, is representative of the successful resurgence of the downtown area. Additionally, the Unexpected Arts Festival, Riverfront Jazz Festival, Steel Horse Rally and Peacemaker Music Festivals are all encouraging signs of growth and interest in the downtown area.

The downtown building formerly housing The Shipley Baking Company was renovated and is currently known as The Bakery District. Phase I of The Bakery District was completed and celebrated with a grand opening in June 2020 with two tenants and a food truck. The courtyard space is large enough to add additional food trucks. Outdoor space is also available for various other activities. A catering kitchen is available as well as various sized rooms for meetings, weddings or other special events. Phase II of the development is to develop office space and residential apartments. Phase III will be for office space and professional development. University of Arkansas Fort Smith has committed to occupy this space for the Family Enterprise Center and the Center for Business for Professional Development.

The Fort Smith Regional Chamber of Commerce continues its work to extoll the virtues of Fort Smith as the fourth lowest cost location in the United States for business. The top 11 employers have approximately 18,000 employees with OK Foods being the number one employer in Fort Smith with over 3,100 employees. The top 11 employers are a healthy mix of private sector companies, healthcare organizations, the University of Arkansas-Fort Smith, the Fort Smith Public School District, and the City of Fort Smith. The Chamber is a regional economic development organization which includes areas of western Arkansas and eastern Oklahoma up to 30 miles from the City. The regional approach enhances relationships with the two states' economic development agencies and offers prospects more choices for potential locations.

**City of Fort Smith Arkansas**  
**Miscellaneous Statistical Data**

General Information:

Form of Government	City Administrator
Area	65.83 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	510 miles
Number of Street Lights	6,700
Number of Traffic Signals	154
Water Supply	Lake Fort Smith and Lee Creek Reservoir
Annual Precipitation	45.46 inches (average)
Temperature Averages	Winter: 51 degrees Summer: 73 degrees

Fire Protection:

Number of Stations	11
Number of Firefighters and Officers	150

Police Protection:

Number of Stations	1
Number of Sub Stations	2
Number of Police Members and Officers	164

Municipal Water Department:

Number of Contracts	13
Number of Services	35,142
Number of Plants	2
Production Capacity	63,400,000 gallons
Average Daily Production	30,358,000 gallons
Maximum Daily Production	39,767,000 gallons
Total Production	11,111,092,000 gallons
Avg Daily Consumption	21,069,777
Total Consumption	7,711,538,464
Miles of Water Main	718.17 miles

Municipal Wastewater Department:

Number of Contracts	1
Number of Services	32,060
Number of Plants	2
Average Daily Treatment gallons	10,906,836
Total Annual Treatment	7,983,804,000 gallons
Miles of Sewer Main	644.04 miles

Municipal Solid Waste System:

Number of Accounts	34,995
Average Annual Refuse Collections	87,787.61 tons
Average Annual Refuse Disposal	262,961.66 cubic yards

Recreation and Culture:

Number of City Parks	33
Park Acreage	686
Trails and Greenways	5
Miles	9.5
Number of Swimming Pools	1
Number of Wading Pools	1
Number of Community Centers	5
Splashpad	4
Number of Libraries	4 (67,000 square foot main and three neighborhood branches)
Number of Volumes	290,446
Convention Center	
Theater	
Area	1,331 seats with 4,200 square feet of stage
Number of Event Days	32
Exhibition Hall	
Area	40,000 square feet of space
Number of Event Days	72

<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: \$37,340

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, 2011 through  
 December 31, 2020**

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	Value
2011	43	\$64,716,229	339	\$45,224,255
2012	32	\$25,389,267	303	\$46,405,142
2013	46	\$89,440,083	316	\$46,604,682
2014	49	\$72,768,852	345	\$47,507,085
2015	55	\$102,967,080	303	\$40,852,590
2016	42	\$29,081,724	334	\$52,852,584
2017	51	\$52,229,857	410	\$54,028,946
2018	55	\$78,834,144	306	\$51,257,256
2019	33	\$51,885,184	333	\$66,130,080
2020	50	\$94,581,969	374	\$55,921,706

Source: City of Fort Smith Building Safety Department

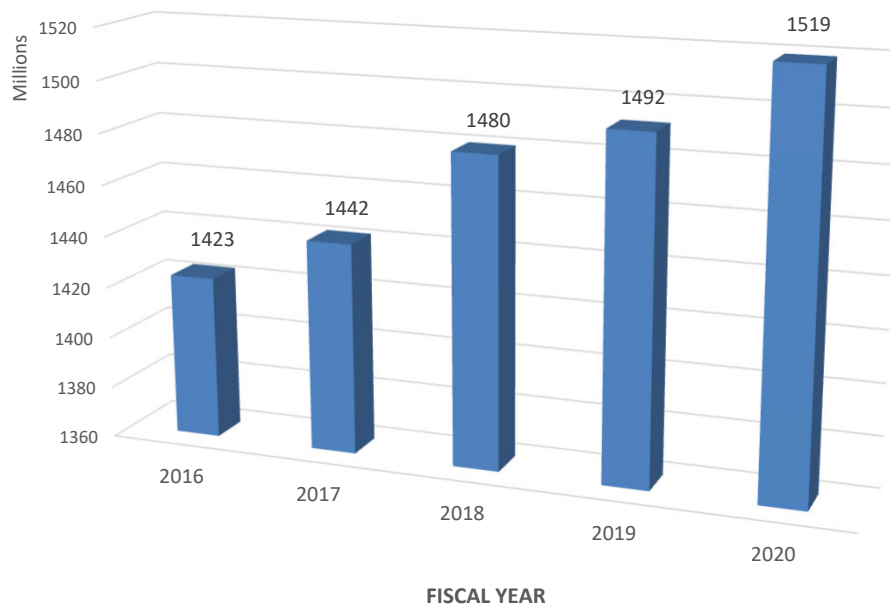
**City of Fort Smith  
 Schedule of the Largest Employers**

