The City of Fort Smith ARKANSAS

2017 Budget

TABLE OF CONTENTS

Elected Officials 5
Management Team 6
Mission, Vision and Values Statement 7
Budget Format 8

Introduction
City Administrator's Budget Message 14
2017 City-Wide Budget Goals 16
Plan of Organization 19
Authorized Level of Full Time Personnel 20
Allocation of Authorized Personnel 21

Budget Highlights
Introduction 25
Budget Process 25
Fiscal Performance Policies 27
The FY17 Budget 34
Operating Funds 36
General Fund 39
Street Maintenance Fund 41
Water and Sewer Operating Fund 41
Sanitation Operating Fund 42
Personnel Authorizations 43
Capital Improvement Program 44
Retirement Plans 44
Bonded Indebtedness 45

Budget Summaries - All Funds
Comparative Summary - All Funds 49
Fund List Summary - All Funds FY17 Budget 51
Comparative Summary with Detail Revenue Categories-All Funds 52
Major Revenue Analyses 2017 Budget 53
City of Fort Smith Financial Structure 61
Definition of Fund Types and Individual Funds 64
Summary by Fund Type -
General Fund 67
Special Revenue Funds-
Street Maintenance Fund 68
Sales Tax Fund 68
Community Development Block Grant Fund 68
HOME Investment Partnership Act Fund 68
Special Grants Fund 69
Tilles Park Fund 69
A&P-CVB Fund 69
Arkansas LOPFI Contribution Fund 69
Convention Center Fund 69
Debt Service Fund-
Sales & Use Tax Bond Fund 70
Capital Projects Fund-
Sales & Use Tax Bond Construction Fund 71
Enterprise Funds-
Water and Sewer Funds 72
Sanitation Funds 73
Parking Authority Fund 74
Internal Service Funds-
Working Capital Fund 75
Employee Health & Wellness Fund 75
Workers' Compensation Fund 75

Operating Funds Budget Summaries
Budget Comparison Summary-
Operating Funds 79
General Fund 80
Street Maintenance Fund 81
Water and Sewer Operating Fund 82
Sanitation Operating Fund 83
Statement of Revenue Comparisons-
Combined Operating Funds 84
General Fund 85
Fire / Park City Sales Tax (General Fund) 87
Street Maintenance Fund 88
Water and Sewer Operating Fund 90
Sanitation Operating Fund 92
Distribution of Appropriations to the Operating Funds - FY17 93
Distribution of Appropriations to the Operating Funds - FY18 96
Combined Division Summary-
By Division Classification 99
By Expenditure/Expense Classification 100

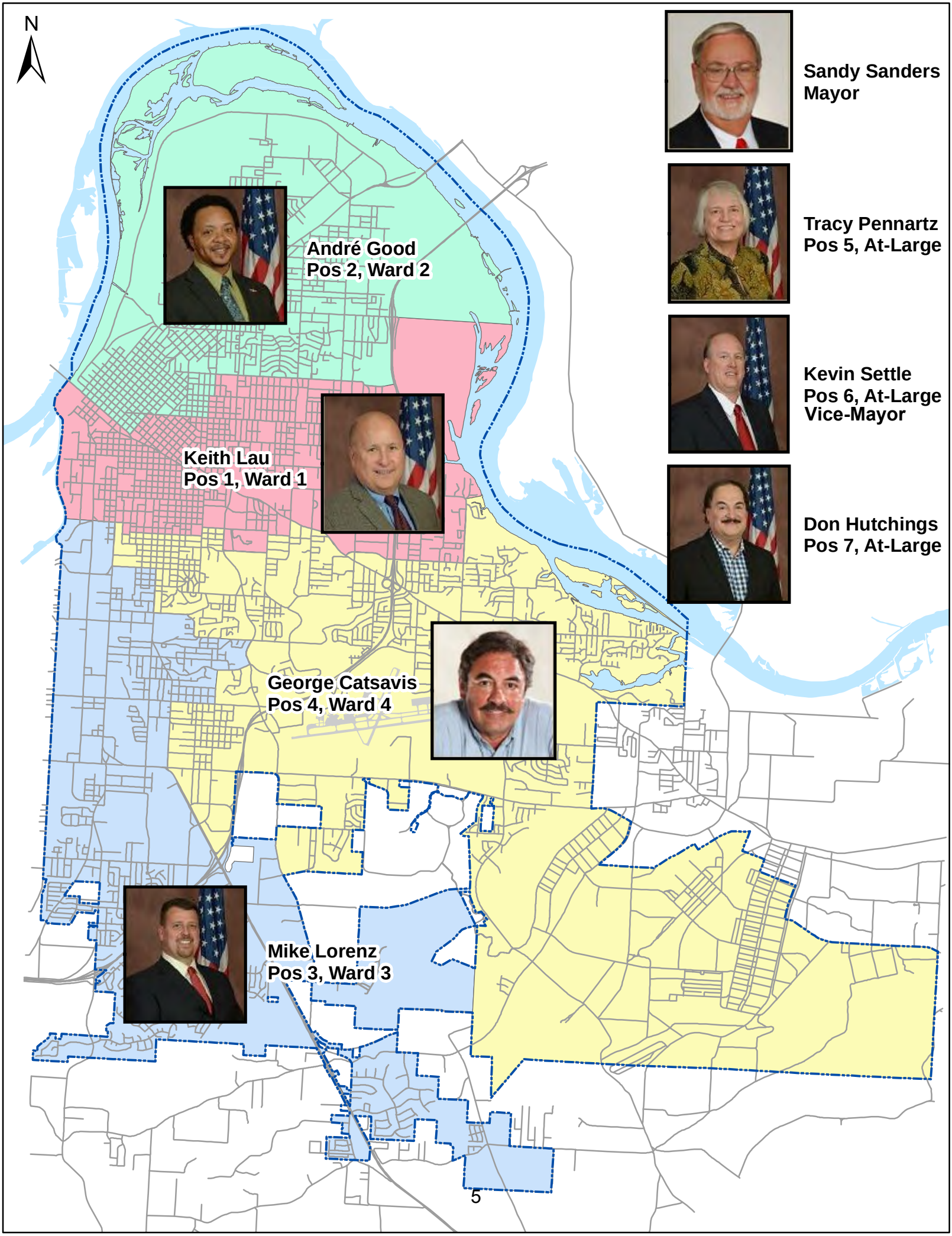
Division Summaries
Policy and Administration Services 103
Management Services 108
Development Services 115
Police Services 120
Fire Services 124
Operation Services-
Streets and Traffic Control 128
Water and Sewer 130
Parks and Recreation 132
Convention Center 134
Sanitation 136
Transit 138
Non-Departmental 140

Capital Improvements Program

Introduction 147
Sales Tax Fund 147
Water and Sewer Capital Improvement Projects Fund 151
Sales & Use Tax Bond Construction Fund 153
Sanitation Sinking / Landfill Construction Fund 153
Tilles Park Fund 154
Parking Authority Fund 154
Parks and Recreation CIP 154
Capital Outlay 14

Related Financial Information

Budget Organizational Structure 161
Budget and Budgetary Control 164
Accounting System Control 164
Classification of Revenue Sources - Operating Funds 165
Debt Service 171
Glossary of Key Budget Terms 178
Fort Smith Notes 182
Miscellaneous Statistical Data 184
Property Tax Illustration 187
Personnel Count Comparison 188
General Index 191


N
André Good
Pos 2, Ward 2
Keith Lau
Pos 1, Ward 1
George Catsavis
Pos 4, Ward 4
Mike Lorenz
Pos 3, Ward 3
Sandy Sanders
Mayor
Tracy Pennartz
Pos 5, At-Large
Kevin Settle
Pos 6, At-Large
Vice-Mayor
Don Hutchings
Pos 7, At-Large

CITY OF FORT SMITH, ARKANSAS
PROPOSED FISCAL YEAR 2017
BUDGET

Sandy Sanders	Mayor
Keith Lau	Director - Ward One
Andre Good	Director - Ward Two
Mike Lorenz	Director - Ward Three
George Catsavis	Director - Ward Four
Tracy Pennartz	Director - At Large
Kevin Settle	Director - At Large
Don Hutchings	Director - At Large

MANAGEMENT TEAM

Carl Geffken	City Administrator
Jeff Dingman	Deputy City Administrator
Sherri Gard	City Clerk
Wally Bailey	Director of Development
Stan Snodgrass	Director of Engineering
Jennifer Walker	Director of Finance
Naomi Roundtree	Director of Human Resources
Russell Gibson	Director of Information and Technology Services
Doug Reinert	Director of Parks and Recreation
Mark Schlievert	Director of Sanitation
Greg Riley	Director of Streets and Traffic Control
Ken Savage	Director of Transit
Vacant	Director of Utilities
Ben Beland	District Court Judge
Claire Borengasser	District Court Judge
David Saxon	District Court Judge
Claude Legris	Executive Director-Advertising & Promotion Commission
Phil Christensen	Fire Chief
Tracey Shockley	Internal Auditor
Nathaniel Clark	Police Chief

BUDGET REPORT PRODUCTION, ANALYSIS AND GRAPHICS

Department of Finance
Jennifer Walker, Director of Finance
Jackie Joyce, Controller
Lori Hopkins, Manager of Finance
Tracy Keck, Accounting Manager
Alie Bahsoon, Purchasing Manager
Christy Deuster, Budget & Office Coordinator
Angie Chance, Payroll Accountant

City of Fort Smith on the Internet at:
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 <u>every</u> citizen and employee

--being AGILE

--being VALUES-BASED

--being CONTINUOUS LEARNERS

VALUES STATEMENT

Our shared values are…

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

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 2017 and Estimated 2016.

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 tall funds of the City. A comparative summary of all funds for FY15 Actual, FY16 Budget, FY16 Estimated and FY17 Budget is included. A comparative summary for all funds with major revenue is presented for FY14 Actual, FY15 Actual, FY16 Budget, FY16 Estimated, and FY 17 Budget. A combined summary of all funds for the FY17 Budget as well as individual fund statements by fund type for FY17 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 reach 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 be operating funds for FY17 is also incorporated this section. An early projection for FY18 is also presented for the department. 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 Citizens:

It is my pleasure to submit the City of Fort Smith's 2017 operating and capital improvement budgets to the Mayor, the Board of Directors and citizens of Fort Smith. The annual budget guides the City's plan for providing the services, facilities, and infrastructure. The City strives to produce a structurally balanced budget to reflect the staff's professional commitment to provide services and programs in alignment with the Board of Directors' goals and the community's needs.

This budget combines the efforts and input from citizens, Mayor, Board of Directors, and City staff to develop a positive and progressive approach to plan for the future. A major component for our ability to achieve success is the development of Goals and Strategies by the Board and the continued focus on the Board's and Citizens' Strategic Plan for Fort Smith. Keeping the Goals and Strategies in clear view, the Board and staff are able to position the community in a positive direction to achieve significant accomplishments, and effectively provide necessary services for Fort Smith.

The 2017 budget demonstrates another positive step forward in the city's continued financial success, despite economic challenges. All parts of the budget are balanced without any tax increase.

No cuts to community services are needed to balance the budget. The leadership of the Mayor and Board of Directors, and the City's excellent employees have enabled this success.

The 2017 budget includes nearly $88 million in capital investment. Most of this spending is the result of the March 2015 sales tax renewal election approved overwhelmingly by Fort Smith voters. The voters renewed a 1% sales tax for streets and drainage that's been in place since 1985. The capital projects further advance Fort Smith toward accomplishing strategic goals in the areas of neighborhood vitality, riverfront development, sanitary sewer system upgrades, water delivery system improvements, sidewalk improvements, and recreational offerings.

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

The Mayor and Board of Directors have established strategic goals, and the voters have supported those goals. The combination of goals and steadfast community support poise Fort Smith to be in a stronger position as the economy improves.

The 2017 budget doesn't rely on any increases in taxes. A sewer rate adjustment was implemented so that the city will have the resources necessary to be in compliance with the federal consent decree for wet weather sanitary sewer system improvements.

The City is dedicated to maintaining a conservative fiscal perspective without tax increases. The 2017 budget focuses

expenditures on core services and other critical areas identified by the Board of Directors. The 2017 budget totals $199.7 million for operations and capital projects. The operating budget is $112 million and the capital projects budget is $87.7 million. Operating fund budgets are:

FUND	2017 BUDGET	% CHANGE FROM 2016
General	$41.5 million	-10.2%
Street Maint.	$ 8 million	-
Water & Sewer	$49.5 million	20.4%
Sanitation	$13 million	3.2%

The departmental service objectives and performance measures are in close alignment with the board's citywide budget goals. The performance measures are focused on outcomes and results rather than inputs and workload measures.

Funding is included for 4 priorities established by the board: construction of a soccer complex on Riverfront Dr., planning and construction of trails, neighborhood sidewalk construction, and construction of a CNG fueling station.

General Fund – General Fund revenues for 2017 are expected to remain consistent with 2016.

Street Maintenance Fund – The street dept. will continue its in-house sidewalk construction program.

Water & Sewer Fund – The utilities dept. budget includes funding of $1.4 million for future equipment needs.

Sanitation Fund – The sanitation dept. maintains its sinking fund reserve requirements for future facility and equipment needs.

The City will continue to focus on our long-range financial plan to further streamline the City's operations and lower costs. The 2017 budget is committed to the Mayor and the Board of Director's policy. 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 2017 Budget asserts our commitment to meet and exceed our community's highest priority expectations. We continue to strive to meet these needs at the lowest possible costs to our citizens.

I thank the Mayor, Board of Directors, citizens and City staff for their time and effort throughout this budget process.

Carl Geffken
City Administrator

2017 CITY-WIDE BUDGET GOALS

The City wide goals and a few of the 2017 departmental service objectives that correlate to the 2017 city wide goals are listed as follows:

1. 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 2016 Capital Improvement Program. (FFS Goals 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)

2. 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 NCR-1; TI-3)

   Parks: Promote Riverfront development by constructing a soccer complex on the Riverfront Drive property. (FFS Goal FLU-2.3)

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

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)

   Mayor: Continue to encourage expansion of regional development by working with area city and county governments, and organizations such as Western Arkansas Planning & Development District (WAPDD), Frontier Metropolitan Planning Organization and Sebastian County Regional Solid Waste Management District.

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

    Streets: Improve the downtown traffic flow, pedestrian and vehicular, by implementing a coordinated plan for the downtown traffic signals.

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

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

    Development Services: Protect and improve existing neighborhoods by continuing implementation of the CDBG, HOME and other housing programs and creating a more proactive program in the neighborhood services division.

    Streets: Further develop a long range plan for sidewalk repair and continue to implement the year to year plan. (FFS Goal 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.

    Utilities: Efficient performance of the Wastewater Management Plan (WMP) to meet EPA required schedules for wastewater treatment and collection system improvements.

7. Educate 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.

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

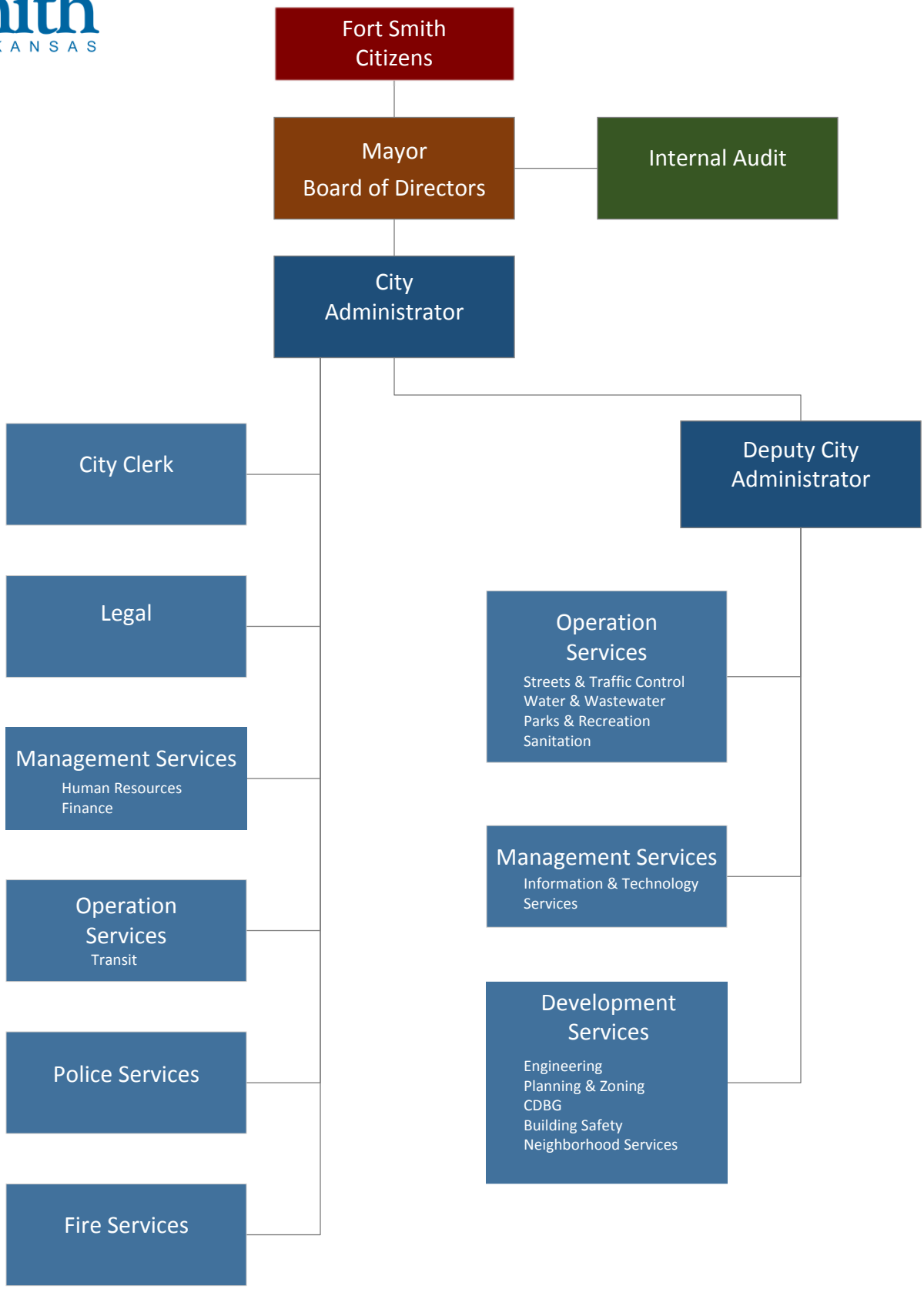
9. Supporting tourism initiatives in the City of Fort Smith by partnering with local organizations as tourism partners. (FFS Goals FLU-2; FLU-3; NCR-3)

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

Convention Visitors Bureau: Continue to build on 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 add tourist attractions to the Fort Smith area. Continue to take a leading role in development of the United States Marshals Service National Museum and National Learning Center. Continue planning to adjust our marketing efforts to feature all above referenced features as primary attractions in the region as they develop, relaying on our "History" brand whenever appropriate.

City of Fort Smith
Plan of Organization

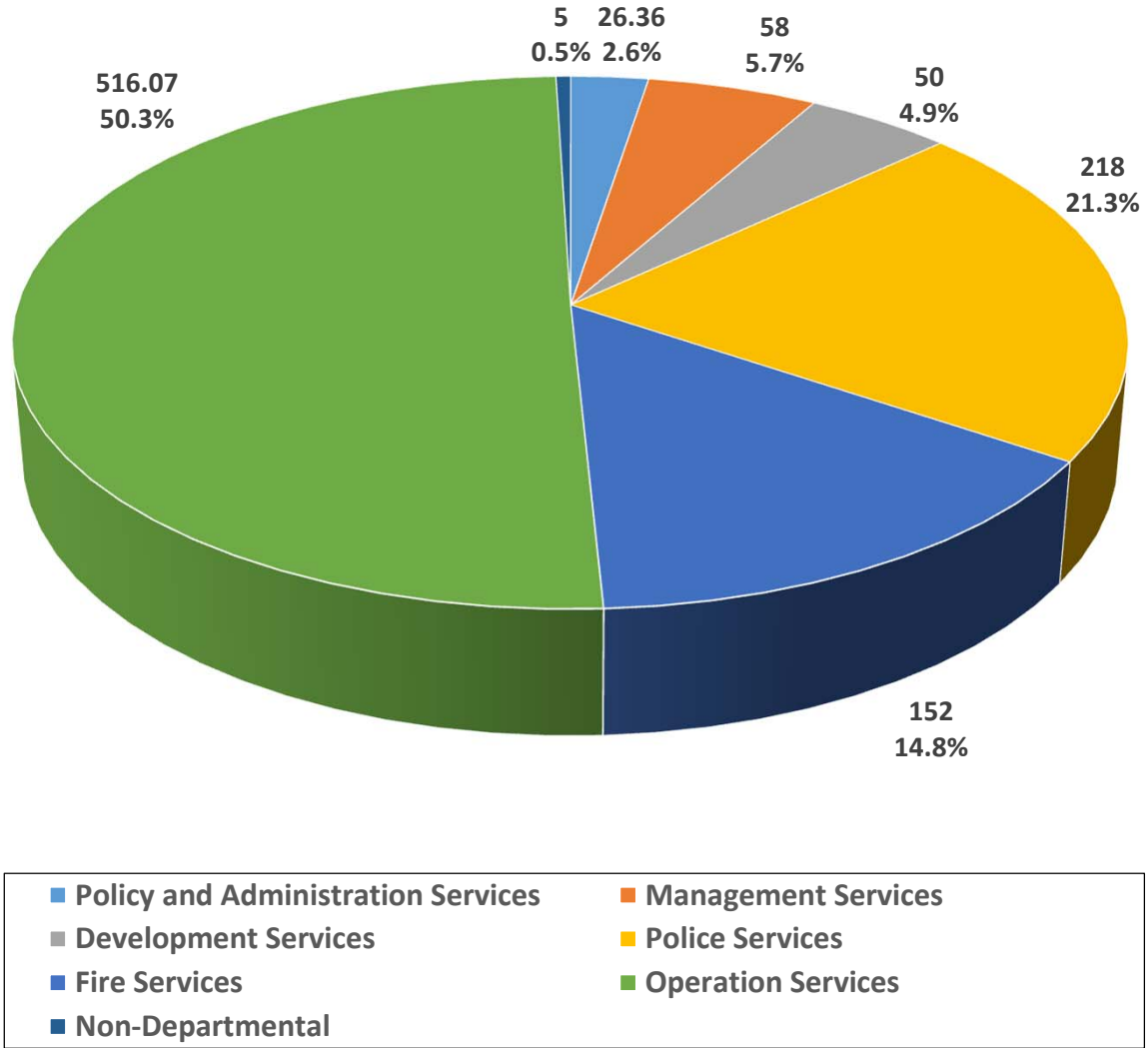


CITY OF FORT SMITH
AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL
BY EXPENDITURE CLASSIFICATION

	FY15 Actual	FY16 Estimated	FY17 Budget
Policy and Administration Services (Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	4.00	4.77	3.03
District Court	18.00	18.63	18.63
City Prosecutor	2.00	2.00	2.00
Internal Audit	1.00	1.70	1.70
Total	26.00	28.10	26.36
Management Services			
Human Resources	4.00	5.00	5.00
Safety & Risk Manager	1.00	1.00	0.00
City Clerk/Citizen Action Center	3.00	3.00	3.00
Finance	34.00	34.00	39.00
Information & Technology Services	9.00	11.00	11.00
Total	51.00	54.00	58.00
Development Services			
Engineering	18.40	19.00	19.00
Planning and Zoning	7.75	7.20	7.20
Building Safety	11.00	11.00	11.00
Community Development	3.25	3.80	3.80
Neighborhood Services	9.00	9.00	9.00
Total	49.40	50.00	50.00
Police Services	221.00	219.00	218.00
Fire Services	152.00	152.00	152.00
Operation Services			
Streets and Traffic Control	71.04	71.94	71.22
Water and Sewer	223.19	263.50	270.50
Parks and Community Services	45.10	42.35	41.85
Convention Center	13.50	13.50	13.50
Sanitation	78.50	88.00	86.00
Transit	33.00	33.00	33.00
Total	464.33	512.29	516.07
Non-Departmental			
Convention & Visitors Bureau	5.00	5.00	5.00
Total Authorized Level of Full-Time Equivalent Personnel	968.73	1,020.39	1,025.43

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

1,025.43 FTE PERSONNEL FOR 2017



BY EXPENDITURE/EXPENSE CLASSIFICATION

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BUDGET HIGHLIGHTS

This section provides a narrative and graphical summary of the major components of the FY17 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 2017 Budget:

August 15, 2016	Departments submit 2016 service objectives update for Board review. Distribution of 2017 Budget package to all departments.
August 15, 2016 through August 30, 2016	Departments prepare budget worksheets and summaries for 2017 requests as well as estimates for 2018. Finance refines 2017 revenue estimates and prepares 2018 revenue projections.
August 23, 2016	Board establishes 2017 City Wide goals at a Study Session.
August 30, 2016	Departments submit service objectives, outcome/ performance measures, and completed budget packages for 2017 to the Finance Department.
September 13, 2016	Review departmental service objectives for 2017 and their correlation with city wide goals for 2017 during the Board Study Session.
August 30, 2016 through September 20, 2016	Finance verifies accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 22, 2016 through October 7, 2016	City Administrator, Deputy City Administrator and Director of Finance review budget requests and meet with department directors to discuss the 2017 requests.
September 27, 2016	Proposed five year streets and drainage CIP, Parks CIP, and Water and Sewer CIP are presented at Board Study Session. Also, 2017 Budget progress report.
November 1, 2016	Present proposed budget to Mayor and Board of Directors.
November 14, 28 and 29, 2016	Budget Hearings #1, 2, & 3: Review proposed budget with Mayor and Board of Directors; discussion with department directors.
December 5, 2016	Additional budget hearing.
December 20, 2016	Conduct 2017 Budget hearing and present 2017 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. They 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 $5,000 per unit and an estimated life greater than or equal to 3 years will be capitalized for financial reporting purposes. Infrastructure assets are those that are provided by the Street Sales Tax Fund and include streets, bridges and drainage projects. All land and rights- of-way are capitalized for infrastructure projects. The project cost is capitalized for projects greater than or equal to $250,000 and are grouped by project year. Individual infrastructure projects are capitalized separately if the project totals greater than or equal to $5.9 million.