Company	Product
O K Industries	Poultry Processor
Mercy Fort Smith	Healthcare
Fort Smith Public Schools	School
Baptist Health	Healthcare
ArcBest Corporation	Trucking and Logistics
ABB	Electric Motors & Grinders
University of Arkansas FS	Higher Education
City of Fort Smith	Municipality
Bost, Inc.	Consumer Discretionary
Rheem Manufacturing	HVAC Manufacturer
Whirlpool Corporation	Home Appliance

Source: Fort Smith Chamber of Commerce

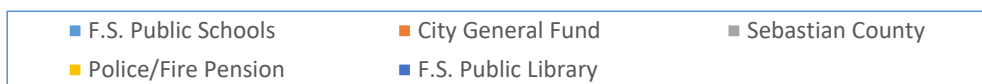
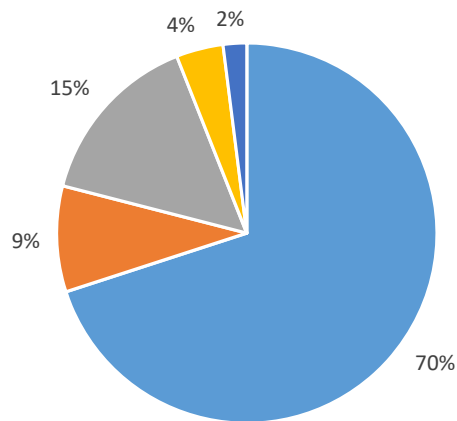
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City Limits.

**Assessed Property Valuation**



Source: Sebastian County Assessor's Annual Abstract

**Allocation of Real Property Tax Rates For Taxes Payable FY20 for Overlapping Governments Within The City Limits**



Source: Sebastian County Clerk's Office



## Personnel Count Comparison

	2019 Actual	2020 Budget	2020 Estimated	2021 Budget
<b>Policy &amp; Administration</b>				
<b>Services Division</b>				
4100 Mayor	1.00	2.00	2.00	2.00
4101 Board of Directors	7.00	7.00	7.00	7.00
4102 City Administrator	4.00	4.00	4.00	4.00
4201 District Court	19.88	19.88	19.88	19.88
4202 City Prosecutor	2.00	2.00	2.00	2.00
4206 District Court-State Division	1.00	1.00	1.00	1.00
4207 District Court-DWI Court	0.00	0.00	0.00	0.00
4405 Internal Audit	3.00	3.00	4.00	4.00
<b>Total Policy &amp; Administration Services Division</b>	<b>37.88</b>	<b>38.88</b>	<b>39.88</b>	<b>39.88</b>
<b>Management Services Division:</b>				
4104 Human Resources	6.00	6.00	6.00	6.00
4105 City Clerk	3.00	3.00	3.00	3.00
4301 Finance	16.00	16.00	16.00	16.00
4303 Collections	5.00	0.00	0.00	0.00
4304 Utility Billing/Cust. Svc.	7.00	0.00	0.00	0.00
4306 Purchasing	3.00	3.00	3.00	3.00
4401 Information and Technology	16.00	16.00	16.00	16.00
5520 Citizens Service	0.00	12.00	12.00	12.00
<b>Total Management Services Division</b>	<b>56.00</b>	<b>56.00</b>	<b>56.00</b>	<b>56.00</b>
<b>Development Services Division</b>				
4103 Engineering	19.00	19.00	19.00	19.00
4106 Planning and Zoning	9.20	9.20	9.20	9.20
4107 Community Development	3.80	3.80	3.80	3.80
4108 Building Safety	11.00	11.00	11.00	11.00
6900 Neighborhood Services	9.00	9.00	9.00	9.00
<b>Total Development Services Division</b>	<b>52.00</b>	<b>52.00</b>	<b>52.00</b>	<b>52.00</b>
<b>Police Services Division</b>				
4701 Administration	14.00	12.00	12.00	12.00
4702 Support Services	49.25	46.25	46.25	46.25
4703 Criminal Investigations	38.44	37.44	39.44	39.44
4704 Patrol Operations	107.75	107.75	105.75	105.75
4706 Airport Security	3.00	3.00	3.00	3.00
4707 Animal Services	0.00	5.00	5.00	5.00
11076900 Police Grant	0.56	0.56	0.56	0.56
6920 Parking Enforcement	2.00	2.00	2.00	2.00
<b>Total Police Services Division</b>	<b>215.00</b>	<b>214.00</b>	<b>214.00</b>	<b>214.00</b>

## Personnel Count Comparison

	2019 Actual	2020 Budget	2020 Estimated	2021 Budget
<b>Fire Services Division</b>				
4801 Administration	8.00	8.00	8.00	8.00
4802 Suppression and Rescue	123.00	123.00	124.00	124.00
4803 1/8 Sales Tax Operations	20.00	20.00	20.00	20.00
4804 Training	2.00	2.00	2.00	2.00
<b>Total Fire Services Division</b>	<b>153.00</b>	<b>153.00</b>	<b>154.00</b>	<b>154.00</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	9.75	7.75	7.75	9.75
5303 Street Drainage	17.39	17.39	17.39	17.39
5304 Street Maintenance	15.00	15.00	15.00	15.00
5305 Sidewalk Construction	12.00	12.00	12.00	12.00
5401 Traffic Control Operations	13.72	13.72	13.72	13.72
5403 Street Lighting	0.00	0.00	0.00	0.00
<b>Total Streets &amp; Traffic Control</b>	<b>72.86</b>	<b>70.86</b>	<b>70.86</b>	<b>72.86</b>
<b>Water &amp; Sewer</b>				
5501 Utilities Administration	10.00	10.00	10.00	10.00
5521 Business Operations and Logistics	19.60	19.00	19.00	17.00
5522 Communications & Training	9.00	9.00	9.00	9.00
5523 Engineering & Engineering Technology	31.00	31.00	31.00	31.00
5590 Non-Capital Projects	0.00	0.00	0.00	0.00
5656 Water Reclamation	30.50	30.50	30.50	30.50
5556 Water Reclamation Maintenance	22.00	22.00	22.00	22.00
5610 Water Line Maintenance	77.00	77.00	77.00	77.00
5611 Water Reclamation Maintenance	46.00	46.00	46.00	46.00
5618 Debt Service	0.00	0.00	0.00	0.00
5625 Environmental Quality	23.00	22.00	22.00	22.00
5626 Easement, Building, Station Maint	35.00	35.00	35.00	35.00
<b>Total Water &amp; Sewer</b>	<b>303.10</b>	<b>301.50</b>	<b>301.50</b>	<b>299.50</b>

## Personnel Count Comparison

	2019 Actual	2020 Budget	2020 Estimated	2021 Budget
<b>Parks &amp; Community Services</b>				
6201 Parks Maintenance	20.25	20.25	20.25	20.25
6202 Oak Cemetery	3.00	3.00	3.00	3.00
6204 Commnity Centers	3.50	3.50	3.50	3.50
6205 Aquatics	3.45	3.45	3.45	3.45
6206 Riverfront/Downtown Maintenance	5.00	5.00	5.00	5.00
6207 The Park At West End	0.80	0.80	0.80	0.55
6208 1/8% Sales and Use Tax	2.00	2.00	2.00	2.00
<b>Total Parks &amp; Community Services</b>	<b>38.00</b>	<b>38.00</b>	<b>38.00</b>	<b>37.75</b>
<b>Convention Center</b>				
1115	13.50	13.50	13.50	13.50
<b>Sanitation</b>				
6301 Administration	8.00	8.00	8.00	8.00
6302 Residential Collection	29.00	29.00	29.00	26.00
6303 Commercial Collection	11.00	11.00	11.00	11.00
6304 Fleet and Grounds Maintenance	13.75	13.75	13.75	16.75
6305 Sanitary Landfill	18.00	18.00	18.00	18.00
6307 Industrial Collection	11.00	11.00	11.00	11.00
6308 Waste Reduction	0.00	1.00	1.00	1.00
<b>Total Sanitation</b>	<b>90.75</b>	<b>91.75</b>	<b>91.75</b>	<b>91.75</b>
<b>Transit</b>				
6550 Public Transit	34.00	34.00	34.00	34.00
<b>Total Operation Services Division</b>				
	<b>552.21</b>	<b>549.61</b>	<b>549.61</b>	<b>549.36</b>
<b>Non-Departmental</b>				
1113 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
<b>Total FTE Personnel</b>	<b>1071.09</b>	<b>1068.49</b>	<b>1070.49</b>	<b>1070.24</b>
Please note: This schedule includes position of Mayor and the seven Director positions.				
Program 4100 Mayor & 4101 Board of Director	<u>(8.00)</u>	<u>(8.00)</u>	<u>(8.00)</u>	<u>(8.00)</u>
Program 4206 District Court Seb. County	<u>(1.00)</u>	<u>(1.00)</u>	<u>(1.00)</u>	<u>(1.00)</u>
Adusted Total FTE Personnel	<u>1062.09</u>	<u>1059.49</u>	<u>1061.49</u>	<u>1061.24</u>

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