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

DEBT POLICIES

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

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

3. The City will consider refunding outstanding bonds if one or more of the following conditions exist:

    a. Present value savings are at least 3% with certain exceptions, of the par amount of the refunding bonds.

b. The bonds to be refunded have restrictive or outdated covenants.
c. Restructuring debt is deemed to be desirable.

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

5. The City will monitor compliance with bond covenants, adhere to Federal arbitrage regulations, and abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c 2-12 concerning primary and secondary market disclosure. The City will also monitor bond issues by adhering to its Post-Issuance Compliance Manual required by the IRS. This manual includes the requirements for monitoring bond offering transactions by the underwriter.

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

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

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

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

RESERVE POLICIES

1. The City will maintain an operating contingency reserve to:
   a. Provide for temporary funding of unforeseen needs of an emergency or nonrecurring nature.
   b. Permit orderly budgetary adjustments when revenues are lost through the action of other governmental bodies.
   c. Serve as local match for public or private grants.
   d. Meet unexpected small increases in service delivery costs.
   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 FY17 BUDGET

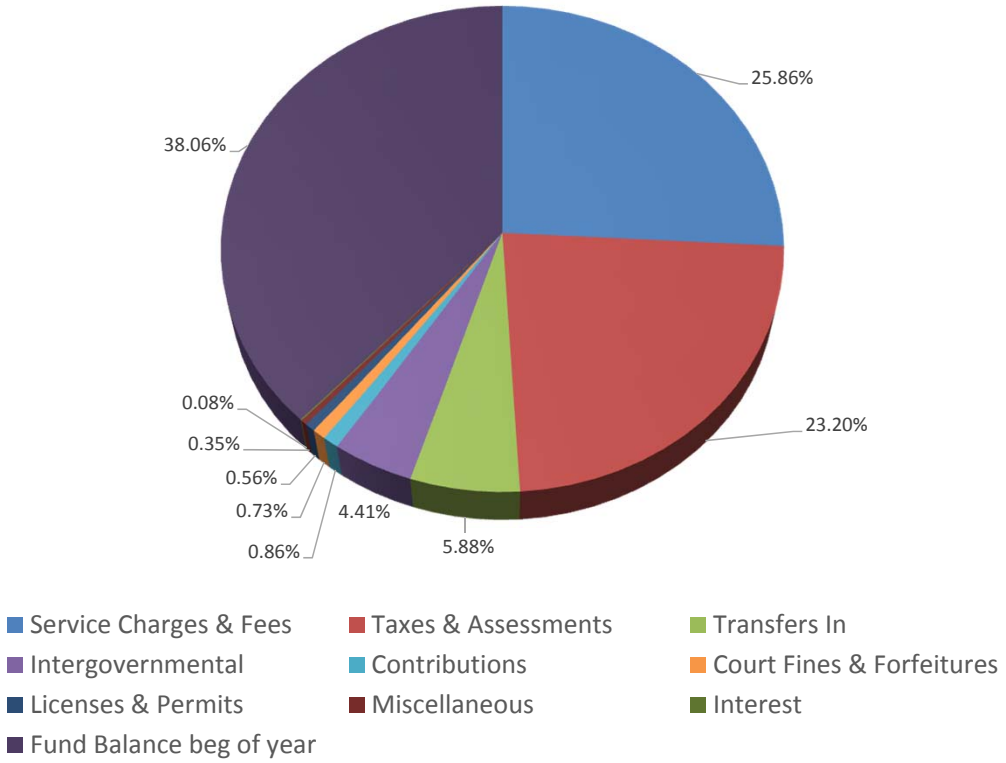
Total funding sources from all funds is estimated at $333 million with expenditures/expenses totaling $257 million for FY17. All funds for which revenues are received and expenditures/expenses are incurred are included in the Budget Summaries – All Funds section of this document.

The major sources of funding for FY17 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 38% 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 23.2% of total resources. The City assesses a 3% local sales tax (2% city-wide plus 1% county-wide), a 4% utility franchise fee, a 3% hotel/motel tax and imposes a millage rate of $.70 per $100 of assessed property value. Service charges and fees account for 25.9% 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 FY17 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 45.9% of total uses and are primarily for personnel, day-to day operating expenditures/expenses and equipment purchases. Capital improvements account for 34.1% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 11.2% of total uses and is comprised of the five 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.

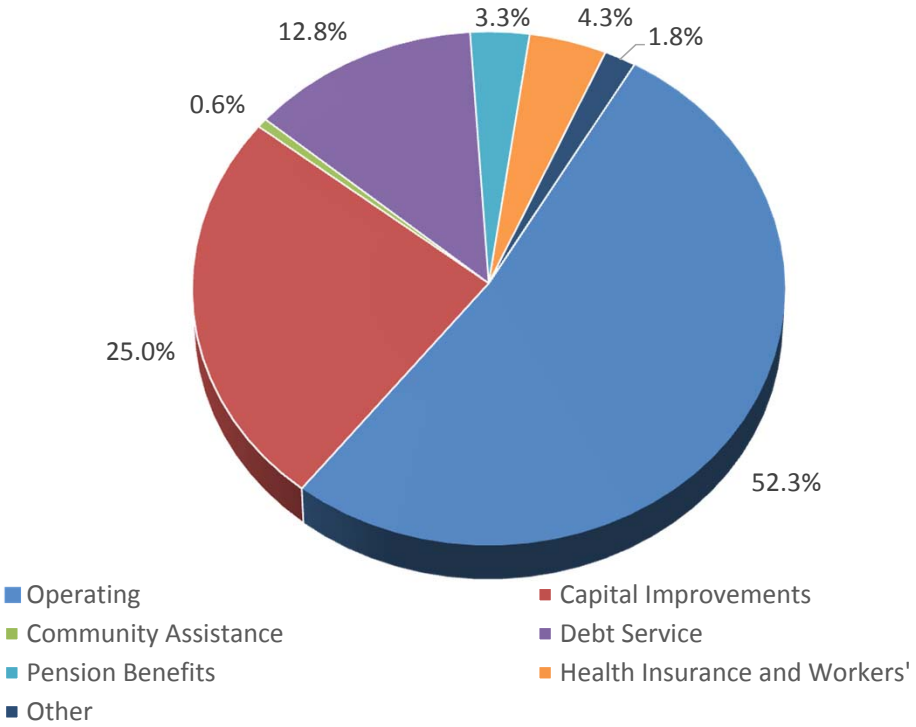
The two graphs which follow depict the allocation of total resources and total uses for 2017.

SUMMARY OF TOTAL RESOURCES
FY 2017



Total Resources $333,386,047

SUMMARY OF TOTAL USES
FY 2017



Total Uses $226,062,329

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 FY17 Operating Funds Budget totals $118.2 million in appropriations which is $10.2 million or 9.5% more than the FY16 Operating Funds Budget. Operation services account for 58.7% of operating appropriations, sanitation and transit services. The police and fire services combine to account for 24.8% of total appropriations.

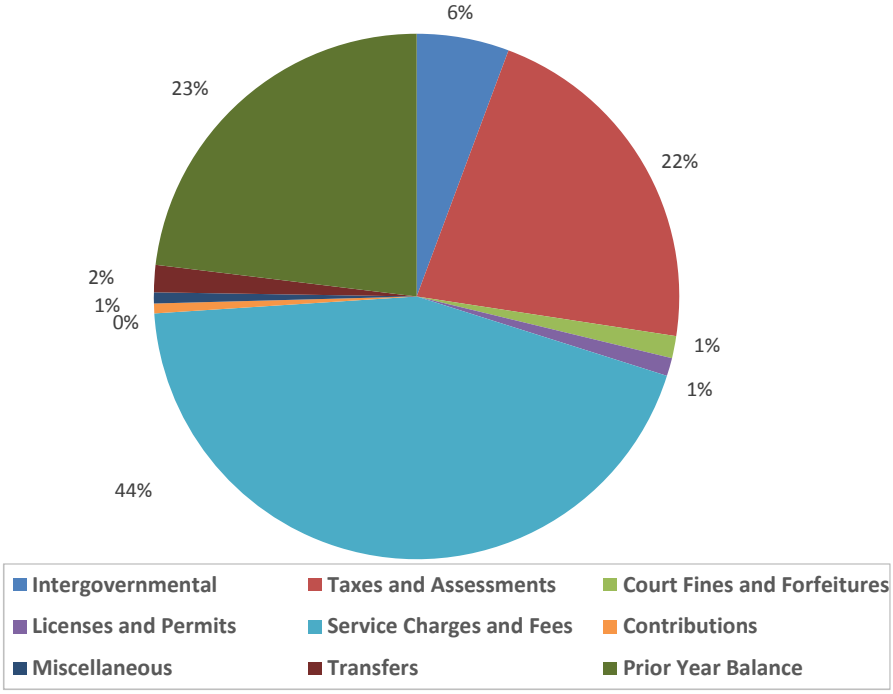
FY17 Operating Funds Sources total $169 million, which is $34.3 million more than FY16 Operating Funds Sources due to higher actual prior year balances. Service charges and fees account for 44% of total resources. Service charges and fees include utility rates charges for water, sewer and sanitation services. Taxes and assessments comprise of 22% 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.

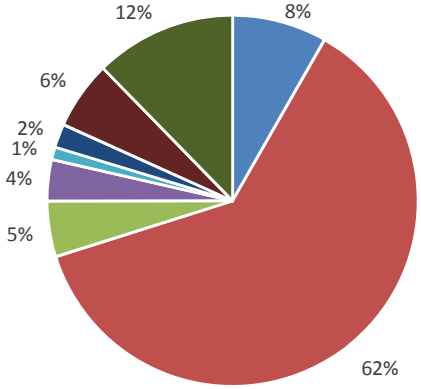
The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 37 illustrate funding sources combined and individually for the four operating funds. The graphs on page 38 illustrate appropriations in combined and individual format for the four operating funds.

COMBINED OPERATING FUNDS

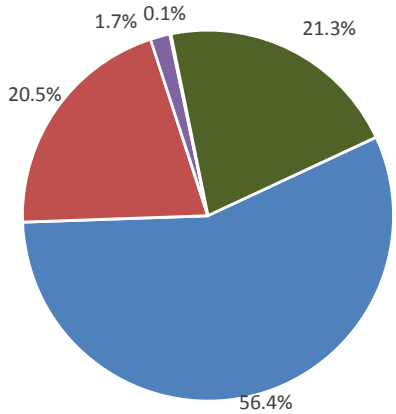
FISCAL YEAR January 1 - December 31, 2017

TOTAL FUNDING SOURCES $168,959,683

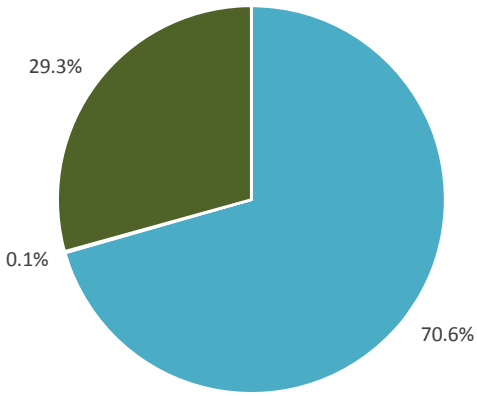




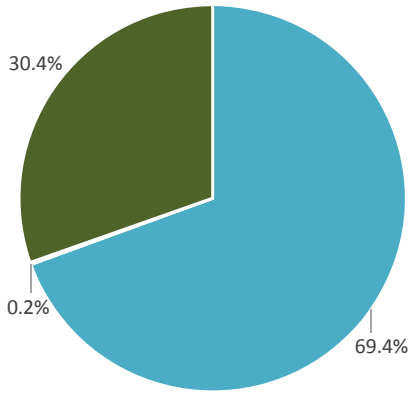
GENERAL FUND
$47,370,948



STREET MAINTENANCE FUND
$10,106,883



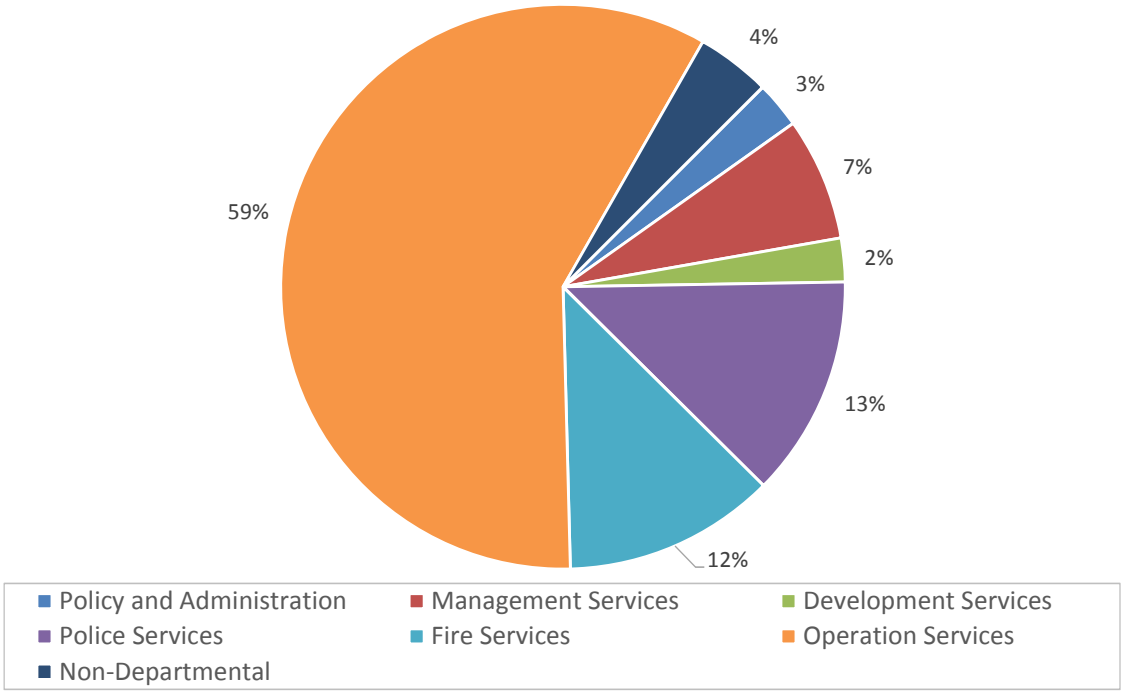
W/S OPERATING FUND
$84,878,554

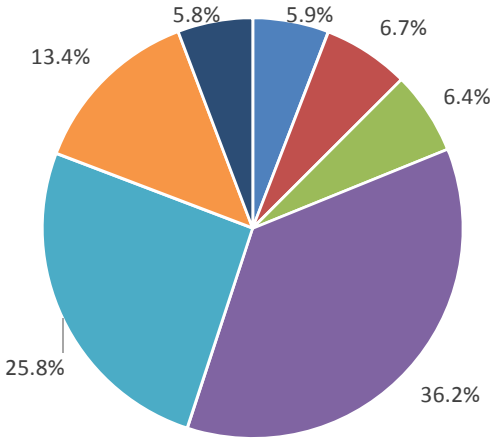


SANITATION OPERATING FUND
$20,256,298

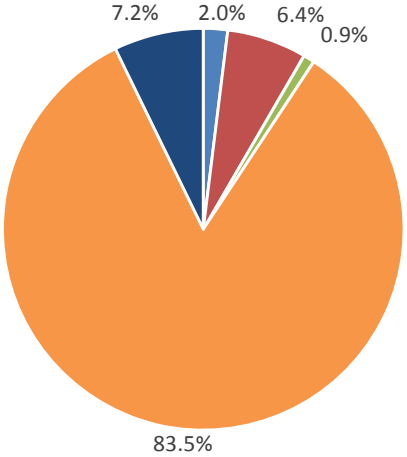
COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2017
TOTAL APPROPRIATIONS $118,224,892

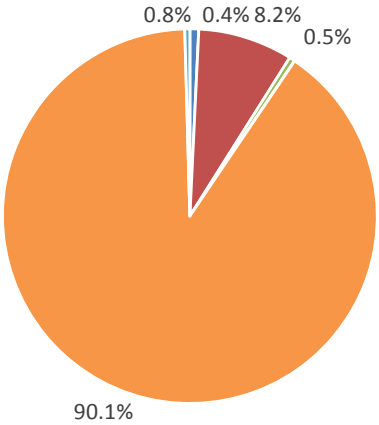




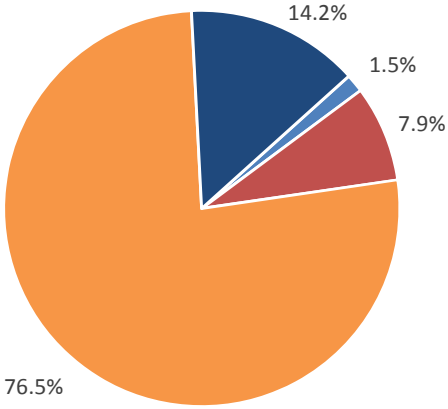
GENERAL FUND
$41,512,032



STREET MAINTENANCE FUND
$7,973,167



W/S OPERATING FUND
$49,507,808



SANITATION OPERATING FUND
$13,019,351

GENERAL FUND

Total funding sources for the General Fund in FY17 amount to $47.4 million that is $4.8 million less than the FY16 Budget funding sources. Funding sources include current year revenue plus the prior year balance brought forward. The decrease is due to the franchise and ad valorem revenue for FY17.

The major funding source for the General Fund is Taxes and Assessments which comprise 62% 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 FY17 total $6.85 million, which is an increase of 2% under the FY16 estimated amount of $6.75 million. The tax rate for FY16 and FY17 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 FY17 are shown on page 187.

Franchise fees for FY17 are budgeted at $5.8 million, which is consistent with the FY16 estimated revenue of $5.8 million. A comparison of the franchise fee revenues between years is as follows:

	FY16 ESTIMATED (Thousands)	FY17 BUDGET (Thousands)
Electric	$ 3,820	$ 3,820
Gas	953	978
Cable	665	650
Telecommunications	312	302
	$ 5,750	$ 5,750

The revenue between FY17 Budget and FY16 is expected to remain flat.

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 67% 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 $16.7 million for FY17. This tax accounts for 40% 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 FY17, this tax will generate $5.3 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 FY17 total $41.5 million which is $4.7 million or 11.3% less than the FY16 Budget. This reduction is due primarily to removing Fire and Parks Sales Tax programs for separate budget presentation for planning purposes.

Personnel changes total to an increase of 5 FTE for FY17. The changes include an addition of 5 FTE in Finance due to a departmental restructure.

The General Fund uses for the County Sales Tax in FY17 are as follows:

Public Safety	$ 12,688,200
Public Library	1,001,700
Park Capital Maintenance	417,375
Senior Citizen Programs	250,425
Downtown Development & Maint.	500,850
Public Transit	500,850
Privilege License Replacement	1,335,600
	$ 16,695,000

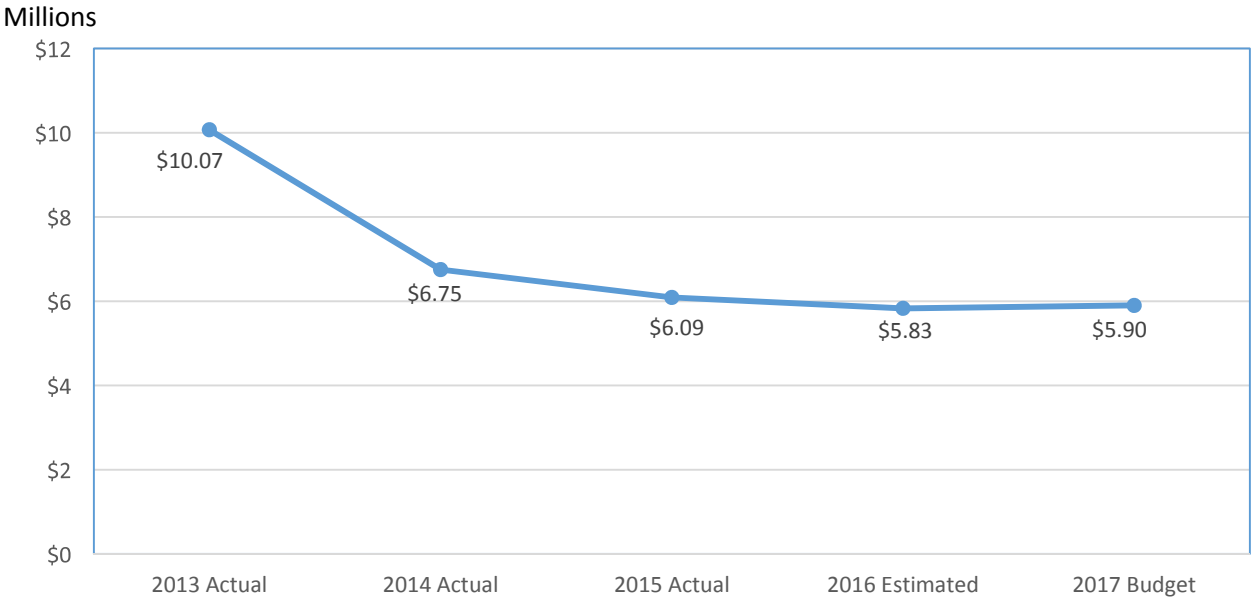
The projected fund balance of the General Fund at December 31, 2017 is $5,858,916 which represents 14.1% of operating expenditures for 2017. The Fiscal Performance Policies require a 15% contingency. The Board of Directors approved a 14% contingency reserve for FY17 with the expectation that the City will reach a 15% reserve for FY18. In the adopted FY16 Budget document the estimated ending balance was 12.4% compared to the FY16 estimated ending balance of 15.1% as indicated below.

The level of ending fund balances for the past four years, and projected for FY17 is:

FY13	15.0%
FY14	11.6%
FY15	12.5%
FY16 Estimated	15.1%
FY17 Budget	14.1%

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 FY17 amount to $10.1 million and is $405,000 more than the FY16 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 FY17 is $46.40 which is slightly more than the FY16 estimated amount of $45.45. The actual turnback revenue was $46.37 for FY15, and $46.40 is estimated for FY18.

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 $20.21 for FY16. The estimate for FY17 and FY18 is $19.72

This Fund also receives one-half of the 3.0 road millage levied by Sebastian County. Total estimate from this revenue for FY17 is $2.1 million which is consistent with the FY16 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 $175,000 for FY17.

FY17 appropriations for the Street Maintenance Fund total $8 million and are $421,000 more than FY16. The personnel count for the fund in FY17 remains the same as FY16.

The major appropriation classification of the Street Maintenance Fund is Operation Services involving the streets and traffic control programs. This classification represents 84% of total appropriations.

The estimated year end fund balance of the Street Maintenance Fund is $2,133,715 which represents 26.8% of FY17 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 $84.9 million for FY17. This is $27.7 million more than FY16 Budget due to the significant increase in beginning working capital between years and sewer rate adjustments.

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

Total Water and Sewer Operating Fund appropriations for FY17 are $49.5 million compared to FY16 appropriations of $41.1 million. The personnel count is increased by 7FTE for FY17 due to the Consent Decree personnel requirements.

The projected working capital at December 31, 2017, is $35,370,746, which represents 71% of FY17 operating expenses. This exceeds the fiscal policy of a 15% reserve requirement.

SANITATION OPERATING FUND

Total funding sources of the Sanitation Operating Fund amount to $20.2 million for FY17 and is $4.57 million more than FY16 Budget. The increase is due to the higher working capital balance at the beginning of the year.

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

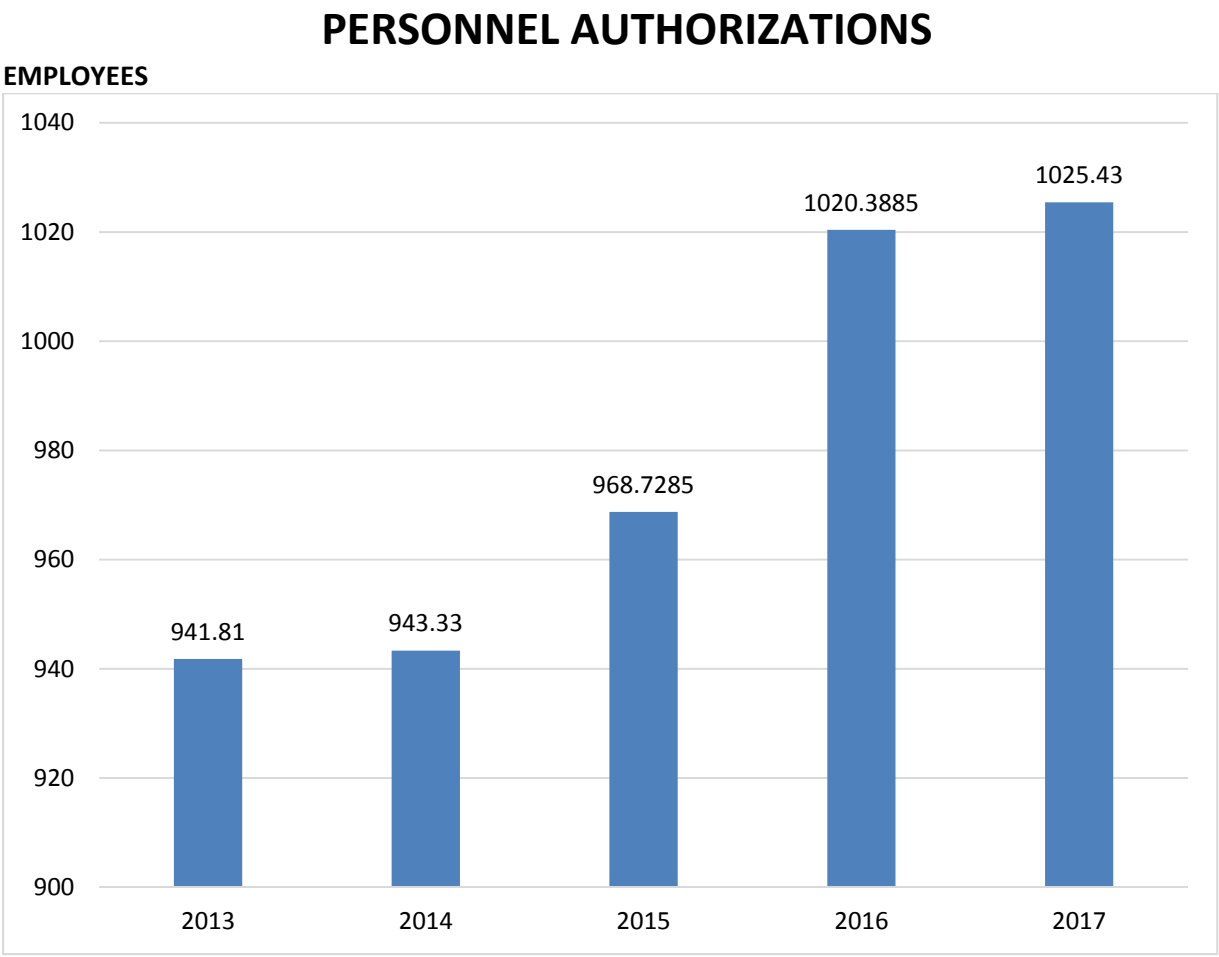
Appropriations for the Sanitation Operating Fund in FY17 total $13 million. This is an increase of $400 thousand more than the FY16 Budget. The most significant increases include capital outlay and operating leases.

The major appropriation of the Fund is operation services which comprise 76% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is $6,736,947 and reflects 51.7% of FY17 operating expenses. This exceeds the policy goal of 15%.

PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY17 represent 53.3% of total operating funds appropriations compared to 49.2% for estimated FY16. The level of personnel for the past five years is represented in the graph below.



The net change in personnel between 2016 estimated and 2017 is an increase of 5.04 FTE. The following chart reconciles the 2016 estimated positions to the total positions for 2017.

	Full Time	Part-Time/ Seasonal	Total FTE
2016 Estimated	974.06	46.33	1020.39
Policy and Admin Services	-1.74	-	-1.74
Management Services	4.00	-	4.00
Police	-1.00	-	-1.00
Streets and Traffic Control	-0.72	-	-0.72
Water & Sewer	7.00	-	7.00
Parks & Recreation	-0.50	-	-0.50
Sanitation	-2.00	-	-2.00
2017 Budget	979.10	46.33	1,025.43

CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY17 total $56 million. Capital Improvements for the current fiscal year are provided by the following funds as indicated:

		Amount (Thousands)
Sales Tax Fund	$	43,569
Water and Sewer Capital Improvement Projects Fund		2,212
Sales & Use Tax Bond Construction Fund		10,617
Sanitary Landfill Construction & Sinking Fund		0
Convention Center/CVB		41
CDBG		0
Parking Authority		0
Total	$	56,439

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 FY17 are 30.86% and 36.84% for police and fire personnel, respectively, as compared with FY16 rates of 31.86% and 36.97% for police and fire personnel, respectively. The contributions are high due to the amortization of the old police and fire pension funds. At the end of 2016, the remaining amortization period is 21 years. Approximately 49% to 56% 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 FY17 are estimated at $7.4 million as compared to $7.5 million for FY16. 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 FY17, this totals $473,750. If the General Fund had to make direct contributions for LOPFI members, the employer amounts would be:

FY17	Police	Fire	Total
Employer Cost	$3,000,000	$3,426,250	$6,426,250
Actual Direct Contribution	0	473,750	473,750
Amount of Employer Contributions Paid by Special Revenues	$3,000,000	$3,900,000	$6,900,000

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 FY17. The current employer contribution rate for the court clerk is 14.50%. The FY17 contribution for the court clerk will be made from reserved funds remaining from the closed Municipal Judge and Court Clerk's Retirement System which was maintained as a pension trust fund in the past. There is currently one retiree receiving benefits.

All other full-time employees are members of a 401(a) contribution plan administered by the International City Management Association Retirement Corporation (ICMARC). The City contributes 5% of pay to each employee's account. The employer contribution is accounted for in each program.

BONDED INDEBTEDNESS

The City has seven bond issues outstanding in 2017. A brief explanation of how each issue relates to the budget is as follows:

1. **Water and Sewer Revenue Refunding and Construction Bonds- Series 2008-**
   These bonds are secured by the rates of the water and sewer system which are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to provide financing for the advance refunding of the series 2002A Bonds, for sewer extensions in the growth areas of the city, the Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacement, and the Howard Hill elevated water storage tank. The original principal issued was $117.42 million. The Series 2016 Bonds refunded $42,740,000 of the Series 2008 principal; $67,110,000 remains outstanding. The FY17 appropriation of $4,235,449 will cover the required debt service payments during 2017. The Water and Sewer Operating Fund is expected to have sufficient revenues to meet this required debt service for FY17.

2. **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 FY17 appropriation of $1,810,697 will cover the required debt service payments during 2017. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY17.

3. **Water and Sewer Revenue Refunding Bonds-Series 2012-**
   These bonds are secured by the rates of the water and sewer system that are reported in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to refund the Series 2005A water and sewer refunding revenue bonds. The original principal issued was $13.25 million. The FY17 appropriation of $2,147,371 will cover the required debt service payments during 2017. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY17.

4. **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 million for this purpose in FY17. Current year revenues and prior year carry over will be sufficient to pay the required debt service of $8.8 million.

5. **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 million for this purpose and the 2012 Bonds in FY17. Current year revenue and prior year carry over will be sufficient to pay the required debt service of $2.2 million.

6. **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 FY17 appropriation of $2.3 million will cover the required debt service payments during 2017. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY17.

7. **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 FY17 appropriation of $4.2 million will cover the required debt service payments during 2017. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY17.

   Please refer to pages 171-174 in the Related Financial Information section of this document for more information regarding the City's debt.

The City of Fort Smith ARKANSAS

BUDGET SUMMARIES – ALL FUNDS

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

A comparative summary for FY15 Actual, FY16 Budget, FY16 Estimated and FY17 Budget is provided on a consolidated basis with interfund transfers included. A combined summary with more detailed revenue sources for FY14 Actual, FY15 Actual, FY16 Budget, FY16 Estimated and FY17 Budget is included. A schedule of beginning and ending balances/working capital for all fund types for FY17 Budget is provided. Major revenue analyses are included in this section. Also included are individual fund statements for FY17 Budget.

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City of Fort Smith
FY17
Comparative Summary - All Funds

	Actual FY15	Budget FY16	Estimated FY16	Budget FY17
Revenues				
Intergovernmental	$ 14,861,109	$ 13,317,669	$ 15,408,354	$ 14,687,458
Taxes & Assessments	75,691,833	75,489,400	77,201,491	77,355,733
Licenses & Permits	1,609,594	1,688,500	2,016,744	1,882,000
Court Fines & Forfeitures	2,368,501	2,442,000	2,300,000	2,440,000
Service Charges & Fees	66,346,715	75,183,289	76,929,910	86,216,898
Interest	428,804	402,200	406,934	267,099
Bond Proceeds (Note 1)	29,043,452	0	0	0
Contributions	787,893	7,500	1,354,429	2,877,400
Miscellaneous	153,924	313,163	261,856	1,154,887
Transfers In	23,652,888	20,972,026	24,326,500	19,618,030
Total	$ 214,944,712	$ 189,815,747	$ 200,206,218	$ 206,499,504
Expenditures / Expenses				
Operating	$ 105,416,688	$ 100,822,463	$ 99,928,802	$ 118,224,892
Capital Improvements	45,563,084	60,168,920	52,616,685	87,731,624
Community Assistance (Note 2)	3,298,721	2,123,647	2,318,458	1,307,029
Debt Service	23,151,201	30,356,895	24,794,835	28,918,146
Pension Benefits / Retirement Contributions	8,052,715	8,047,700	6,919,501	7,435,250
Health Insurance and Workers' Compensation Claims	10,712,199	10,620,000	9,433,169	9,747,717
Other (Note 3)	3,780,649	5,579,860	3,446,378	3,979,796
Total	$ 199,975,257	$ 217,719,485	$ 199,457,828	$ 257,344,455
Excess (Deficiency) Revenues Over Expenditures / Expenses	$ 14,969,455	$ -27,903,738	$ 748,390	$ (50,844,950)
Fund Balance / Working Capital, Beginning of Year	144,335,128	159,304,583	159,304,583	126,886,543
Fund Balance / Working Capital, End of Year	$ 159,304,583	$ 131,400,845	$ 160,052,973	$ 76,041,593

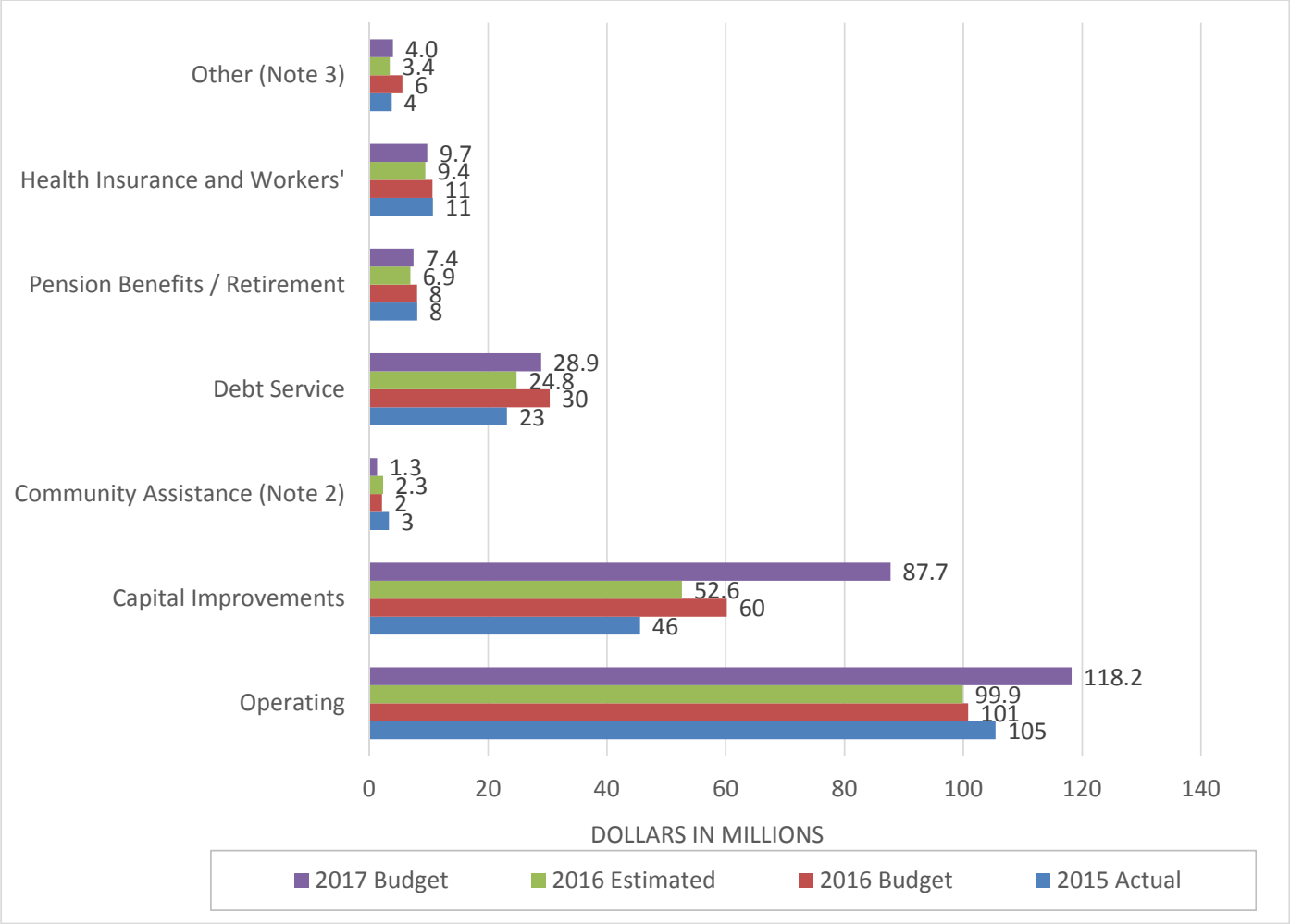
Note 1: The bond proceeds for FY15 Actual were 2015 Water & Sewer Revenue Bonds issued December 2015.

Note 2: Community Assistance includes the CDBG and HOME program as well as the historic preservation, federal transportation, and drug enforcement grant activity of the Special Grants Fund. Amounts for 2017 are: CDBG and HOME: $1,134,029; Special Grants $173,000.

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

COMPARATIVE SUMMARY - ALL FUNDS

Expenditure/Expense



City of Fort Smith
FY17
Fund List Summary

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
General	$ 9,440,286	$ 47,886,163	$ 47,724,565	$ 9,601,884
Special Revenue Funds:				
Street Maintenance	2,149,683	7,957,200	7,973,167	2,133,715
Sales Tax	30,651,047	23,142,262	43,569,202	10,224,107
Community Development Block Grant	4,031	825,714	825,714	4,031
HOME Investment Partnership Act	-	308,315	308,315	-
Special Grants	110,160	173,000	173,000	110,160
Tilles Park	25,412	470	-	25,882
Advertising and Promotion	207,207	878,433	828,378	257,262
Arkansas LOPFI Contribution	6,301,227	6,620,000	7,435,250	5,485,977
Convention Center	363,457	1,465,200	1,467,880	360,777
Sub-Total	39,812,224	41,370,594	62,580,906	18,601,912
Debt Service Fund:				
Sales & Use Tax Bonds	16,298,380	16,045,556	15,389,133	16,954,803
Capital Projects Fund:				
Sales & Use Tax Construction	10,597,022	20,000	10,617,022	-
Enterprise Funds:				
Water and Sewer	35,215,547	73,623,005	96,530,821	12,307,731
Sanitation	11,817,909	16,486,642	14,024,828	14,279,723
Parking Authority	1,919,690	150,950	186,024	1,884,616
Sub-Total	48,953,146	90,260,597	110,741,674	28,472,070
Internal Service Funds:				
Working Capital	117,820	578,183	543,437	152,566
Employee Health & Wellness	1,454,584	9,625,441	8,912,717	2,167,308
Workers' Compensation	213,081	712,971	835,000	91,051
Sub-Total	1,785,485	10,916,595	10,291,155	2,410,926
Total	126,886,543	206,499,505	257,344,455	76,041,594
Interfund Transfers		(19,618,030)	(19,618,030)	
Adjusted Total	$ 126,886,543	$ 186,881,475	$ 237,726,425	$ 76,041,594

City of Fort Smith
FY17
Comparative Summary with Detail Revenue Categories - All Funds

	Actual FY14	Actual FY15	Budget FY16	Estimated FY16	Budget FY17
Revenues					
Intergovernmental					
Federal	$ 5,423,033	$ 5,153,341	$ 3,938,647	$ 5,903,900	$ 5,982,458
State	7,250,326	8,942,933	8,644,022	8,779,454	8,705,000
Local	764,660	764,835	735,000	725,000	735,000
Taxes and Assessments					
Ad Valorem	11,733,339	11,641,592	9,880,100	11,659,117	11,775,000
Franchise	6,478,638	6,388,843	6,595,300	5,750,000	5,750,000
Sales Tax - City	40,198,025	40,759,378	41,771,000	42,312,763	42,246,000
Sales Tax - County	15,625,636	16,090,921	16,361,000	16,580,569	16,695,000
Hotel/Motel Tax	762,109	800,036	870,000	889,341	877,733
Other	12,757	11,063	12,000	9,701	12,000
Licenses and Permits	1,636,230	1,609,594	1,688,500	2,016,744	1,882,000
Court Fines and Forfeitures	2,121,646	2,368,501	2,442,000	2,300,000	2,440,000
Service Charges and Fees					
Water & Sewer	35,918,255	42,455,923	51,457,800	53,151,600	59,899,500
Sanitation	13,291,197	13,354,652	13,897,539	13,998,032	14,064,000
General Fund	625,314	674,043	646,800	499,700	513,000
Internal Service	9,018,414	8,950,253	8,350,000	8,379,195	10,903,648
Convention Center	715,099	725,491	646,150	705,991	687,000
Parking Operations	180,587	186,353	185,000	195,392	149,750
Interest	346,203	428,804	402,200	406,934	267,099
Contributions	879,856	787,893	7,500	1,354,429	2,877,400
Bond Proceeds	35,403,351	29,043,452	0	0	0
Miscellaneous	197,557	153,924	313,163	261,856	419,887
Transfers In	29,588,883	23,652,888	20,972,026	24,326,500	19,618,030
Total	$ 218,171,116	$ 214,944,712	$ 189,815,747	$ 200,206,218	$ 206,499,504
Expenditures/Expenses					
Operating	$ 102,332,989	$ 105,416,688	$ 100,822,463	$ 99,928,802	$ 118,224,892
Capital Improvements	47,722,150	45,563,084	60,168,920	52,616,685	87,731,624
Community Assistance	2,632,009	3,298,721	2,123,647	2,318,458	1,307,029
Debt Service	23,389,812	23,151,201	30,356,895	24,794,835	28,918,146
Pension Benefits/Retirement Contributions	5,758,175	8,052,715	8,047,700	6,919,501	7,435,250
Health Insurance and Workers' Compensation Claims	10,088,935	10,712,199	10,620,000	9,433,169	9,747,717
Other	4,226,761	3,780,649	5,579,860	3,446,378	3,979,796
Total	$ 196,150,831	$ 199,975,257	$ 217,719,485	$ 199,457,828	$ 257,344,455
Excess (Deficiency) Revenues Over (Under) Expenditures/Expen	$ 22,020,285	$ 14,969,455	$ (27,903,738)	$ 748,390	$ (50,844,950)
Fund Balance/Working Capital Beginning of Year	122,314,843	144,335,128	159,304,583	159,304,583	126,886,543
Fund Balance/Working Capital End of Year	$ 144,335,128	$ 159,304,583	$ 131,400,845	$ 160,052,973	$ 76,041,593

Major Revenue Analyses-2017 Budget

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

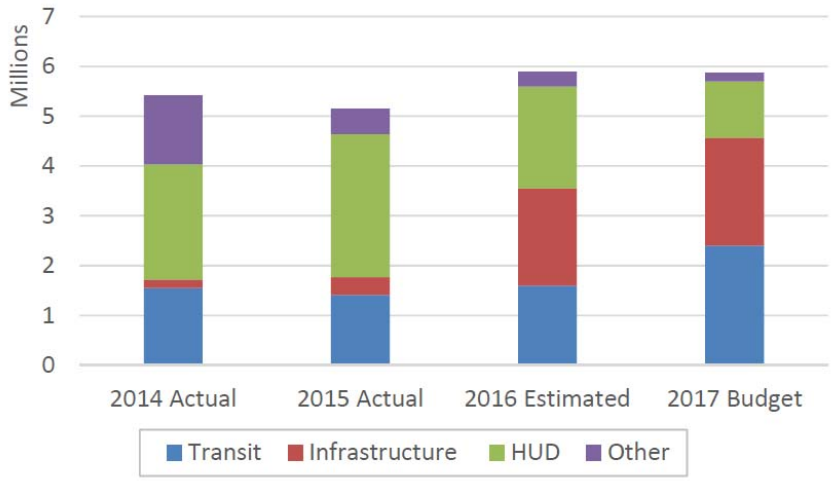
Intergovernmental

Federal-

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

Revenue History- federal funding represents an average of only 2.9% of total annual revenues. However, the transit funding is accounted for in the General Fund and represents an average of 5.8% of its annual revenues. The CDBG and HOME grants from HUD represent 100% of the applicable fund's revenue source each year.

	Transit	Infrastructure Projects	HUD	Other	Total
2014 Actual	1,555,808	166,028	2,306,837	1,394,360	5,423,033
2015 Actual	1,406,369	361,599	2,869,459	515,914	5,153,341
2016 Est.	1,600,000	1,948,814	2,047,229	300,380	5,896,423
2017 Budget	2,400,000	2,165,429	1,134,029	173,000	5,872,458



2017 Revenue Estimates- The increase in 2017 is due to the DOT funding of $800,000 for the CNG fueling station. The HUD grants are expected to decrease by 54% in FY17 from the prior year due to additional funding being made available during 2016.

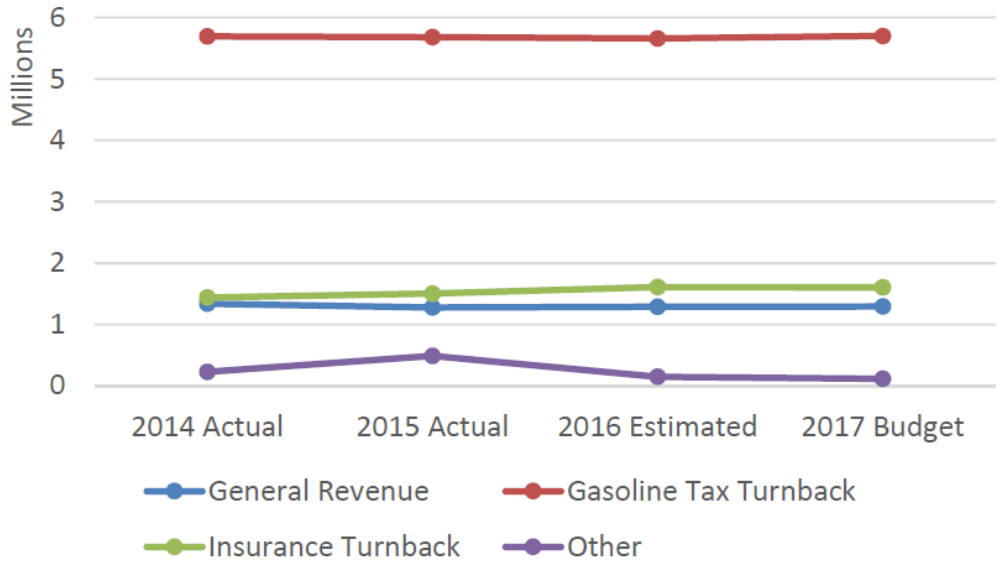
State-

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 LOPFI Contribution Fund.

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

Revenue History- state funding represents an average of 4.2% of total revenues. However, the gasoline tax turnback plus the ½% highway sales tax turnback represent an average of 72% of the Street Maintenance Fund annual revenue and the insurance turnback represents 24% of the Arkansas LOPFI Contribution Fund revenue.

	General Revenue Turnback	Gasoline Tax / Hwy Sales Tax Turnback	Insurance Turnback	Other	Total
2014 Actual	1,335,157	5,691,421	1,439,262	223,748	8,689,588
2015 Actual	1,275,459	5,681,916	1,499,165	486,393	8,942,933
2016 Est.	1,287,000	5,659,800	1,609,970	146,533	8,703,303
2017 Budget	1,290,000	5,700,000	1,600,000	115,000	8,705,000



2017 Revenue Estimates- the amount of general revenue turnback, gasoline tax turnback, and the highway sales tax turnback is allocated on a per capita basis with annual estimates provided by the Arkansas Municipal League (AML). Effective July 1, 2013, the City began receiving its share of the ½% state sales tax for highway improvements based upon population. The FY14 amount includes the first full year of this revenue for the Street Maintenance Fund. Other state revenue includes the recognition of Act 833 fire funds that are restricted for fire safety purposes and is budgeted at $90,000 for 2017.

Taxes and Assessments

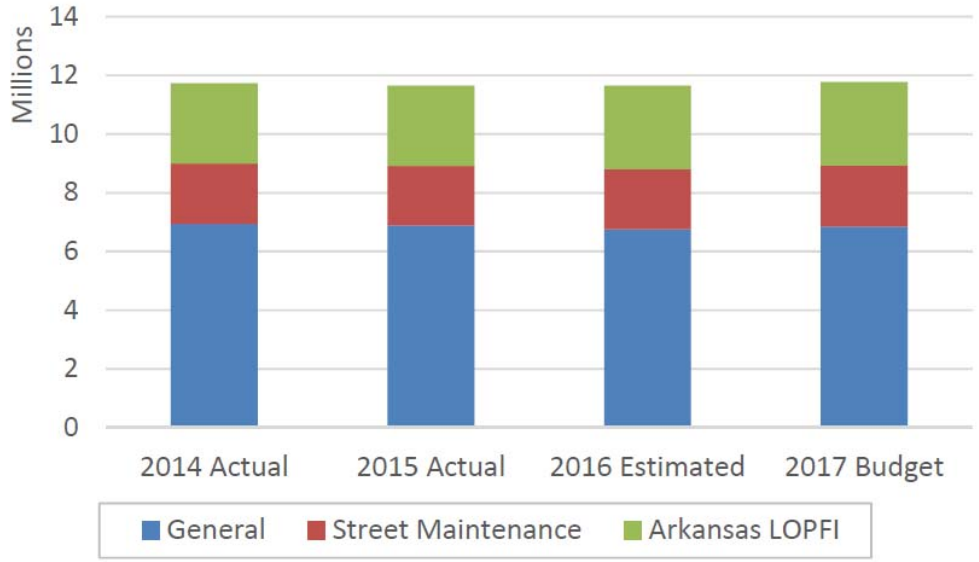
Ad Valorem-

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

Revenue History- the City's share of ad valorem taxes totals 8.5 mills for the four years presented. Sebastian County is the assessment, bill and collection agency for all taxing entities. The property tax levy for the past five years is presented in graphic form on page 215 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 5.7% of total City revenues. The history of the revenue since 2014 for the three funds which receive property tax revenue is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2014 Actual	6,940,284	2,054,001	2,739,054	11,733,339
2015 Actual	6,885,174	2,038,141	2,718,277	11,641,592
2016 Est.	6,750,000	2,057,000	2,852,117	11,659,117
2017 Budget	6,850,000	2,075,000	2,850,000	11,775,000



2017 Revenue Estimate-ad valorem taxes are expected to increase by approximately $100,000 or 1.5% for 2017 due to expected growth in city property values.

Franchise Fees-

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

Revenue History- the two electric utilities and the gas utility gross revenues are directly related to rate adjustments and weather fluctuations. Franchise fees represent an average of 2.8% of total City revenues and an average 14% of total General Fund revenue.

	2014 Actual	2015 Actual	2016 Estimated	2017 Budget
Electric	3,912,535	4,033,168	3,819,769	3,820,000
Gas	1,604,966	1,333,487	953,226	977,500
Cable	668,656	669,344	664,790	650,000
Telephone	279,281	330,844	289,665	280,000
Other	13,200	22,000	22,550	22,500
	6,478,638	6,388,843	5,750,000	5,750,000

2017 Revenue Estimate- franchise fees are anticipated to remain flat.

City Sales Taxes-

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

Revenue History- 1% of the City's local sales and use tax is dedicated for streets, bridges and associated drainage projects. The revenue is accounted for in the Sales Tax Fund and the tax has been in place since 1985. A 1% City sales and use tax is split between redemption of the 2012 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 tax is dedicated to the redemption of the 2012 Sales and Use Tax Bonds that were issued for a new fire station, existing fire station improvements and fire apparatus; an aquatic park facility in conjunction with Sebastian County; water improvements including the Lake Fort Smith 48" water transmission line; wastewater improvements including wet weather improvements in accordance with the EPA administrative order; and for refunding the remaining 2006, 2008 and 2009 Sales and Use Tax Bonds. The 2014 Sales and Use Tax Bonds were issued for additional water and wastewater improvements and are supported by the same ¾% 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
2014 Actual	5,024,753	20,099,013	15,074,259	40,198,025
2015 Actual	5,094,293	20,380,151	15,284,934	41,759,378
2016 Est.	5,280,000	21,156,154	15,867,457	42,303,611
2017 Budget	5,333,000	20,887,000	16,026,000	42,246,000

2017 Revenue Estimate- City sales and use tax revenue is projected to increase 1% 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.

County Sales Tax-

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

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

Actual 2014	15,625,636
Actual 2015	16,090,921
Estimated 2016	16,530,000
Budget 2017	16,695,000

2017 Estimated Revenue- the county sales tax is expected to increase 1% over 2016. As in the case of the City's sales tax levies, the state provides minimal commodities information for this revenue source.

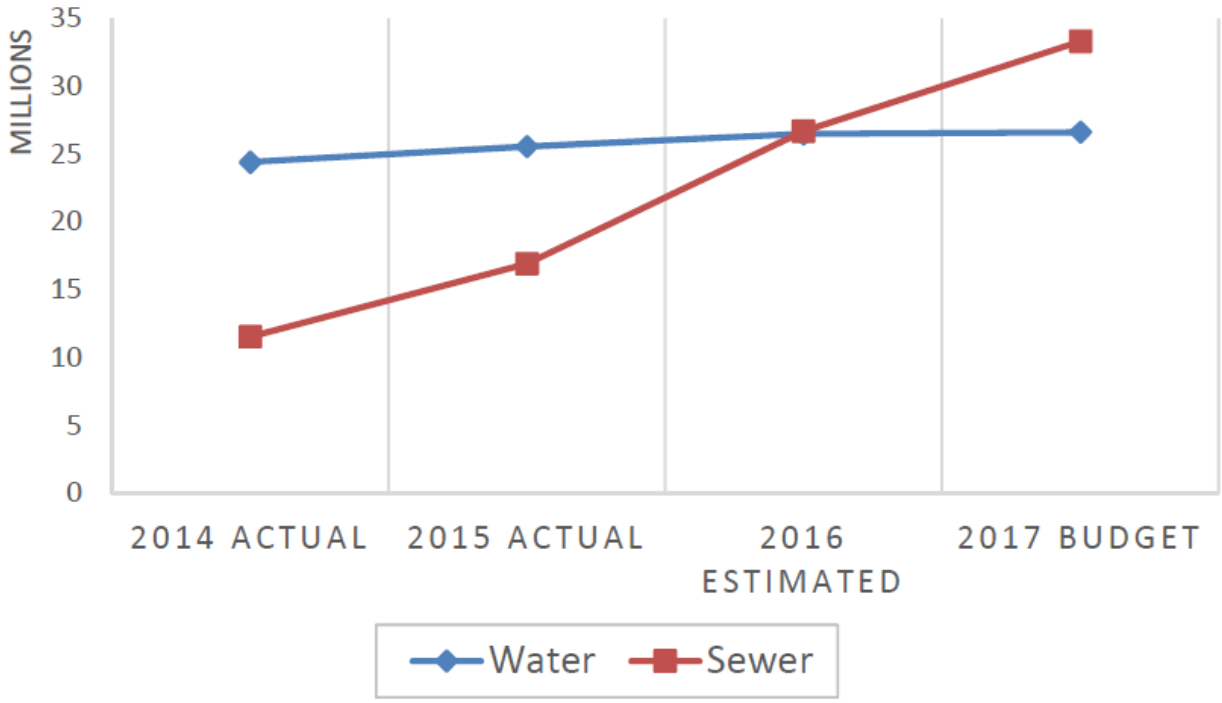
Service Charges and Fees

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 25% in 2017 due to rate increases to accommodate the Consent Decree. Combined water and sewer service charges and fees represent an average 29% of total city revenue.

	Water	Sewer	Total
2014 Actual	24,400,372	11,517,833	35,918,255
2015 Actual	25,553,416	16,902,507	42,455,923
2016 Estimated	26,468,600	26,683,000	53,151,600
2017 Budget	26,599,500	33,300,000	59,899,500



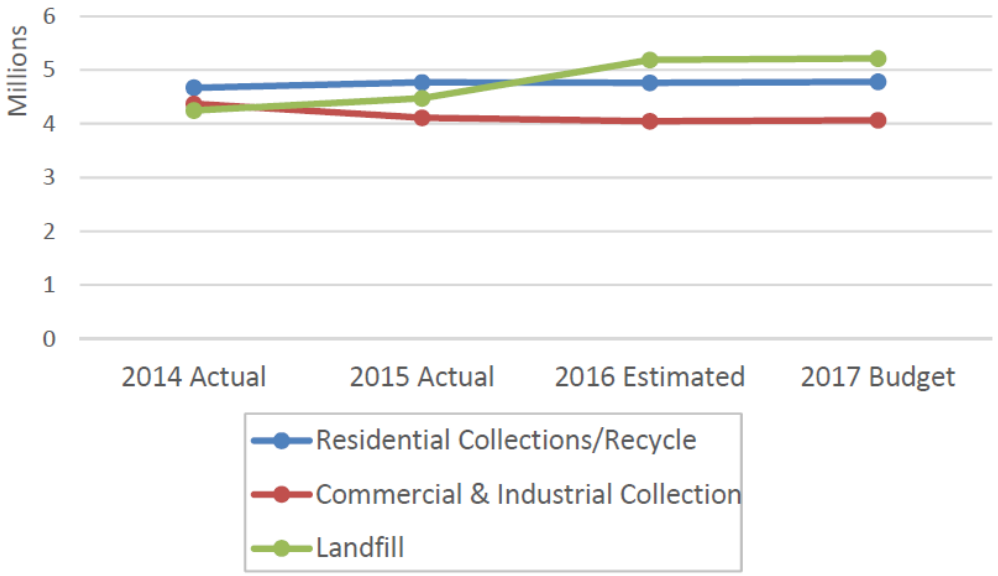
2017 Revenue Estimate - Consumption is expected to be level between FY16 and FY17. The increase in revenues for FY16 was due to two sewer rate increases. Sewer service charges for FY17 are expected to increase by 25% due to a third rate adjustment.

Sanitation-

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

Revenue History- the City allows private haulers to provide commercial and industrial services to enterprises within the City. During 2009, the Board approved an agreement between the City and Waste Management, the largest private hauler in Fort Smith; whereby a specified amount of waste is disposed at the City's landfill. The City negotiated a rate with Waste Management in exchange for the disposal of waste. This rate is adjusted annually by the change in CPI. In 2013, the Board of Directors enacted a rate decrease of 7.7% for residential sanitation customers. The current residential fees became effective July 1, 2013. The current rates for commercial collections, industrial collections, and solid waste disposal fees became effective August 1, 2007.

	Residential Collection / Recycling	Commercial / Industrial Collection	Landfill	Total
2014 Actual	4,671,488	4,371,029	4,248,680	13,291,197
2015 Actual	4,769,233	4,109,540	4,475,879	13,354,652
2016 Est.	4,760,847	4,047,185	5,190,000	13,998,032
2017 Budget	4,781,000	4,067,000	5,216,000	14,064,000



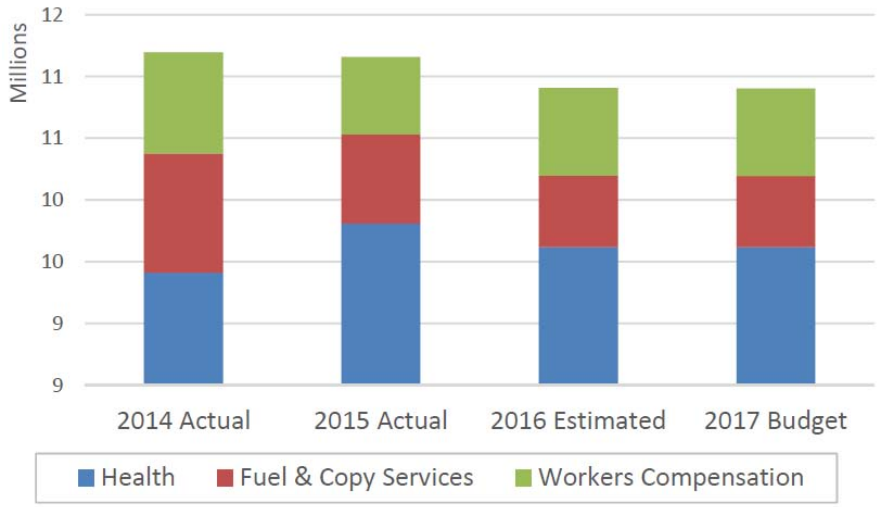
2017 Revenue Estimates - In FY17, residential collections are expected to increase for natural growth in the city. Commercial and industrial collections should also generate slightly higher revenue in 2017. Landfill revenue for FY17 is anticipated to remain fairly stable.

Internal Service Operations-

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

Revenue History- the cost to provide employee life, medical, and dental insurance has remained consistent with prior years. Fuel and copy costs are forecasted to remain fairly stable. The contributions to the workers' compensation account are expected to remain stable.

	Health & Wellness	Fuel & Copy Services	Workers' Compensation	Total
2014 Actual	9,412,368	965,801	817,000	11,195,169
2015 Actual	9,810,906	718,522	629,820	11,159,248
2016 Est.	9,616,555	581,777	708,910	10,907,242
2017 Budget	9,616,555	578,183	708,910	10,903,648



2017 Revenue Estimate- The contributions to the Employee Health and Wellness Fund are anticipated to remain stable. Workers' Compensation contributions from the city are expected to stabilize in FY17. The fuel and copy services are expected to remain stable between years.

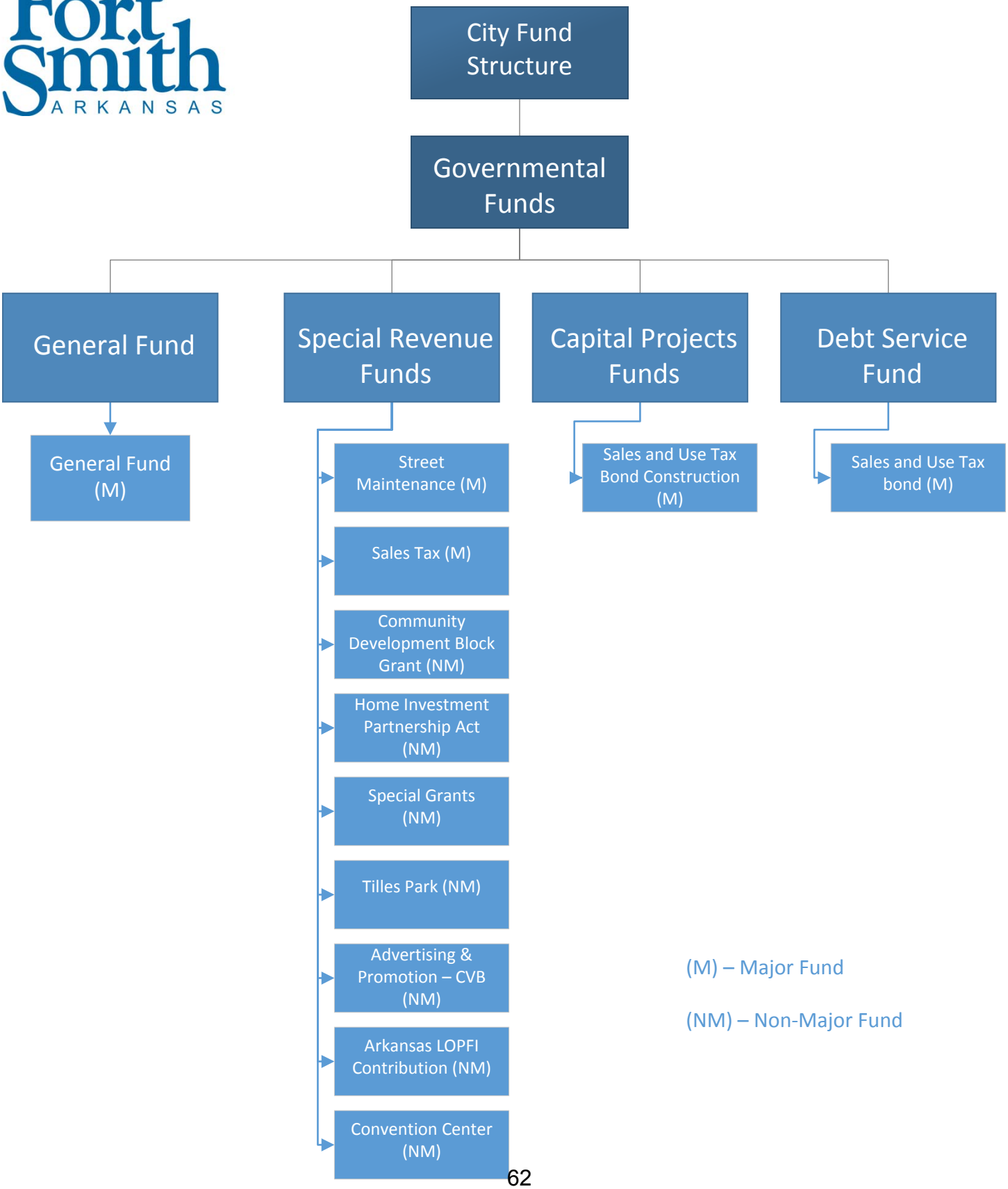
City of Fort Smith Financial Structure

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 62 and 63, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2017 Budget for each individual fund by fund type is presented.

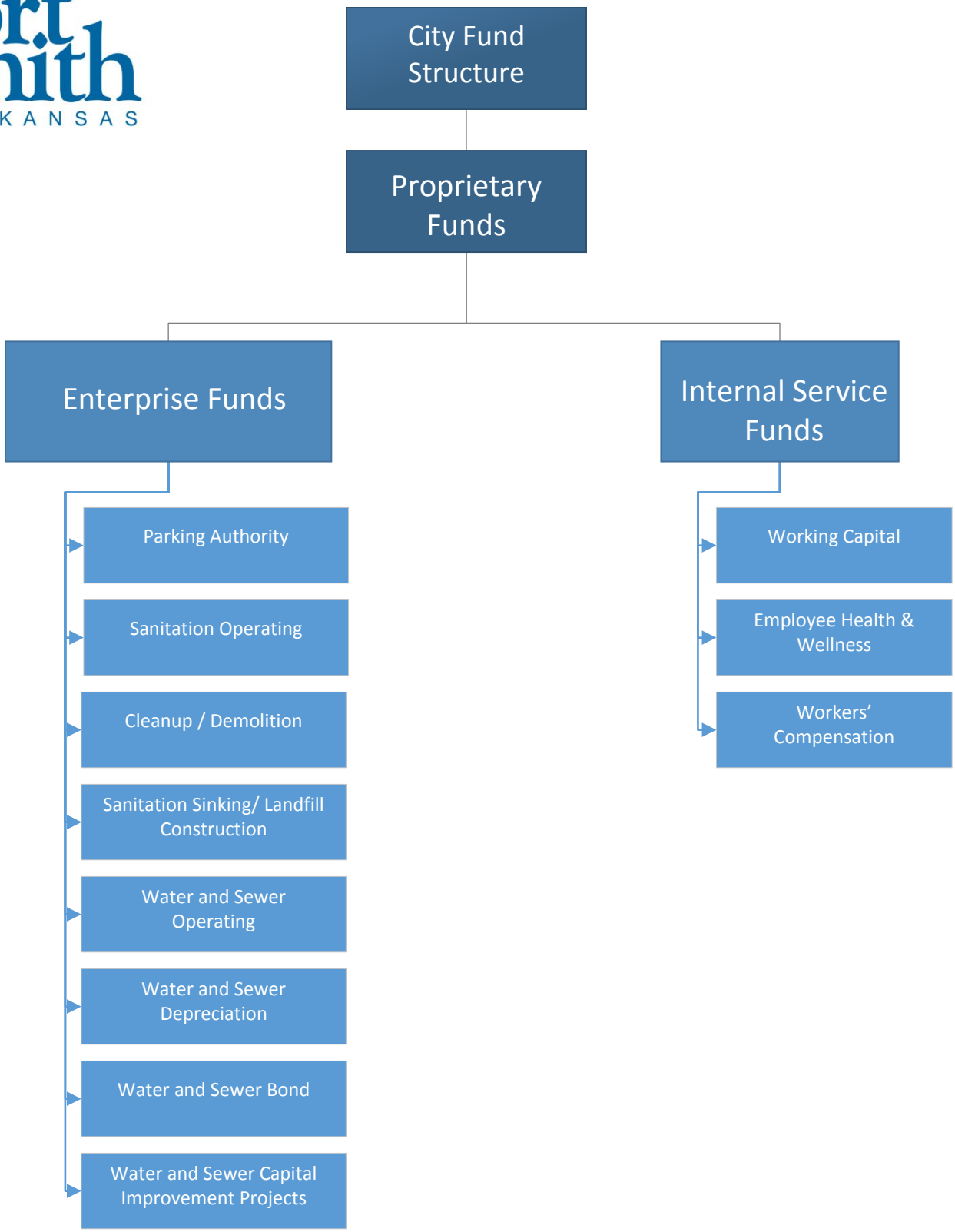
City of Fort Smith, Arkansas
Chart of Fund Types



(M) – Major Fund

(NM) – Non-Major Fund

City of Fort Smith, Arkansas
Chart of Fund Types



Definition of Fund Types and Individual Funds

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

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

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

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

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

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

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

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

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

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

Sales and Use Tax Bond Construction Fund- A capital projects fund to account for the 2012 and 2014 bond proceeds. Projects funded by the bonds include the construction of Fire Station #11, purchase of fire apparatus, and improvements to existing fire stations; an aquatic park at Ben Geren in a joint venture with Sebastian County; wastewater improvements including wet weather improvements in accordance with the EPA administrative order as well as pump station improvements, collection and interceptor improvements and neighborhood improvements including the Lake Fort Smith 48" water transmission line and improvements in Chaffee Crossing. The 2014 bonds projects include 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.

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

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

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

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

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

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

Water and Sewer Bond Fund - An enterprise fund to account for the repayment of bonds for the Water and Sewer Revenue Construction Bonds, Series 2005B, Water and Sewer Revenue Construction Bonds, Series 2007, Water and Sewer Revenue Construction Bonds, Series 2008, Water and Sewer Refunding and Construction Bonds, Series 2011, and Water and Sewer Revenue Refunding Bonds, Series 2012.

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

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

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

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

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

2017 Individual Fund Budgets -

General Fund

Revenues		
Intergovernmental	$	3,915,000
Taxes and Assessments		29,307,000
Court Fines and Forfeitures		2,300,000
Licenses and Permits		1,707,000
Service Charges and Fees		513,000
Miscellaneous		956,163
Interest		23,000
Contributions		0
Transfers In		2,818,000
Total	$	41,539,163
Expenditures		
Operating:		
Policy and Administration Services	$	2,429,883
Management Services		2,761,978
Development Services		2,644,782
Police Services		15,009,984
Fire Services		10,692,590
Operation Services		5,577,195
Non-Departmental		2,395,621
Total	$	41,512,032
Excess (Deficiency) Revenues Over Expenditures	$	27,131
Fund Balance, Beginning of Year		5,831,785
Fund Balance, End of Year	$	5,858,916

Special Revenue Fund

	Street	Street Sales Tax	Community Development Block Grant	Home Investment Partnership Act
Revenues				
Intergovernmental -				
State Turnback	$ 5,700,000	$ -	$ -	$ -
Federal Grant	-	-	825,714	308,315
State Grant	-	-	-	-
Local Grant	-		-	-
Licenses & permits	175,000	-	-	-
Taxes and Assessments -				
Ad Valorem Tax	2,075,000	-	-	-
Sales Tax	-	20,887,000	-	-
Prepared Food Tax	-	-	-	-
Hotel/Motel Tax	-	-	-	-
Court Fines and Forfeitures	-	-	-	-
Service Charges & Fees	-	-	-	-
Interest	-	89,833	-	-
Contributions	-	-	-	-
Miscellaneous	7,200	2,165,429	-	-
Transfers	-	-	-	-
TOTAL	$ 7,957,200	$ 23,142,262	$ 825,714	$ 308,315
Expenditures				
Operating	$ 7,973,167	$ -	$ -	$ -
Capital Improvements	-	43,569,202	-	-
Community Assistance -				
Development Services	-	-	331,949	-
Public Safety	-	-	-	-
Public Works and Community Service Projects	-	-	201,964	-
Housing Assistance	-	-	291,801	308,315
Pension Benefits/Retirement Cont.	-	-	-	-
Other (Note 1)	-	-	-	-
TOTAL	$ 7,973,167	$ 43,569,202	$ 825,714	$ 308,315
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	$ (15,967)	$ (20,426,940)	$ -	$ -
FUND BALANCE, BEGINNING OF YEAR	2,149,683	30,651,047	4,031	-
FUND BALANCE END OF YEAR	$ 2,133,715	$ 10,224,107	$ 4,031	$ -

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

Special Grants	Tilles Park	Advertising and Promotion CVB	Arkansas LOPFI Contribution	Convention Center	Total
$ -	$ -	$ -	$ 1,600,000	$ -	$ 7,300,000
148,000	-	-	-	-	1,282,029
25,000	-	-	-	-	25,000
-	-	-	-	-	-
-	-	-	-	-	175,000
-	-	-	2,850,000	-	4,925,000
-	-	-	-	-	20,887,000
-	-	-	-	-	-
-	-	877,733	-	-	877,733
-	-	-	140,000	-	140,000
-	-	-	-	687,000	687,000
-	70	700	17,000	1,200	108,803
-	400	-	1,863,000	-	1,863,400
-	-	-	-	-	2,172,629
-	-	-	150,000	777,000	927,000
$ 173,000	$ 470	$ 878,433	$ 6,620,000	$ 1,465,200	$ 41,370,594
$ -	$ -	$ -	$ -	$ -	$ 7,973,167
-	-	-	-	32,500	43,601,702
-	-	-	-	-	331,949
148,000	-	-	-	-	148,000
25,000	-	-	-	-	226,964
-	-	-	-	-	600,116
-	-	-	7,435,250	-	7,435,250
-	-	828,378	-	1,435,380	2,263,758
$ 173,000	$ -	$ 828,378	$ 7,435,250	$ 1,467,880	$ 62,580,906
$ -	$ 470	$ 50,055	$ (815,250)	$ (2,680)	$ (21,210,312)
110,160	25,412	207,207	6,301,227	363,457	39,812,224
$ 110,160	$ 25,882	$ 257,262	$ 5,485,977	$ 360,777	$ 18,601,912

Debt Service Fund

		Sales & Use Tax Bond
Revenues		
Taxes and Assessments	$	16,026,000
Interest		19,556
Total	$	16,045,556
Expenditures		
Debt Service - Current		15,389,133
Excess (Deficiency) Revenues Over Expenditures	$	656,423
Fund Balance, Beginning Of Year		16,298,380
Fund Balance End Of Year	$	16,954,803

CAPITAL PROJECTS FUNDS

	Sales & Use Tax Bond Construction
Revenues	
Interest	$ 20,000
Total	$ 20,000
Expenditures	
Capital Improvements	10,617,022
Excess (deficiency) Revenues Over Expenditures	$ (10,597,022)
Fund Balance, Beginning Of Year	10,597,022
Fund Balance End Of Year	$ -

Enterprise Funds-
Water And Sewer Funds

	Water And Sewer Operating	Water And Sewer Depreci-Ation	Water And Sewer Bond	Water And Sewer Capital Improvement Projects	Total
Revenues					
Service Charges and Fees	59,899,500	-	-	-	59,899,500
Interest	-	-	12,500	30,468	42,968
Miscellaneous	110,000	-	-	41,524	151,524
Transfers In	-	-	13,529,013	-	13,529,013
Total	$ 60,009,500	$ -	$ 13,541,513	$ 71,992	$ 73,623,005
Expenditures					
Operating	$ 49,507,808	$ -	$ -	$ -	$ 49,507,808
Capital Improvements	-	-	-	33,494,000	33,494,000
Debt Service:					
Current	-	-	13,529,013	-	13,529,013
Total	$ 49,507,808	$ -	$ 13,529,013	$ 33,494,000	$ 96,530,821
Excess (Deficiency) Revenues Over Expenditures	$ 10,501,692	$ -	$ 12,500	$ (33,422,008)	$ (22,907,816)
Working Capital, Beginning Of Year	24,869,054	1,400,000	-	8,946,493	35,215,547
Working Capital, End Of Year	$ 35,370,746	$ 1,400,000	$ 12,500	$ (24,475,515)	$ 12,307,731
Adjustment for CIP Projects transfers	(25,000,000)	-	-	25,000,000	-
Adjusted Working Capital, End of Year	$ 10,370,746	$ 1,400,000	$ 12,500	$ 524,485	$ 12,307,731

Enterprise Funds-
Sanitation Funds

	Sanitation Operating	Cleanup / Demolition	Sanitation Sinking / Landfill Construction	Total
Revenues				
Service Charges and Fees	$ 14,064,000	$ -	$ -	$ 14,064,000
Interest	-	-	38,625	38,625
Miscellaneous	40,000	-	-	40,000
Transfers In	-	560,000	1,784,017	2,344,017
Total	$ 14,104,000	$ 560,000	$ 1,822,642	$ 16,486,642
Expenses				
Operating	$ 13,019,351	$ -	$	$ 13,019,351
Capital Improvements	-	18,900	-	18,900
Other	-	677,010	309,567	986,577
Total	$ 13,019,351	$ 695,910	$ 309,567	$ 14,024,828
Excess (deficiency) Revenues Over Expenses	$ 1,084,649	$ (135,910)	$ 1,513,075	$ 2,461,814
Working Capital, Beginning Of Year	6,152,298	355,444	5,310,167	11,817,909
Working Capital, End Of Year	$ 7,236,947	$ 219,534	$ 6,823,242	$ 14,279,723
Adjustment for CIP Transfers	(500,000)	-	500,000	-
Adjusted Working Capital, End of Year	$ 6,736,947	$ 219,534	$ 7,323,242	$ 14,279,723

Parking Authority Fund

	Enforcement	Facilities	Total
Revenues			
Service Charges and Fees	$ 129,750	$ 20,000	$ 149,750
Interest	-	1,200	1,200
Total	$ 129,750	$ 21,200	$ 150,950
Expenses			
Capital Improvements	$ -	$ -	$ -
Other:			
Meter Support	103,925	-	103,925
Deck Support	-	46,590	46,590
Deck Support Personnel	-	35,509	35,509
Total	$ 103,925	$ 82,099	$ 186,024
Excess Revenues Over Expenses	$ 25,825	$ (60,899)	$ (35,074)
Working Capital, Beginning Of Year	-	1,919,690	1,919,690
Working Capital, End Of Year	**$ 25,825**	**$ 1,858,791**	**$ 1,884,616**

Internal Service Funds

	Working Capital	Health Insurance	Workers' Compensation	Total
Revenues				
Service Charges And Fees	$ 578,183	$ 9,616,555	$ 708,910	$ 10,903,648
Interest	-	8,886	4,061	12,947
Total	$ 578,183	$ 9,625,441	$ 712,971	$ 10,916,595
Expenses				
Health Insurance and Workers' Compensation Claims	$ -	$ 8,912,717	$ 835,000	$ 9,747,717
Other - Materials and Supplies	543,437	-	-	543,437
Total	$ 543,437	$ 8,912,717	$ 835,000	$ 10,291,155
Excess (deficiency) Revenues Over Expenses	$ 34,746	$ 712,724	$ (122,029)	$ 625,441
Working Capital, Beginning Of Year	117,820	1,454,584	213,081	1,785,485
Working Capital, End Of Year	$ 152,566	$ 2,167,308	$ 91,051	$ 2,410,926

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The City of Fort Smith ARKANSAS

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 FY16 Estimated to FY17 budget.

The Statement of Revenue Comparisons for the Operating Funds and individually for each fund compares revenues based on Actual FY15, Budget and Estimated FY16, and Budget FY17. Projections for FY18 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 FY15 and FY16.

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City of Fort Smith
FY17
Budget Comparison Summary-Operating Funds

	Estimated FY16	Budget FY17	Increase (Decrease)	Projected FY18
Revenues				
Intergovernmental	$ 8,772,300	$ 9,615,000	$ 842,700	$ 8,918,000
Taxes and Assessments	36,379,000	36,715,000	336,000	37,060,500
Court Fines and Forfeitures	2,300,000	2,300,000	0	2,300,000
Licenses and Permits	1,912,000	1,882,000	(30,000)	1,882,000
Service Charges and Fees	67,649,332	74,476,500	6,827,168	74,478,500
Contributions	245,000	1,014,000	769,000	0
Miscellaneous	1,178,453	1,136,363	(42,090)	1,138,363
Transfers	2,804,150	2,818,000	13,850	2,893,630
Total	$ 121,240,235	$ 129,956,863	$ 8,716,628	$ 128,670,993
Expenditures/Expenses				
Policy and Administration Services	$ 2,909,427	$ 3,163,340	$ 253,913	$ 3,163,340
Management Services	6,207,982	8,343,366	2,135,384	8,312,727
Development Services	2,905,382	2,963,802	58,420	2,996,802
Police Services	14,055,185	15,009,984	954,799	15,009,984
Fire Services	12,462,818	14,356,663	1,893,845	13,064,663
Operation Services	56,492,696	69,361,094	12,868,398	70,694,094
Non-Departmental	4,895,312	5,026,643	131,331	5,026,643
Total	$ 99,928,802	$ 118,224,892	$ 18,296,090	$ 118,268,253
Excess (Deficiency) Revenues Over Expenditures/Expenses	$ 21,311,433	$ 11,731,971	$ (9,579,462)	$ 10,402,740
Fund Balance/Working Capital, Beginning of Year	19,323,706	39,002,820	19,679,114	50,100,324
Fund Balance/Working Capital, End of Year	$ 40,635,139	$ 50,734,791	$ 10,099,652	$ 60,503,064
Adjustment for CIP Transfers	(700,000)	(500,000)	(200,000)	(500,000)
Adjusted Fund Balance/ Working Capital, End of Year	$ 39,935,139	$ 50,234,791	$ 10,299,652	$ 60,003,064

City of Fort Smith
FY17
Budget Comparison Summary-General Fund

	Estimated FY16	Budget FY17	Increase (Decrease)	Projected FY18
Revenues				
Intergovernmental	$ 3,112,500	$ 3,915,000	$ 802,500	$ 3,218,000
Taxes and Assessments	29,042,000	29,307,000	265,000	29,599,500
Court Fines and Forfeitures	2,300,000	2,300,000	-	2,300,000
Licenses and Permits	1,707,000	1,707,000	-	1,707,000
Service Charges and Fees	499,700	513,000	13,300	515,000
Contributions	95,000	-	(95,000)	-
Miscellaneous	968,853	979,163	10,310	981,163
Transfers	2,804,150	2,818,000	13,850	2,893,630
Total	$ 40,529,203	$ 41,539,163	$ 1,009,960	$ 41,214,293
Expenditures				
Policy and Administration Services	$ 2,262,686	$ 2,429,883	$ 167,197	$ 2,429,883
Management Services	2,534,098	2,761,978	227,880	2,748,086
Development Services	2,588,113	2,644,782	56,668	2,672,832
Police Services	14,055,185	15,009,984	954,799	15,009,984
Fire Services	10,592,864	10,692,590	99,726	10,692,590
Operation Services	4,112,551	5,577,195	1,464,644	5,577,195
Non-Departmental	2,388,143	2,395,621	7,478	2,395,621
Total	$ 38,533,640	$ 41,512,032	$ 2,978,392	$ 41,526,191
Excess (Deficiency) Revenues Over Expenditures	$ 1,995,563	$ 27,131	$ (1,968,432)	$ (311,898)
Fund Balance, Beginning of Year	3,836,222	5,831,785	1,995,563	5,858,916
Fund Balance, End of Year	$ 5,831,785	$ 5,858,916	$ 27,131	$ 5,547,018

City of Fort Smith
FY17
Budget Comparison Summary-Street Maintenance Fund

	Estimated FY16	Budget FY17	Increase (Decrease)	Projected FY18
Revenues				
Intergovernmental	$ 5,659,800	$ 5,700,000	$ 40,200	$ 5,700,000
Taxes and Assessments	2,057,000	2,075,000	18,000	2,075,000
Licenses and Permits	205,000	175,000	(30,000)	175,000
Miscellaneous	8,100	7,200	(900)	7,200
Total	$ 7,929,900	$ 7,957,200	$ 27,300	$ 7,957,200
Expenditures				
Policy and Administration Services	$ 152,810	$ 155,655	$ 2,845	$ 155,655
Management Services	389,114	512,813	123,699	510,362
Development Services	73,371	70,943	(2,428)	70,943
Operation Services	6,503,068	6,659,032	155,963	6,659,032
Non-Departmental	433,517	574,725	141,208	574,725
Total	$ 7,551,880	$ 7,973,167	$ 421,287	$ 7,970,716
Excess (Deficiency) Revenues Over Expenditures	$ 378,020	$ (15,967)	$ (393,987)	$ (13,516)
Fund Balance, Beginning of Year	1,771,663	2,149,683	378,020	2,133,715
Fund Balance, End of Year	$ 2,149,683	$ 2,133,715	$ (15,967)	$ 2,120,199

City of Fort Smith
FY17
Budget Comparison Summary-Water and Sewer Operating Fund

	Estimated FY16	Budget FY17	Increase (Decrease)	Projected FY18
Revenues				
Services Charges and Fees	$ 53,151,600	$ 59,899,500	$ 6,747,900	$ 59,899,500
Miscellaneous	130,000	110,000	(20,000)	110,000
Total	$ 53,281,600	$ 60,009,500	$ 6,727,900	$ 60,009,500
Expenses				
Policy and Administration Services	$ 307,840	$ 382,831	$ 74,991	$ 382,831
Management Services	2,544,191	4,046,549	1,502,358	4,035,929
Development Services	243,898	248,078	4,180	253,028
Operation Services	35,682,015	44,619,071	8,937,056	44,638,471
Non-Departmental	323,116	211,280	(111,836)	211,280
Total	$ 39,101,060	$ 49,507,808	$ 10,406,749	$ 49,521,539
Excess (Deficiency) Revenues Over Expenditures	$ 14,180,540	$ 10,501,692	$ (3,678,849)	$ 10,487,961
Working Capital, Beginning of Year	10,688,514	24,869,054	14,180,540	35,370,746
Working Capital, End of Year	$ 24,869,054	$ 35,370,746	$ 10,501,692	$ 45,858,707
Adjustment for CIP Transfers	-	-	-	-
Adjusted Working Capital, End of Year	$ 24,869,054	$ 35,370,746	$ 10,501,692	$ 45,858,707

City of Fort Smith
FY17
Budget Comparison Summary-Sanitation Operating Fund

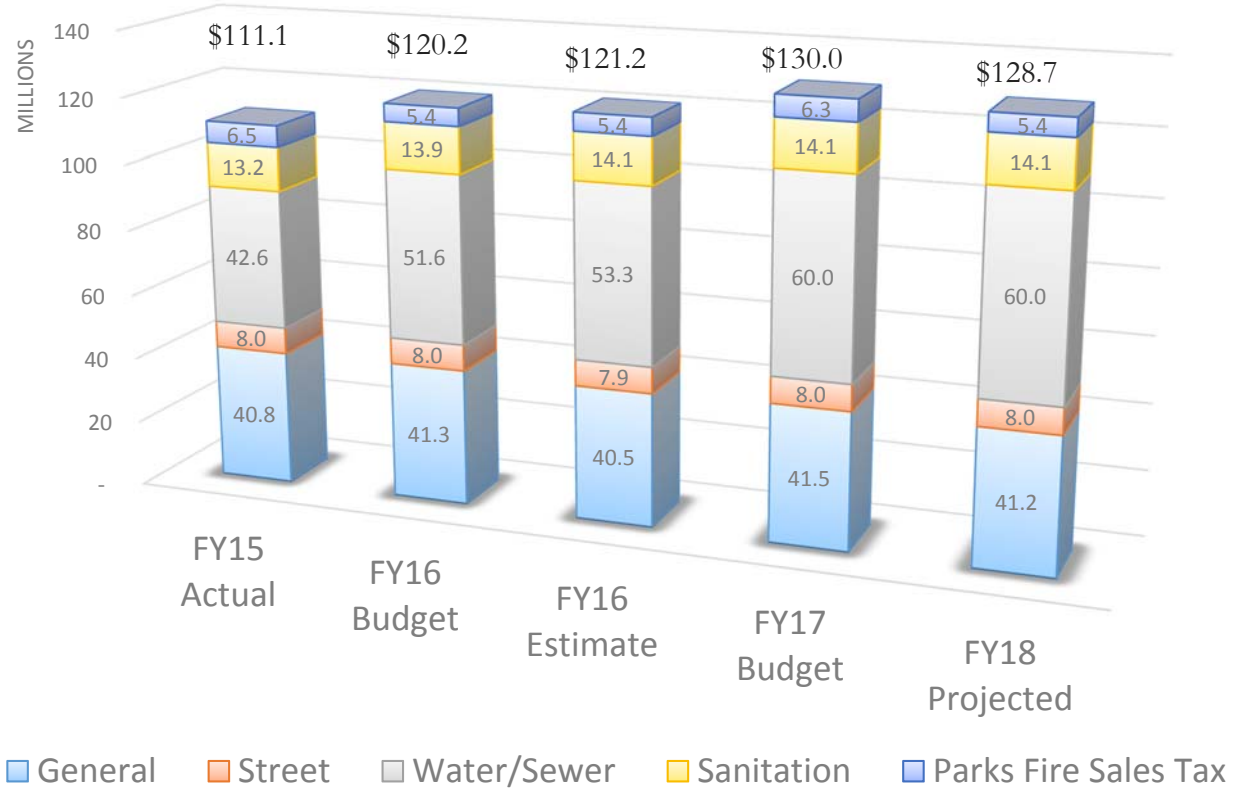
	Estimated FY16	Budget FY17	Increase (Decrease)	Projected FY18
Revenues				
Service Charges and Fees	$ 13,998,032	$ 14,064,000	$ 65,968	$ 14,064,000
Miscellaneous	71,500	40,000	(31,500)	40,000
Total	$ 14,069,532	$ 14,104,000	$ 34,468	$ 14,104,000
Expenses				
Policy and Administration Services	$ 186,090	$ 194,971	$ 8,881	$ 194,971
Management Services	740,580	1,022,026	281,447	1,018,350
Operation Services	7,567,335	9,957,337	2,390,002	9,970,937
Non-Departmental	1,750,536	1,845,017	94,481	1,845,017
Total	$ 10,244,541	$ 13,019,351	$ 2,774,810	$ 13,029,274
Excess (Deficiency) Revenues Over Expenditures	$ 3,824,991	$ 1,084,649	$ (2,740,342)	$ 1,074,726
Working Capital, Beginning of Year	3,027,307	6,152,298	3,124,991	6,736,947
Working Capital, End of Year	$ 6,852,298	$ 7,236,947	$ 384,649	$ 7,811,673
Adjustment for CIP Transfers	(700,000)	(500,000)	-	(500,000)
Adjusted Working Capital, End of Year	$ 6,152,298	$ 6,736,947	$ 384,649	$ 7,311,673

Combined Operating Funds
Statement of Revenue Comparisons

	Actual FY15	Budget FY16	Estimated FY16	Budget FY17	Projected FY18
Intergovernmental	$ 8,676,109	$ 8,859,022	$ 8,772,300	$ 9,615,000	$ 8,918,000
Taxes and Assessments	36,509,181	37,401,600	36,379,000	36,715,000	37,060,500
Court Fines and Forfeitures	2,368,501	2,300,000	2,300,000	2,300,000	2,300,000
Licenses and Permits	1,609,554	1,688,500	1,912,000	1,882,000	1,882,000
Service Charges and Fees	56,215,197	66,002,139	67,649,332	74,476,500	74,478,500
Contributions	1,451,244	150,000	245,000	1,014,000	-
Miscellaneous	1,385,566	1,100,363	1,178,453	1,136,363	1,138,363
Transfers	2,993,833	2,655,000	2,804,150	2,818,000	2,893,630
Total	$ 111,209,185	$ 120,156,624	$ 121,240,235	$ 129,956,863	$ 128,670,993

Combined Operating Funds

Comparison of Total Revenue



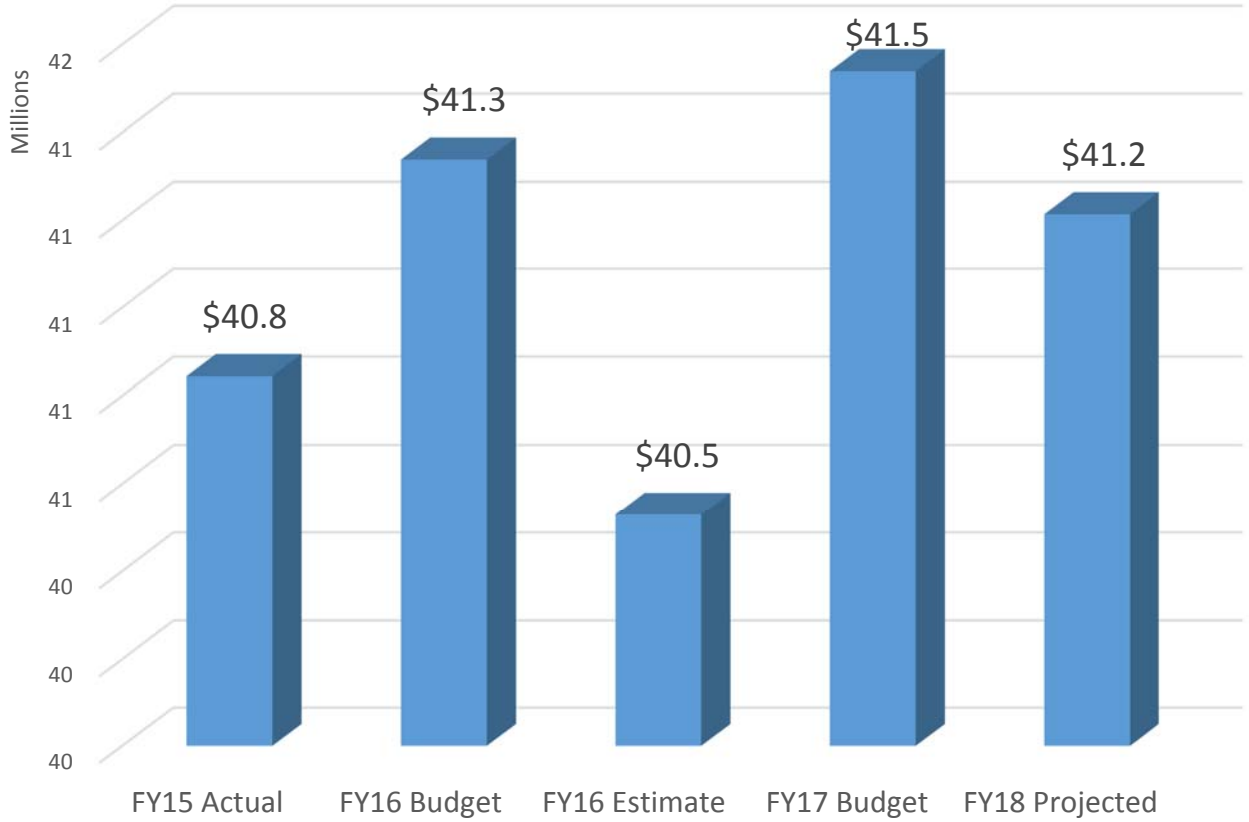
General Fund
Statement of Revenue Comparisons

	Actual FY15	Budget FY16	Estimated FY16	Budget FY17	Projected FY18
Intergovernmental					
State Turnback - General	$ 1,275,459	$ 1,296,000	$ 1,287,000	$ 1,290,000	$ 1,293,000
Transit Reimbursement	1,406,369	1,700,000	1,600,000	2,400,000	1,700,000
Airport Security Reimburseme	109,500	115,000	110,000	110,000	110,000
State Act 833 Fire Funds	97,948	90,000	90,000	90,000	90,000
State-Riverfront Trail	-	-	-	-	-
FEMA Fire Grant	-	-	25,500	25,000	25,000
Taxes and Assessments					
Franchise	6,388,844	6,595,300	5,750,000	5,750,000	5,807,500
Ad Valorem	6,885,174	7,080,100	6,750,000	6,850,000	6,918,000
County Sales Tax	16,090,921	16,361,000	16,530,000	16,695,000	16,862,000
1/4% City Sales Tax-Fire & Par	-	-	-	-	-
Gasoline Tax Refund-Transit	11,063	12,000	12,000	12,000	12,000
Court Fines and Forfeitures	2,368,501	2,300,000	2,300,000	2,300,000	2,300,000
Licenses and Permits					
Privilege	14,370	18,500	16,000	16,000	16,000
Business License	-	-	-	-	-
Construction	771,591	850,000	1,000,000	1,000,000	1,000,000
Alcohol	621,617	580,000	620,000	620,000	620,000
Other	38,706	70,000	71,000	71,000	71,000
Service Charges and Fees					
Community Center	30,459	36,000	33,000	35,000	35,000
Fire Protection Contracts	67,912	68,300	67,000	68,000	68,000
Port Authority	21,035	22,000	20,000	-	-
Parks & Aquatics	152,603	175,000	100,000	100,000	100,000
Oak Cemetery	86,972	75,000	65,000	65,000	65,000
Animal Control	230	500	200	500	500
False Alarm Fees	33,853	25,000	38,000	38,000	40,000
Mobile Data Support Fees	16,640	25,000	6,500	6,500	6,500
Transit System	203,003	220,000	170,000	200,000	200,000
Contributions	43,355	-	95,000	-	-
Miscellaneous					
Reimbursement from Airport	3,163	3,163	3,163	3,163	3,163
Interest Earned	21,303	23,000	23,190	23,000	25,000
Sebastian County Participatio	509,835	480,000	470,000	480,000	480,000
Reimbursement from Enhanced 9-1-1 Fund	255,000	255,000	255,000	255,000	255,000
Reimbursement from FSPS for SRO Positions	117,456	118,000	117,500	118,000	118,000
Other	207,023	90,000	100,000	100,000	100,000
Transfers					
Sales Tax Fund	2,698,000	2,360,000	2,507,000	2,521,000	2,596,630
A&P Fund	24,003	22,000	24,150	24,000	24,000
Street Maintenance Fund	90,610	91,000	91,000	91,000	91,000
Water and Sewer Operating Fund	90,610	91,000	91,000	91,000	91,000
Sanitation Operating Fund	90,610	91,000	91,000	91,000	91,000
Total	$ 40,843,738	$ 41,338,863	$ 40,529,203	$ 41,539,163	$ 41,214,293

See pages 165-168 for an explanation of each revenue source.

General Fund

Comparison of Total Revenue



Revenue Comment

Total revenue of the General Fund FY17 Budget is estimated to increase by approximately $1,009,960 or 2.5% from FY16 Estimated. This is primarily due to a projected increase in federal Transit reimbursements for FY17.

The General Turnback from the state was $15.25 for FY15. The estimate for FY16 is $15.00, and is anticipated to be $15.00 per capita for FY17 and FY18.

The franchise tax rate is 4% assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenue is expected to remain flat in FY17.

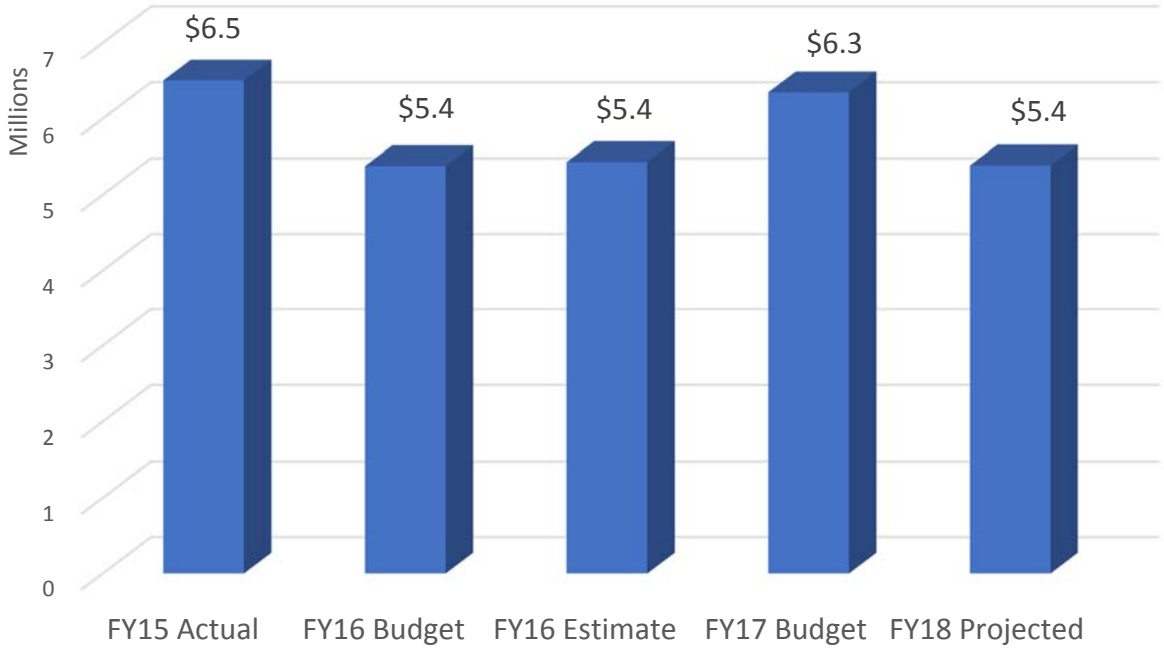
The property tax assessment for General Fund use remains at 5.0 mills for all four years presented. This is the maximum rate allowed by state statutes. The ad valorem tax revenue is a product of the millage rate assessed upon the real estate and personal property values within the city limits. Projections for FY17 will remain flat over FY16 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY17 is 1.5% above the estimated FY16 revenue. The FY18 projection reflects a 1% increase in sales tax revenue.

The city's 1/4% sales tax allocated for fire and parks programs is anticipated to increase by 1.5% for FY17 and by 1% in FY18. This sales tax has been presented separately for budget planning purposes.

Fire and Parks City Sales Tax (General Fund)

Comparison of Total Revenue



Revenue Comment

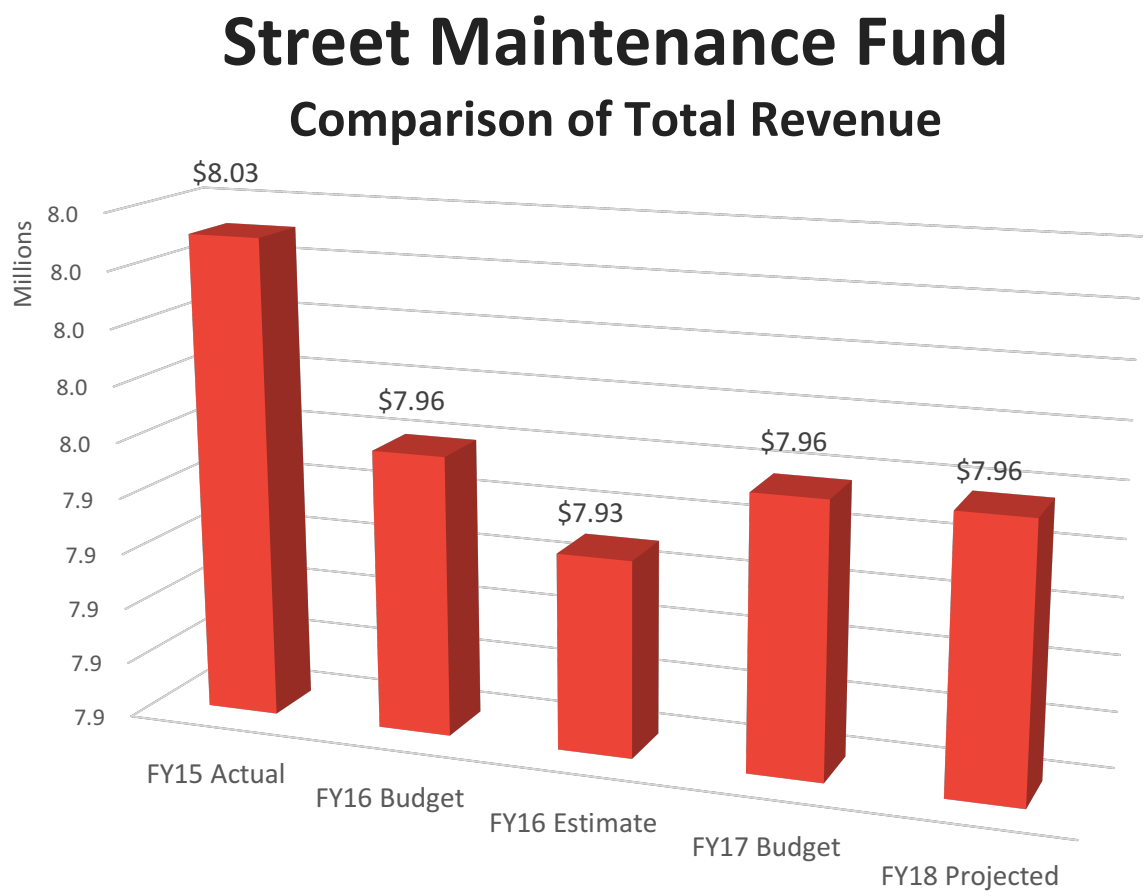
The City's ¼% sales tax allocated for fire and parks programs is posted to the General Fund, In the 2017 Budget, this sales tax is presented separately from the General Fund for planning purposes only.

The sales tax revenue is anticipated to increase by 1.7% for FY17 and decrease by 1.7% in FY18. The sales tax continues to fluctuate throughout the year and maintain a steady rate. While slight increases are expected for 2017, long term projections still hold the revenue at or near $5.4 Million.

Street Maintenance Fund
Statement of Revenue Comparisons

	Actual FY15	Budget FY16	Estimated FY16	Budget FY17	Projected FY18
Intergovernmental					
State Turnback -					
Gasoline Tax	$ 3,997,696	$ 4,050,000	$ 3,917,800	$ 4,000,000	$ 4,000,000
Highway Sales Tax	1,684,220	1,608,022	1,742,000	1,700,000	1,700,000
FEMA Reimbursements	104,917	-	-	-	-
Taxes and Assessments					
Ad Valorem	2,038,141	2,126,200	2,057,000	2,075,000	2,075,000
Licenses and Permits					
Sidewalk Permit Assessments	163,270	170,000	205,000	175,000	175,000
Miscellaneous					
Interest Earned	3,415	3,700	4,100	4,200	4,200
Other	39,299	2,000	4,000	3,000	3,000
Total	$ 8,030,958	$ 7,959,922	$ 7,929,900	$ 7,957,200	$ 7,957,200

See Page 168 for an explanation of each revenue source.



Revenue Comment

The major revenue source of the Street Maintenance Fund is the gasoline tax turnback from the state. This accounts for an average of 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 $46.37 for FY15, and $45.45 for FY16 Estimated. The per capita for FY17 and FY18 is $46.40.

Beginning July 1, 2013, the city began receiving a share of the 1/2% state sales tax dedicated to highway improvements. The FY17 revenue is estimated at $1.7 million. This shared revenue is allocated on the basis of population that is currently 86,209 per the 2010 census. The per capita turnback for the highway sales tax is $20.21 for FY16 Estimated and $19.72 for FY17 and FY18. The AML provides estimates each year. This tax is in place until June 30, 2023.

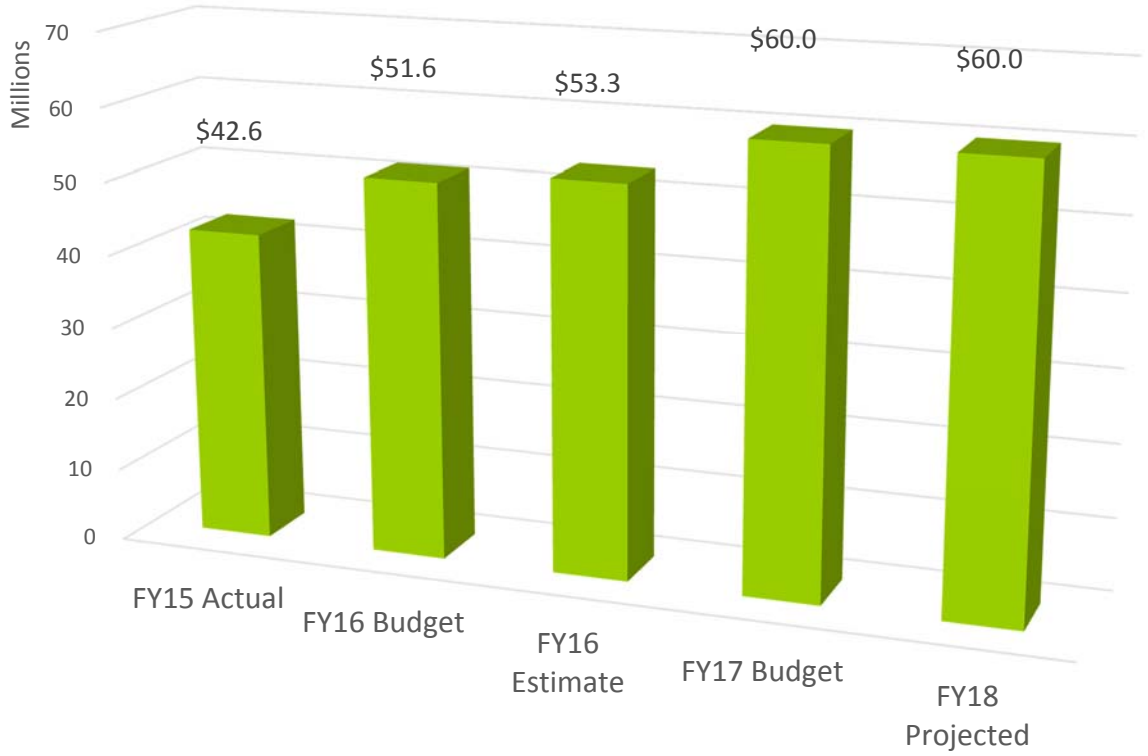
Ad valorem tax revenue for the Street Maintenance Fund is expected to remain flat in 2017. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes.

The permit assessment fees applied to building permits are accounted for in the Street Maintenance Fund. This revenue is expected to generate $175,000 in FY17 and FY18.

Water and Sewer Operating Fund
Statement of Revenue Comparisons

	Actual FY15	Budget FY16	Estimated FY16	Budget FY17	Projected FY18
Service Charges and Fees					
Water Sales	$ 18,124,135	$ 18,572,400	$ 18,986,000	$ 19,000,000	$ 19,000,000
Monthly Customer Charges	497,493	494,400	633,100	630,000	630,000
Contract Water Sales	6,666,487	7,014,000	6,580,000	6,700,000	6,700,000
Fire Protection	37,962	40,000	37,500	37,500	37,500
Installations - Water Service	227,339	230,000	232,000	232,000	232,000
Sewer Service Charges	16,742,182	24,944,000	26,500,000	33,125,000	33,125,000
Sewer Connection Charges	80,077	68,000	85,000	80,000	80,000
Industrial Waste Monitoring F	80,248	95,000	98,000	95,000	95,000
Miscellaneous					
Interest Earned	9,263	18,000	35,000	35,000	35,000
Other	116,733	75,000	95,000	75,000	75,000
Total	$ 42,581,919	$ 51,550,800	$ 53,281,600	$ 60,009,500	$ 60,009,500

Water and Sewer Operating Fund
Comparison of Total Revenue



Revenue Comment

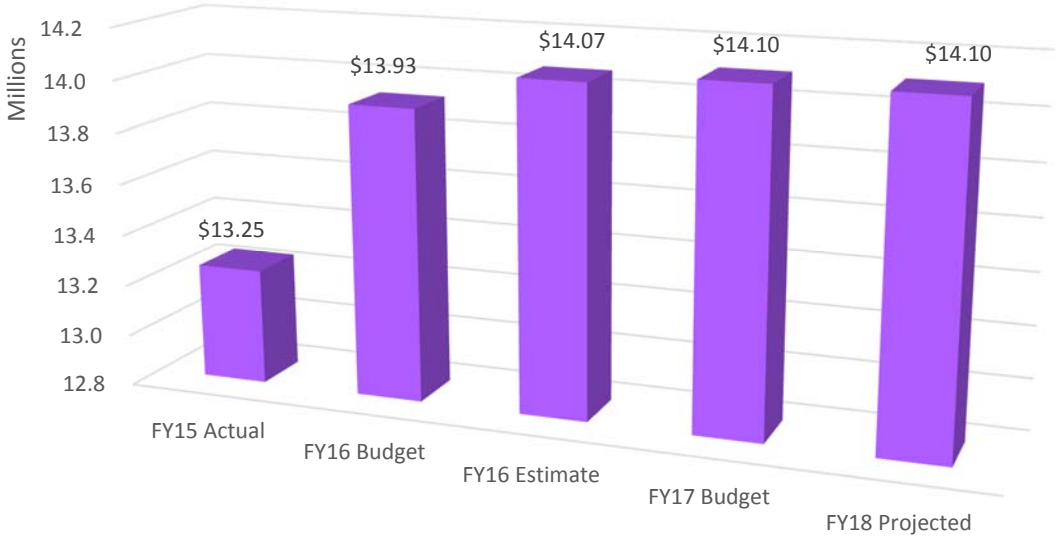
Service charges and fees account for more than 99% of total revenue for this fund. Total revenue of the fund in FY17 is anticipated to be $6,727,900, or 13% more than FY16. The increase is due to a full year of rate adjustments in FY17. Consumption is expected to be level between FY16 and FY17.

Water sales from residential, commercial, and industrial users is expected to increase by less than 1% between FY16 and FY17. Water sales to Van Buren and the other contract users is also anticipated to increase minimally between years. Sewer service charges for FY17 are expected to increase by 25% in FY17 due to rate adjustments.

Sanitation Operating Fund
Statement of Revenue Comparisons

	Actual FY15	Budget FY16	Estimated FY16	Budget FY17	Projected FY18
Service Charges and Fees					
Residential Collections	$ 4,666,431	$ 4,610,000	$ 4,657,847	$ 4,681,000	$ 4,681,000
Commercial Collections	2,052,276	2,282,539	2,032,185	2,042,000	2,042,000
Sanitary Landfill Operations	3,984,833	4,130,000	4,275,000	4,296,000	4,296,000
Industrial Collections	2,018,395	2,325,000	2,015,000	2,025,000	2,025,000
Sale of Methane Gas	321,830	450,000	915,000	920,000	920,000
Recycling Operations	102,802	100,000	103,000	100,000	100,000
Miscellaneous					
Interest Earned	7,123	7,500	13,500	10,000	10,000
Other	95,953	25,000	58,000	30,000	30,000
Total	$ 13,249,643	$ 13,930,039	$ 14,069,532	$ 14,104,000	$ 14,104,000

Sanitation Operating Fund
Comparison of Total Revenue



Revenue Comment

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

Revenues generated by residential, commercial, industrial and roll-off services are anticipated to remain stable between years. Service revenue is expected to increase 0.5% in FY17.

Landfill operations are expected to remain stable between FY16 and FY17.

Distribution of Appropriations to the Operating Funds
FY17 Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 137,840	$ 59,271	$ 11,027	$ 51,001	$ 16,541
4101 Board of Directors	126,210	54,270	10,097	46,698	15,145
4102 City Administrator	479,320	206,108	38,346	177,348	57,518
4201 District Court	1,525,320	1,525,320	0	0	0
4202 Prosecutor	160,500	160,500	0	0	0
4203 Public Defender	92,500	92,500	0	0	0
4204 City Attorney	356,000	178,000	89,000	0	89,000
4206 District Court-Seb. Co.	46,130	46,130	0	0	0
4405 Internal Audit	239,520	107,784	7,186	107,784	16,766
Total Policy and Administration Services Division	$ 3,163,340	$ 2,429,883	$ 155,655	$ 382,831	$ 194,971
Management Services Division					
4104 Human Resources	$ 651,768	$ 410,614	$ 45,624	$ 136,871	$ 58,659
4109 Safety & Risk Mgmt.	0	0	0	0	0
4105 City Clerk	305,760	131,477	24,461	113,131	36,691
4301 Finance	1,506,620	572,516	120,530	632,780	180,794
4303 Collections	379,804	163,316	30,384	140,527	45,576
4304 Utility Billing/Cust Service	3,165,569	158,278	158,278	2,374,177	474,835
4306 Purchasing	620,648	266,879	49,652	229,640	74,478
4401 Info. & Tech. Services	1,677,688	1,023,390	83,884	419,422	150,992
6912 Parking Deck-Personnel	35,509	35,509	0	0	0
Total Management Services Division	$ 8,343,366	$ 2,761,978	$ 512,813	$ 4,046,549	$ 1,022,026
Development Services Division					
4103 Engineering	$ 1,418,852	$ 1,206,024	$ 70,943	$ 141,885	$ 0
4106 Planning and Zoning	707,950	601,758	0	106,193	0
4108 Building Safety	837,000	837,000	0	0	0
Total Development Services Division	$ 2,963,802	$ 2,644,782	$ 70,943	$ 248,078	$ 0
Police Services Division					
4701 Administration	$ 893,900	$ 893,900	$ 0	$ 0	$ 0
4702 Support Services	4,253,929	4,253,929	0	0	0
4703 Criminal Investigations	2,698,742	2,698,742	0	0	0
4704 Patrol Operations	6,627,028	6,627,028	0	0	0
4705 Radio Communications	345,810	345,810	0	0	0
4706 Airport Security	190,575	190,575	0	0	0
Total Police Services Division	$ 15,009,984	$ 15,009,984	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY17 Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 764,901	$ 764,901	$ 0	$ 0	$ 0
4802 Suppression and Rescue	9,693,376	9,693,376	0	0	0
4803 1/8% SUT Operations	0	0	0	0	0
4804 Training	234,313	234,313	0	0	0
Total Fire Services Division	$ 10,692,590	$ 10,692,590	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 704,200	$ 0	$ 704,200	$ 0	$ 0
5302 Street Construction	688,530	0	688,530	0	0
5303 Street Drainage	1,193,141	0	1,193,141	0	0
5304 Street Maintenance	887,423	0	887,423	0	0
5305 Sidewalk Construction	999,584	0	999,584	0	0
5401 Traffic Control Operations	1,046,178	0	1,046,178	0	0
5403 Street Lighting	940,000	0	940,000	0	0
Total Streets and Traffic Control	$ 6,459,056	$ 0	$ 6,459,056	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,172,650	$ 0	$ 0	$ 1,172,650	$ 0
5521 Business & Finance	903,050	0	0	903,050	0
5522 Communications & Training	910,500	0	0	910,500	0
5523 Engineering & Engineering Technology	1,283,860	0	0	1,283,860	0
5590 Non Capital Projects	4,806,840	0	0	4,806,840	0
5603 Sewer Treatment	3,893,095	0	0	3,893,095	0
5604 Water Treatment	5,464,780	0	0	5,464,780	0
5610 Water Line Maintenance	3,909,301	0	0	3,909,301	0
5611 Sewer Line Maintenance	2,017,084	0	0	2,017,084	0
5612 Sewer Line Construction	963,380	0	0	963,380	0
5625 Environmental Quality	1,935,653	0	0	1,935,653	0
5626 Fleet, Building, Station & Easement Maintenance	3,499,446	0	0	3,499,446	0
5627 Water System Construction	330,419	0	0	330,419	0
6700 Debt Service	13,529,013	0	0	13,529,013	0
Total Water and Sewer	$ 44,619,071	$ 0	$ 0	$ 44,619,071	$ 0

Distribution of Appropriations to the Operating Funds
FY17 Budget

	TOTAL FUNDS	GENERAL FUND	STREET MAINTENANCE FUND	WATER AND SEWER OPERATING FUND	SANITATION OPERATING FUND
Operation Services Division - Parks and Community Services					
6201 Parks Maintenance	$ 1,333,170	$ 1,133,195	$ 199,976	$ 0	$ 0
6202 Oak Cemetery	153,890	153,890	0	0	0
6204 Community Centers	163,430	163,430	0	0	0
6205 Aquatics	184,170	184,170	0	0	0
6206 Riverfront	366,270	366,270	0	0	0
6207 The Park at West End	29,850	29,850	0	0	0
6208 1/8% SUT Operations	0	0	0	0	0
Total Parks and Community Services	$ 2,230,780	$ 2,030,805	$ 199,976	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 727,278	$ 0	$ 0	$ 0	$ 727,278
6302 Residential Collection	1,959,535	0	0	0	1,959,535
6303 Commercial Collection	1,200,701	0	0	0	1,200,701
6304 Fleet & Grounds Maint.	820,432	0	0	0	820,432
6305 Sanitary Landfill	4,243,601	0	0	0	4,243,601
6307 Industrial Collection	1,005,790	0	0	0	1,005,790
Total Sanitation	$ 9,957,337	$ 0	$ 0	$ 0	$ 9,957,337
Operation Services Division - Transit					
6550 Public Transit	$ 3,396,650	$ 3,396,650	$ 0	$ 0	$ 0
Operation Services Division - Health					
6101 Health	$ 149,740	$ 149,740	$ 0	$ 0	$ 0
Total Operation Services Division	$ 66,812,634	$ 5,577,195	$ 6,659,032	$ 44,619,071	$ 9,957,337
Non-Departmental					
6600 Non-Departmental	$ 5,026,643	$ 2,395,621	$ 574,725	$ 211,280	$ 1,845,017
Total Appropriations	$ 112,012,359	$ 41,512,032	$ 7,973,167	$ 49,507,808	$ 13,019,351

Distribution of Appropriations to the Operating Funds
FY18 Projected Budget

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Policy and Administration Services Division					
4100 Mayor	$ 137,840	$ 59,271	$ 11,027	$ 51,001	$ 16,541
4101 Board of Directors	126,210	54,270	10,097	46,698	15,145
4102 City Administrator	479,320	206,108	38,346	177,348	57,518
4201 District Court	1,525,320	1,525,320	0	0	0
4202 Prosecutor	160,500	160,500	0	0	0
4203 Public Defender	92,500	92,500	0	0	0
4204 City Attorney	356,000	178,000	89,000	0	89,000
4206 District Court-Seb. Co.	46,130	46,130	0	0	0
4405 Internal Audit	239,520	107,784	7,186	107,784	16,766
Total Policy and Administration Services Division	$ 3,163,340	$ 2,429,883	$ 155,655	$ 382,831	$ 194,971
Management Services Division					
4104 Human Resources	$ 651,768	$ 410,614	$ 45,624	$ 136,871	$ 58,659
4109 Safety & Risk Mgmt.	0	0	0	0	0
4105 City Clerk	305,760	131,477	24,461	113,131	36,691
4301 Finance	1,520,951	577,961	121,676	638,799	182,514
4303 Collections	379,804	163,316	30,384	140,527	45,576
4304 Utility Billing/Cust Service	3,165,569	158,278	158,278	2,374,177	474,835
4306 Purchasing	575,678	247,542	46,054	213,001	69,081
4401 Info. & Tech. Services	1,677,688	1,023,390	83,884	419,422	150,992
6912 Parking Deck-Personnel	35,509	35,509	0	0	0
Total Management Services Division	$ 8,312,727	$ 2,748,086	$ 510,362	$ 4,035,929	$ 1,018,350
Development Services Division					
4103 Engineering	$ 1,418,852	$ 1,206,024	$ 70,943	$ 141,885	$ 0
4106 Planning and Zoning	740,950	629,808	0	111,143	0
4108 Building Safety	837,000	837,000	0	0	0
Total Development Services Division	$ 2,996,802	$ 2,672,832	$ 70,943	$ 253,028	$ 0
Police Services Division					
4701 Administration	$ 893,900	$ 893,900	$ 0	$ 0	$ 0
4702 Support Services	4,253,929	4,253,929	0	0	0
4703 Criminal Investigations	2,698,742	2,698,742	0	0	0
4704 Patrol Operations	6,627,028	6,627,028	0	0	0
4705 Radio Communications	345,810	345,810	0	0	0
4706 Airport Security	190,575	190,575	0	0	0
Total Police Services Division	$ 15,009,984	$ 15,009,984	$ 0	$ 0	$ 0

Distribution of Appropriations to the Operating Funds
FY18 Projected Budget (continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Fire Services Division					
4801 Administration	$ 839,659	$ 764,901	$ 0	$ 0	$ 0
4802 Suppression and Rescue	9,609,446	9,693,376	0	0	0
4803 1/8% SUT Operations	0	0	0	0	0
4804 Training	234,313	234,313	0	0	0
Total Fire Services Division	$ 10,692,590	$ 10,692,590	$ 0	$ 0	$ 0
Operation Services Division - Streets and Traffic Control					
5101 Administration	$ 704,200	$ 0	$ 704,200	$ 0	$ 0
5302 Street Construction	688,530	0	688,530	0	0
5303 Street Drainage	1,193,141	0	1,193,141	0	0
5304 Street Maintenance	887,423	0	887,423	0	0
5305 Sidewalk Construction	999,584	0	999,584	0	0
5401 Traffic Control Operations	1,046,178	0	1,046,178	0	0
5403 Street Lighting	940,000	0	940,000	0	0
Total Streets and Traffic Control	$ 6,459,056	$ 0	$ 6,459,056	$ 0	$ 0
Operation Services Division - Water and Sewer					
5501 Utility Administration	$ 1,172,650	$ 0	$ 0	$ 1,172,650	$ 0
5521 Business & Finance	903,050	0	0	903,050	0
5522 Communications & Training	910,500	0	0	910,500	0
5523 Engineering & Engineering Technology	1,283,860	0	0	1,283,860	0
5590 Non Capital Projects	4,806,840			4,806,840	
5603 Sewer Treatment	3,888,495	0	0	3,888,495	0
5604 Water Treatment	5,464,780	0	0	5,464,780	0
5610 Water Line Maintenance	3,909,301	0	0	3,909,301	0
5611 Sewer Line Maintenance	2,017,084	0	0	2,017,084	0
5612 Sewer Line Construction	963,380	0	0	963,380	0
5625 Environmental Quality	1,935,653	0	0	1,935,653	0
5626 Fleet, Building, Station & Easement Maintenance	3,523,446	0	0	3,523,446	0
5627 Water System Construction	330,419			330,419	
5618 Debt Service	13,529,013	0	0	13,529,013	0
Total Water and Sewer	$ 44,638,471	$ 0	$ 0	$ 44,638,471	$ 0

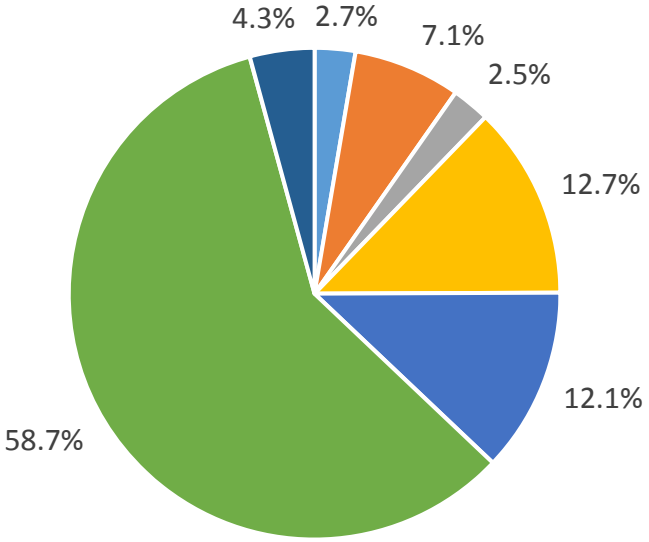
Distribution of Appropriations to the Operating Funds
FY18 Projected Budget (continued)

	Total Funds	General Fund	Street Maintenance Fund	Water and Sewer Operating Fund	Sanitation Operating Fund
Operation Services Division - Parks and Community Services					
6201 Parks Maintenance	$ 1,333,170	$ 1,133,195	$ 199,976	$ 0	$ 0
6202 Oak Cemetery	153,890	153,890	0	0	0
6204 Community Centers	163,430	163,430	0	0	0
6205 Aquatics	184,170	184,170	0	0	0
6206 Riverfront	366,270	366,270	0	0	0
6207 The Park at West End	29,850	29,850	0	0	0
6208 1/8% SUT Operations	0	0	0	0	0
Total Parks and Community Services	$ 2,230,780	$ 2,030,805	$ 199,976	$ 0	$ 0
Operation Services Division - Sanitation					
6301 Administration	$ 727,278	$ 0	$ 0	$ 0	$ 727,278
6302 Residential Collection	1,959,535	0	0	0	1,959,535
6303 Commercial Collection	1,200,701	0	0	0	1,200,701
6304 Fleet & Grounds Maint.	820,432	0	0	0	820,432
6305 Sanitary Landfill	4,257,201	0	0	0	4,257,201
6307 Industrial Collection	1,005,790	0	0	0	1,005,790
Total Sanitation	$ 9,970,937	$ 0	$ 0	$ 0	$ 9,970,937
Operation Services Division - Transit					
6550 Public Transit	$ 3,396,650	3,396,650			
Operation Services Division - Health					
6101 Health Services	$ 149,740	$ 149,740	$ 0	$ 0	$ 0
Total Operation Services Division	$ 66,845,634	$ 5,577,195	$ 6,659,032	$ 44,638,471	$ 9,970,937
Non-Departmental					
6600 Non-Departmental	$ 5,026,643	$ 2,395,621	$ 574,725	$ 211,280	$ 1,845,017
Total Appropriations	$ 112,047,720	$ 41,526,191	$ 7,970,716	$ 49,521,539	$ 13,029,274

Combined Division Summary
Operating Funds

	Estimated FY16	Budget FY17	Projected FY18
By Division Classification			
Policy and Administration Services	$ 2,909,427	$ 3,163,340	$ 3,163,340
Management Services	6,207,982	8,343,366	8,312,727
Development Services	2,905,382	2,963,802	2,996,802
Police Services	14,055,185	15,009,984	15,009,984
Fire Services	12,462,818	14,356,663	13,064,663
Operation Services	56,492,696	69,361,094	70,694,094
Non-Departmental	4,895,312	5,026,643	5,026,643
Budget Appropriations	**$ 99,928,802**	**$ 118,224,892**	**$ 118,268,253**

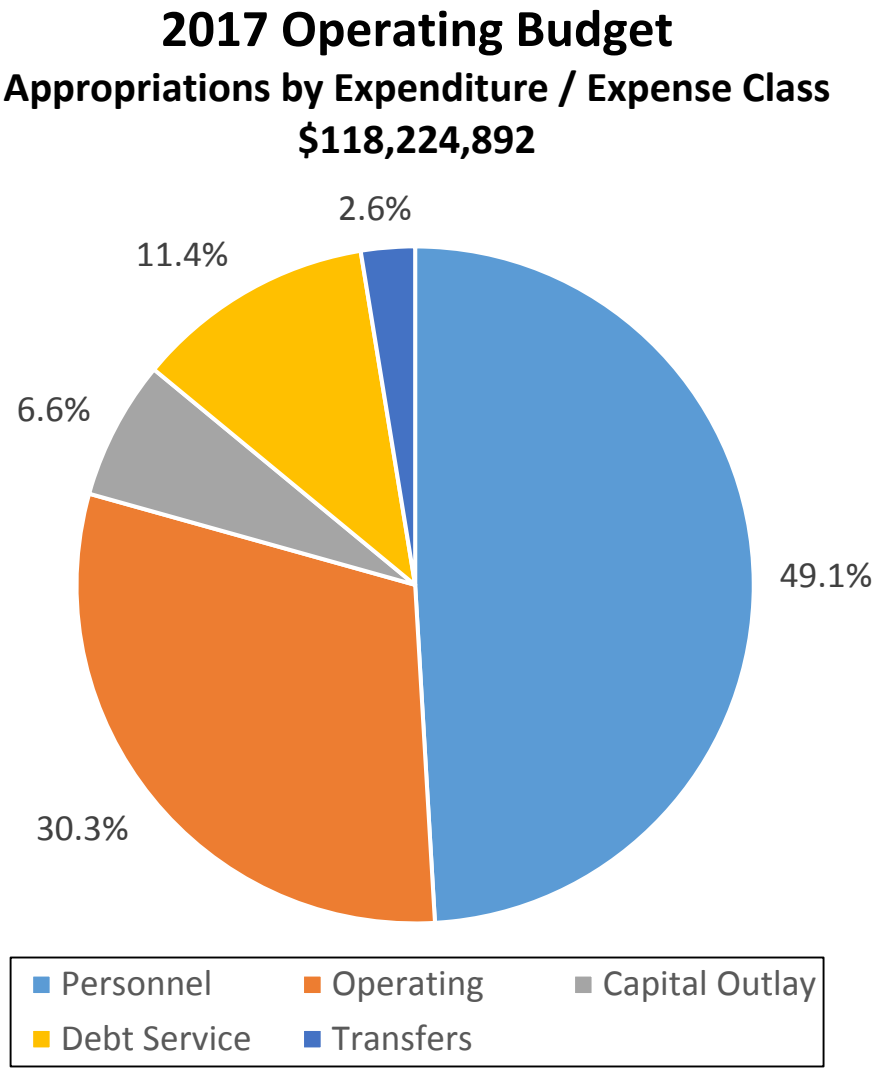
2017 Operating Budget
Appropriations by Division Classification
$118,224,892



- Policy and Administration
- Management Services
- Development Services
- Police Services
- Fire Services
- Operation Services
- Non-Departmental

Combined Division Summary
Operating Funds

	Estimated FY16	Budget FY17	Projected FY18
By Expenditure/Expense Classification			
Personnel	$ 52,158,382	$ 58,010,386	$ 57,501,517
Operating	25,517,714	35,793,936	37,750,241
Operating Budget	$ 77,676,096	$ 93,804,322	$ 95,251,758
Capital Outlay	3,653,621	7,847,540	9,487,482
Debt Service	15,653,749	13,529,013	13,529,013
Transfers	2,945,336	3,044,017	0
Budget Appropriations	**$ 99,928,802**	**$ 118,224,892**	**$ 118,268,253**



The City of Fort Smith ARKANSAS

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 FY16 which is based on September 30, 2016 authorizations. The dollar summaries reflect Actual FY15, Budget FY16, Estimated FY16, Budget FY17 and projected Budget FY18.

Also, provided is a narrative of each division which reflects the purpose, overview, 2017 service objectives. 2016 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 FY17 Budget Supplement, a separate document.

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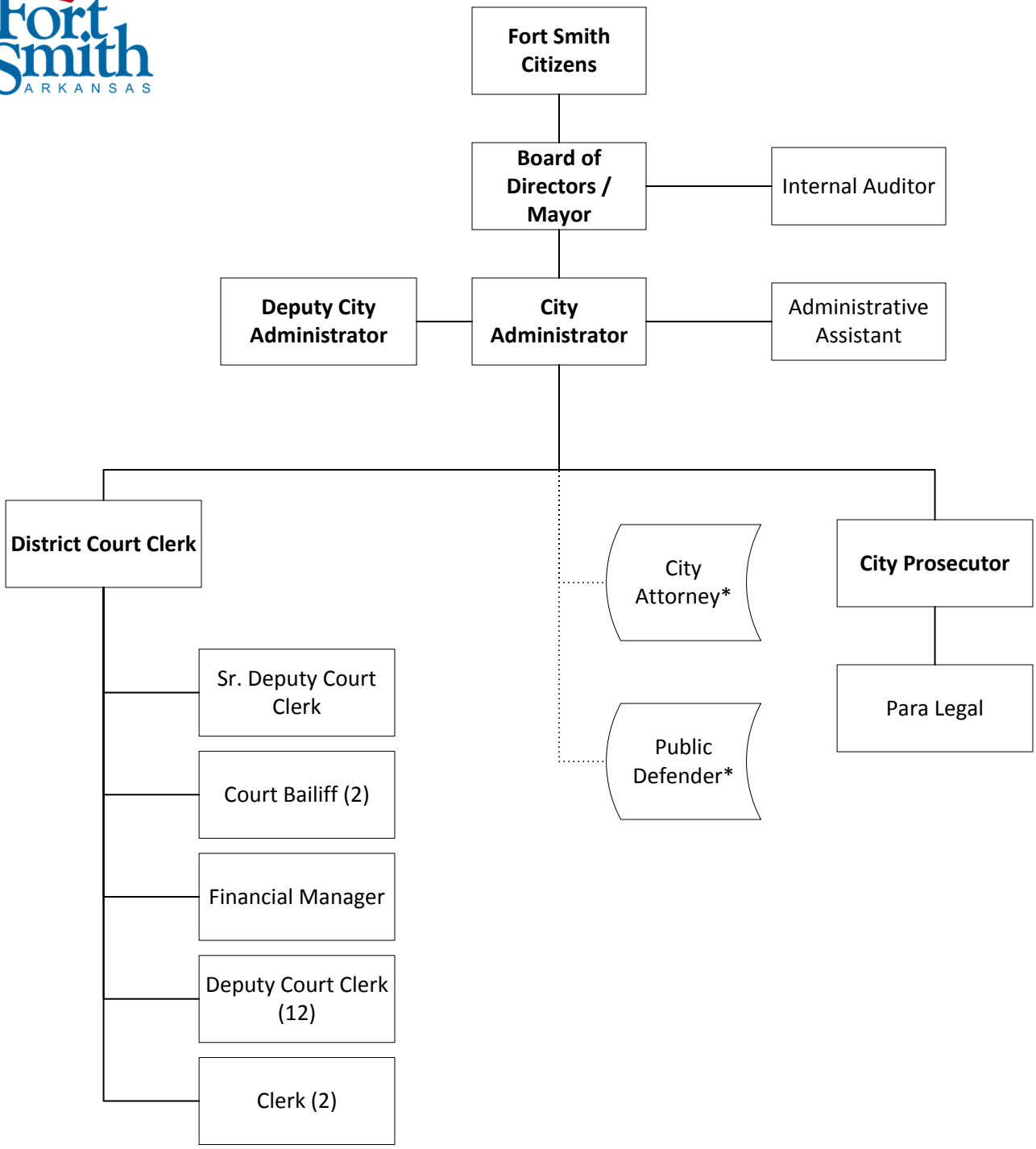
Policy and Administration Services



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

*Note: Dotted line indicates contracted services

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 FY17 Budget is less than the FY16 Budget due to midyear reductions and the position of City Administrator was unfilled until May. Priorities continuing in 2017 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.

One intern position has been eliminated for the FY17 budget.

POLICY & ADMINISTRATION	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 576,050	$ 515,035	$ 405,818	$ 457,350	$ 457,350
Operating Expenditures	203,438	275,350	271,092	286,020	286,020
Operating Budget	$ 779,488	$ 790,385	$ 676,910	$ 743,370	$ 743,370
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 779,488	$ 790,385	$ 676,910	$ 743,370	$ 743,370
Authorized Positions	12.00	13.77	12.77	11.03	11.03

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

Policy / Administration 2017 Service Objectives

Mayor:

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

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 opportunities 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 and Greenways Master Plan. (FFS Goals 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 I-49, the regional intermodal freight facilities, and improvement/ 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 and the revitalization of downtown into a multipurpose facility center. (FFS Goals FLU-2; FLU-3)
5. Preserve, protect, and revitalize the City's neighborhoods with continued proactive code enforcement, community beautification, improving public sidewalks, and planting parkway trees. (FFS Goals HN-1)
6. Continue compliance with the consent decree for wet weather sanitary sewer system improvements in order to alleviate the occurrences of backups and overflows.
7. Educate 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)
9. Supporting tourism initiatives in the City of Fort Smith by partnering with local organizations as tourism partners. (FFS Goals FLU-2; FLU-3; NCR-3)

Administration:

1. Continue to improve transparent communication with the public on all matters, especially with regards to the status of ongoing projects and initiatives.
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 said plan.
3. Continue to identify efficiency of city services and facilities, including identifying where "green" initiatives make sense for city facilities or services.
4. Continue to refine performance measurement budgeting; including better definition of departmental performance measures and associated benchmarks.
5. Improve administrative efficiency within the entire organization by supporting the implementation of an Enterprise Resource Plan to modernize the city's business processes.
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.

Legal Department Overview:

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

City Attorney services are provided by a local firm selected through the professional services review. The Public Defender is accounted for by Sebastian County and the funding provided in the 2017 Budget represents the City's share of costs for the year.

The FY17 Budget is consistent with the FY16 Budget for these programs.

Total Legal Department personnel is consistent with FY16.

LEGAL DEPARTMENT	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 1,867,596	$ 1,861,568	$ 1,815,444	$ 1,899,670	$ 1,899,670
Operating Expenditures	255,130	297,860	261,982	280,780	280,780
Operating Budget	$ 2,122,726	$ 2,159,428	$ 2,077,426	$ 2,180,450	$ 2,180,450
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 2,122,726	$ 2,159,428	$ 2,077,426	$ 2,180,450	$ 2,180,450
Authorized Positions	21.00	21.00	21.00	21.00	21.00

Legal Department 2017 Service Objectives

District Court:

1. Cross Training of the court's personnel to ensure efficient and high quality service to patrons of the court. (Comprehensive Plan: PFS-1)
2. Increase court revenue by utilizing all resources available to the Court. (Comprehensive Plan: PFS-4)
3. Review and update the Court's Procedural Manual (Comprehensive Plan: PFS-2.2)
4. Increase technology and automation through implementation of a new case management software program.(Comprehensive Plan: PFS-1.1.2)
5. Identify further measures to improve court services and performance by implementing efficiency measures and procedures. (Comprehensive Plan: PFS-2.2)

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. Continue accessibility to other city agencies for consultation and advice.
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.

Internal Audit Overview:

The purpose of this program is to review internal control procedures and compliance procedures. Additionally, to assist with the annual external audit examination when deemed necessary, and to provide operating and compliance audits of various procedures and departments.

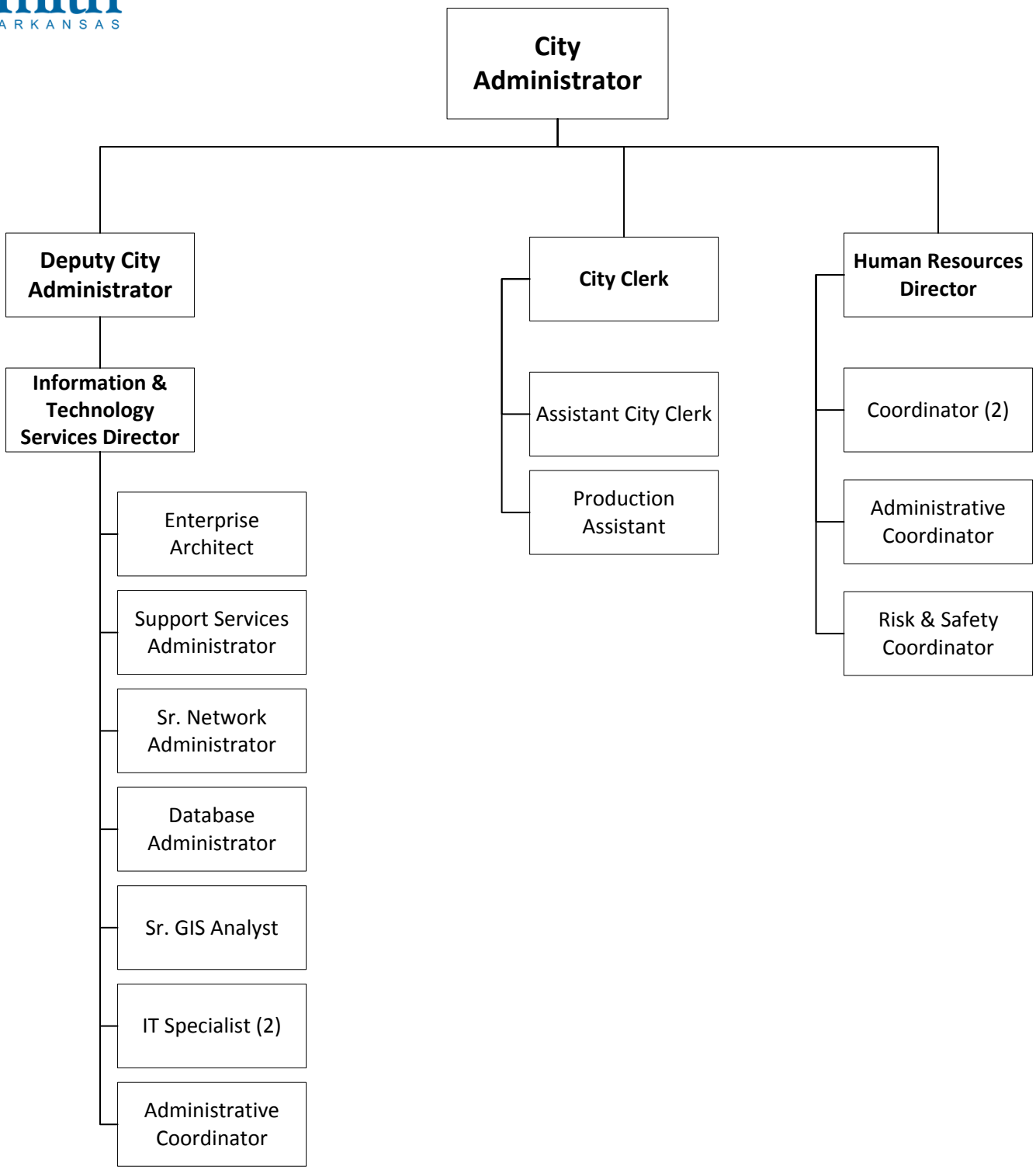
The FY17 Budget is comparable to the FY16 Budget.

INTERNAL AUDIT	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 106,512	$ 206,828	$ 127,905	$ 134,130	$ 209,190
Operating Expenditures	25,495	42,079	27,186	105,390	30,330
Operating Budget	$ 132,007	$ 248,907	$ 155,091	$ 239,520	$ 239,520
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 132,007	$ 248,907	$ 155,091	$ 239,520	$ 239,520
Authorized Positions	1.00	2.70	1.70	1.70	2.70

Internal Audit 2017 Service Objectives

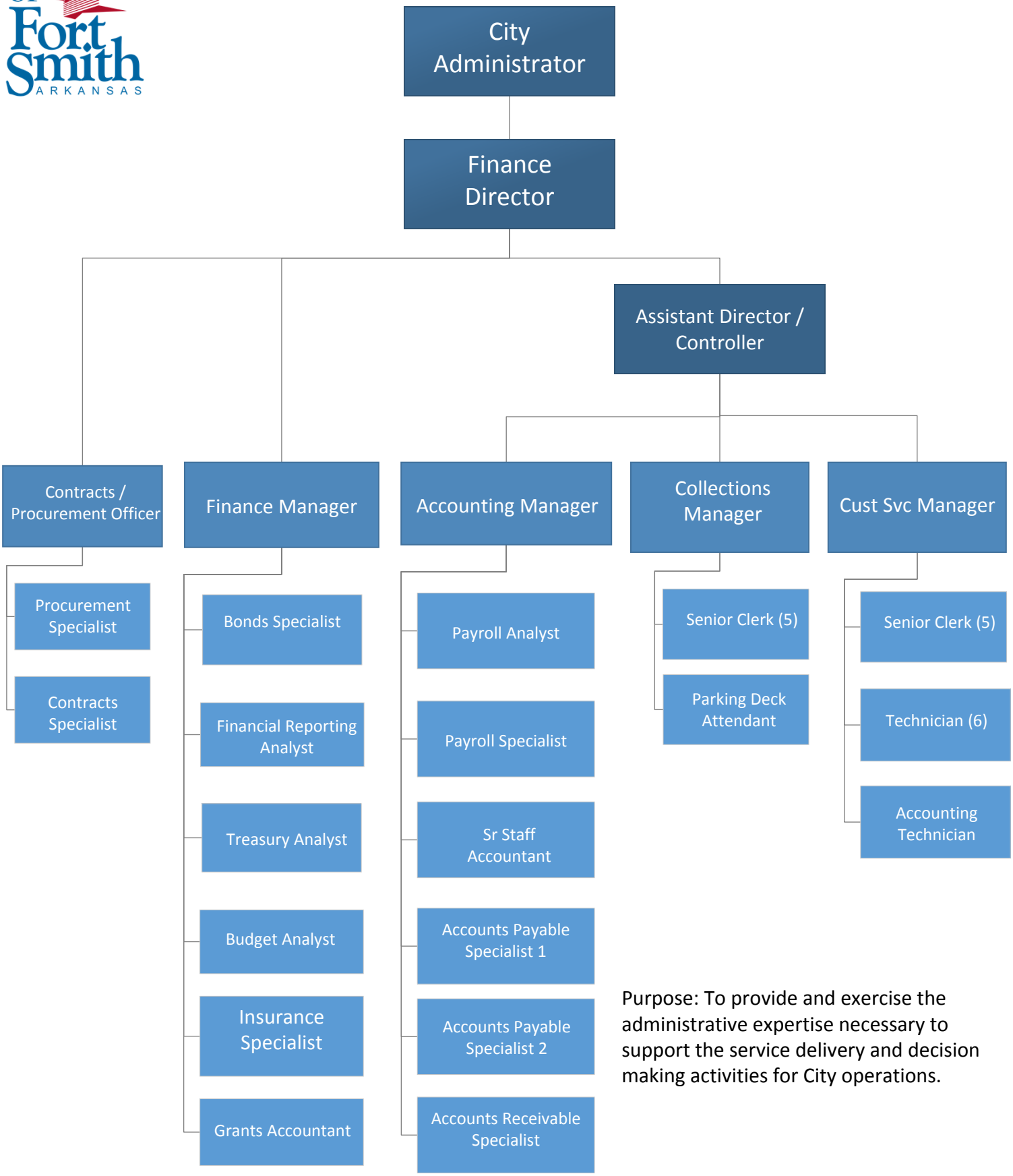
1. Assist all city departments with internal processes to help be more effective and efficient.
2. Perform risk assessment with administration, department heads, audit committee members, and Board of Directors.
3. Prepare annual audit plan and submit to audit committee for approval and Board of Directors for adoption.
4. Conduct audits based on the audit plan, special request audits, surprise audits, and any audit deemed necessary during the course of the year.
5. Continue preparation of an Audit Department manual.
6. Continue departmental key performance measures.

Management Services



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

Management Services



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

Human Resources Overview:

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

The FY17 Budget increased $107,619 from the 2016 estimated due to budgeted funds for employee attrition and the consolidation of the Safety & Risk program under Human Resources.

Total Human Resource Department personnel is 1FTE more than FY16 due to the Safety & Risk Coordinator.

HUMAN RESOURCES	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 471,117	$ 532,408	$ 385,959	$ 527,468	$ 527,468
Operating Expenditures	106,343	110,900	158,190	124,300	124,300
Operating Budget	$ 577,460	$ 643,308	$ 544,149	$ 651,768	$ 651,768
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 577,460	$ 643,308	$ 544,149	$ 651,768	$ 651,768
Authorized Positions	4.00	5.00	5.00	5.00	5.00

Human Resources Department 2017 Service Objectives

1. Maintain and administer a fair and competitive wage and compensation system.
2. Manage the medical insurance benefit program to provide quality health care at an affordable cost to City employees and their families.(Comprehensive Plan: Goal PFS-5.1.1, City wide Goal #1)
3. Manage a cost effective workers' compensation program
4. Continue customer service and social media training for targeted positions.
5. Review possible alternatives for implementing electronic performance appraisal system.
6. Go paperless with all personnel status changes.

City Clerk Department Overview:

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

Authorized positions for this program for FY17 are 3FTE which is consistent with FY16.

CITY CLERK	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 219,118	$ 213,801	$ 208,988	$ 212,980	$ 212,980
Operating Expenditures	94,195	124,550	95,780	92,780	92,780
Operating Budget	$ 313,313	$ 338,351	$ 304,768	$ 305,760	$ 305,760
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 313,313	$ 338,351	$ 304,768	$ 305,760	$ 305,760
Authorized Positions	3.00	3.00	3.00	3.00	3.00

City Clerk 2017 Service Objectives

1. Provide educational opportunities for staff to continually increase knowledge and skills for benefit of staff and citizens.
2. Prompt payment processing of official documents, legal publications, 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's web page. (Comprehensive Plan PFS-1)
5. Provide quality programming on Government Access Channel 214, including live telecast and regular rebroadcast of meetings of the Board of Directors. (Comprehensive Plan PFS-2)

Finance Department Overview:

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

The FY17 Budget is $1.7 million more than FY16 Budget. This increase is due primarily to fund the first year of ERP project costs in Program 4303 and a departmental reorganization.

Total FY17 Finance Department personnel is 39FTE which is 5FTE more than FY16 due to departmental reorganization.

FINANCE	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 2,278,606	$ 2,073,125	$ 1,995,219	$ 2,426,465	$ 2,405,826
Operating Expenditures	1,635,303	1,944,120	1,741,318	3,328,275	3,318,275
Operating Budget	$ 3,913,909	$ 4,017,245	$ 3,736,537	$ 5,754,740	$ 5,724,101
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 3,913,909	$ 4,017,245	$ 3,736,537	$ 5,754,740	$ 5,724,101
Authorized Positions	34.00	33.00	34.00	39.00	39.00

Finance Department 2017 Service Objectives

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

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 FY17 Budget is less than the FY16 Budget. The decrease is attributable largely to the implementation of the Cox Communications Data and Voice services contract.

The ITS Department continues with 11 FTE.

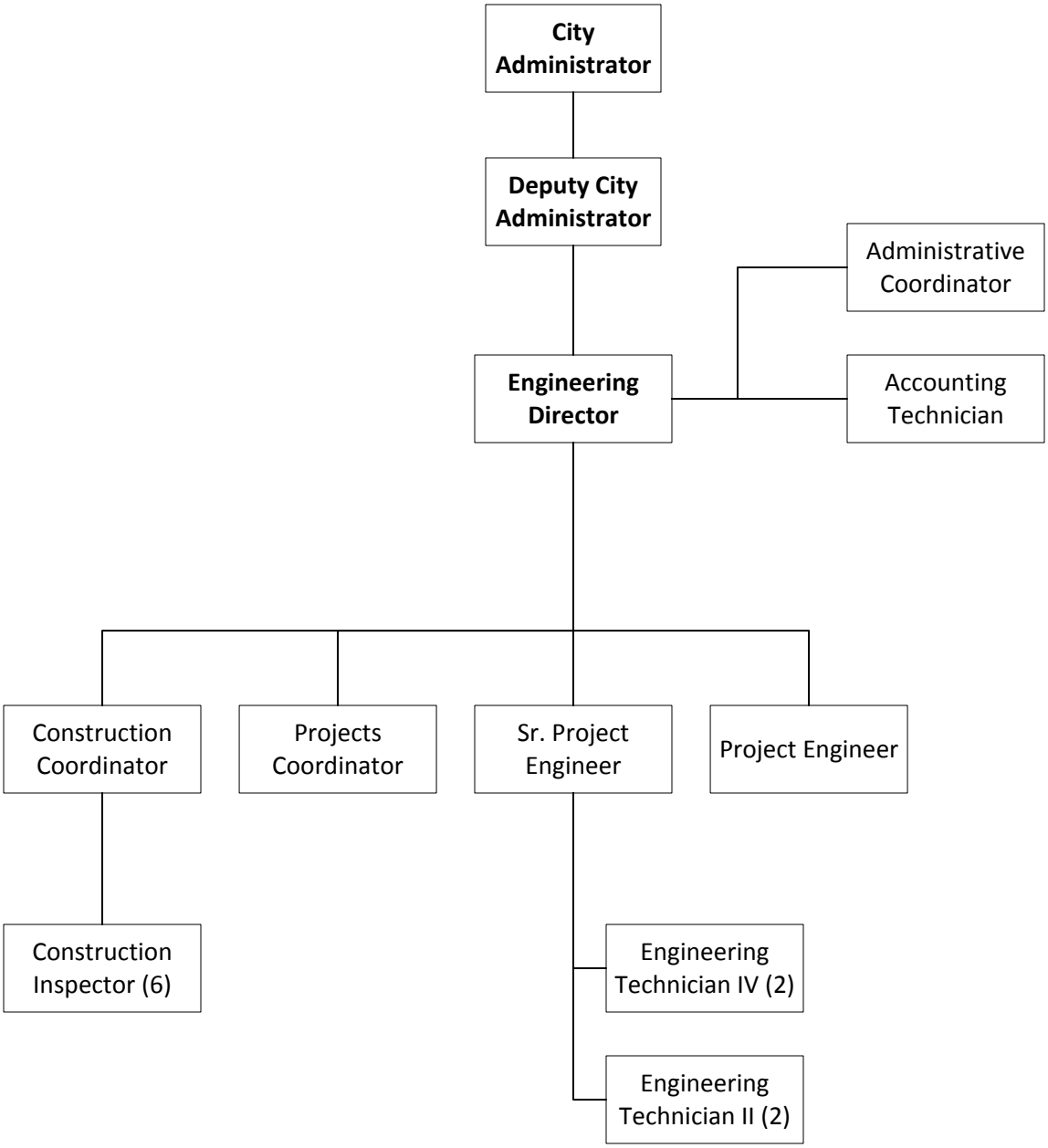
INFORMATION & TECHNOLOGY/GIS	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 781,368	$ 873,190	$ 803,171	$ 881,238	$ 881,238
Operating Expenditures	875,450	889,277	839,145	796,450	796,450
Operating Budget	$ 1,656,818	$ 1,762,467	$ 1,642,316	$ 1,677,688	$ 1,677,688
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 1,656,818	$ 1,762,467	$ 1,642,316	$ 1,677,688	$ 1,677,688
Authorized Positions	9	11	11	11	11

Information & Technology Department 2017 Service Objectives

1. Continue implementation of the Strategic Technology Plan and IT Governance Policy under the direction of the Board of Directors, ITS will continue to audit and evaluate deployment of software, technology and services throughout each department in an effort to ensure the most efficient and beneficial use of technology and to identify potential cost savings.
2. Continue to provide project management leadership for the ongoing ERP project. Selection of an ERP vendor is expected in the fourth quarter of 2016 and procurement of a multi-year implementation contract. Critical to the success of the project will be the conversion of nearly 30 years of legacy data from the existing financial system to the newly selected ERP system, and serve as a principal liaison between the ERP vendor and departments.
3. Work with the Internal Auditor to implement and expand comprehensive asset tracking for technology equipment and perform quarterly and annual audits throughout each City department.
4. Continue to provide timely and effective support of personal computers, related peripherals and communication technology to the Administration and staff of the City of Fort Smith.
5. Continue to develop, implement and load data for the City's Open Data Portal (ODP). When fully implemented, the ODP will leverage information from various city sources, including the ERP, foster transparency and provide direct public access to certain City data.
6. Develop policies, guidelines and electronic communications to promote and expand how the City communicates via social media and other forms of digital media.
7. Provide technical assistance, leadership and, when requested, project management services to those departments wishing to implement new technologies to enhance their business processes.

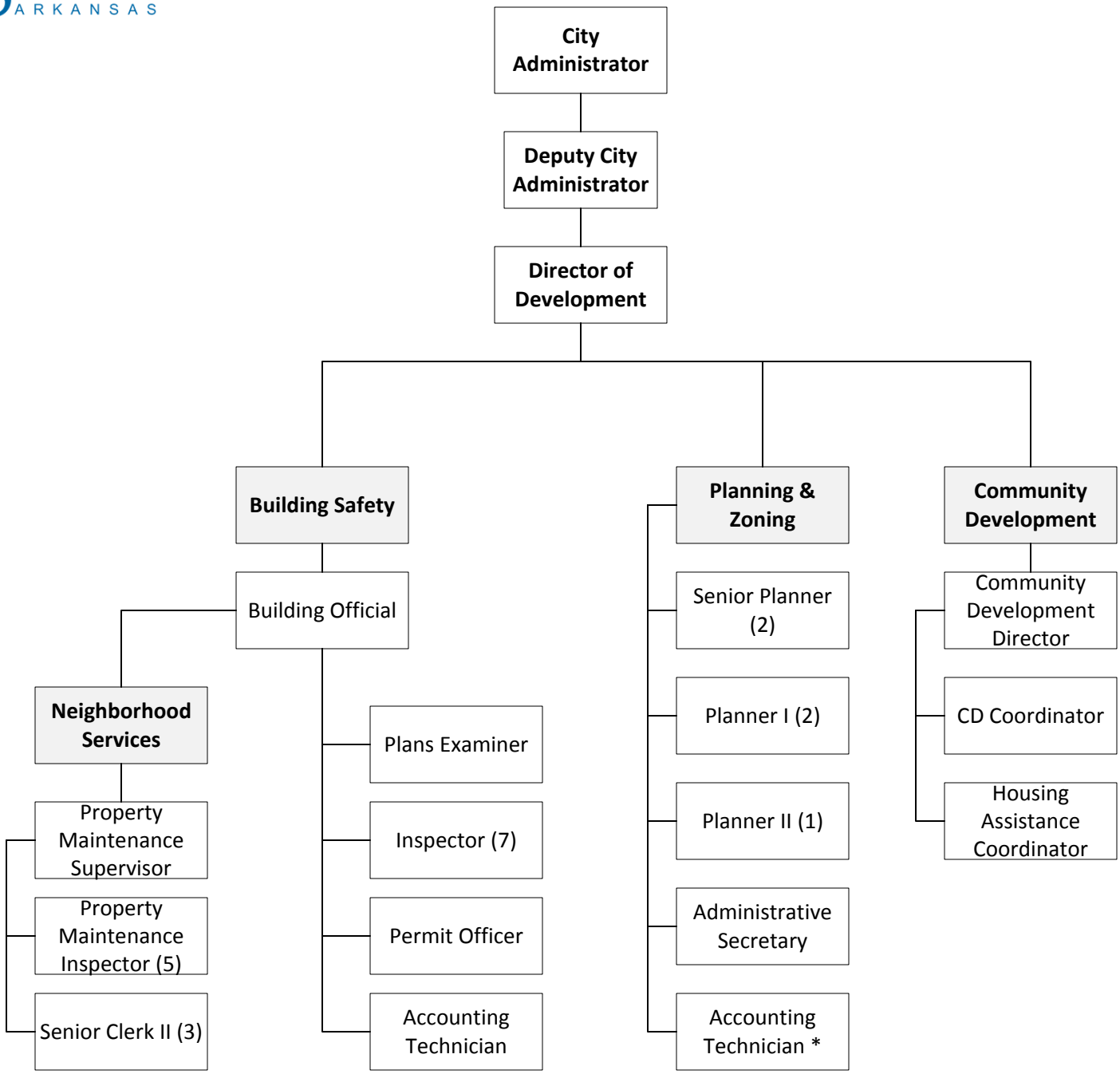
8. Continue to work with the Utilities Department and associated contractors to assist with fulfillment of the Consent Decree. This work includes ensuring availability of cortical network, web and data storage services, providing access to the City's enterprise GIS, developing and maintaining GIS web services for project management, developing web based GIS applications, and providing focused end-user support for technology devices and peripherals.
9. Finalize the Cox Communications Data and Voice services contract.
10. Continue to provide GIS support for the Fort Chaffee Redevelopment Authority (FCRA) and Fort Smith Regional Chamber of Commerce.
11. Expand utilization of cloud-based services for related applications and data. ITS began using the Amazon AWS and ESRI ArcGIS online cloud services for storage of selected databases and apps.
12. Expand the use of GIS analysis to provide greater insight to business processes and delivery of services. GIS staff will assist such departments as Transit, Sanitation, Streets and Fire to study and improve vehicle routing.
13. Continue to expand the wireless network coverage to include more public sites.
14. Continue to convert site links to wireless backhaul technology which will be managed internally. This will allow the City to move away from expensive monthly fees currently being assessed by third party providers.

Development Services



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

Development Services



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

*Note: Accounting Technician is 25% funded through Community Development

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.

The FY17 Budget is less than the FY16 Budget due to no capital purchase requests for FY17. The department has 19FTE for FY17 which has been the same staffing level since 2015.

ENGINEERING	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 1,356,330	$ 1,360,427	$ 1,305,402	$ 1,349,352	$ 1,349,352
Operating Expenditures	51,923	70,800	49,931	69,500	69,500
Operating Budget	$ 1,408,253	$ 1,431,227	$ 1,355,333	$ 1,418,852	$ 1,418,852
Capital Outlay	27,981	97,563	112,083	0	0
Budget Appropriation	$ 1,436,234	$ 1,528,790	$ 1,467,416	$ 1,418,852	$ 1,418,852
Authorized Positions	18.40	19.00	19.00	19.00	19.00

Engineering Department 2017 Service Objectives

1. Support the livability of neighborhoods by constructing street overlays/reconstruction projects, street improvement projects and by alleviating drainage problems, all as identified in the 2017 Capital Improvement Program. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2, NCR-2.6)
2. Implement special projects which evolve during the year.
   (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2, NCR-2.6)
3. Improvement the accountability and performance measurement of our budget by including key performance indicators for the Department as outlined below.
   (Comprehensive Plan: Goal PFS-2, FLU-1.4, TI-5.1, NCR-2.6)

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 to the property maintenance code. The work includes having the properties cleared by supervising contractors that mow and clean the properties.

This Department has 31FTE positions for FY17 that is consistent with FY16.

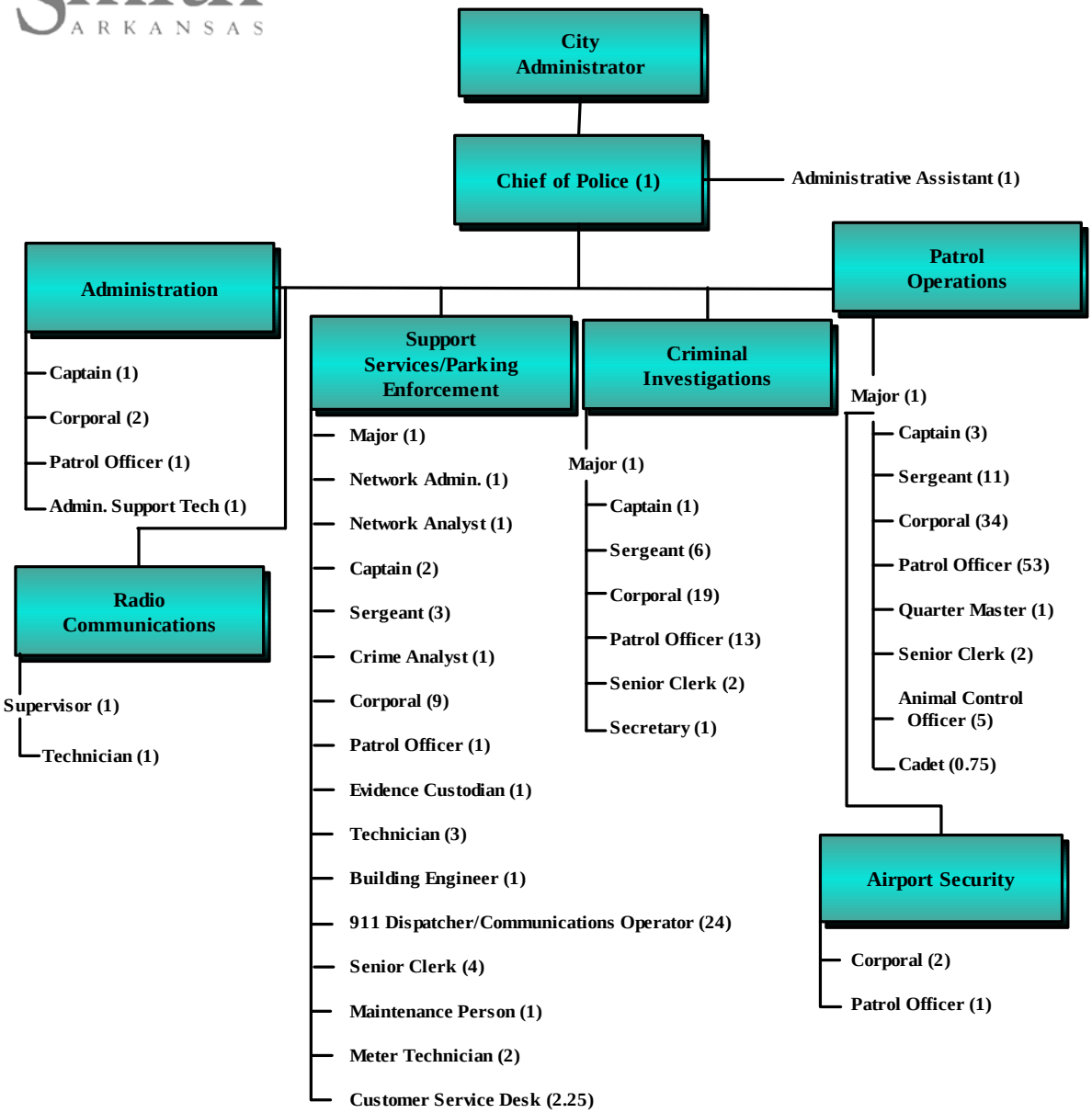
The FY16 Budget is $124,000 more than the FY16 Budget which is attributable to capital purchase requests and additional funding for code development.

DEVELOPMENT DEPARTMENT	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 2,155,259	$ 2,069,424	$ 1,996,083	$ 2,097,879	$ 2,051,039
Operating Expenditures	359,714	379,880	342,591	456,030	451,530
Operating Budget	$ 2,514,973	$ 2,449,304	$ 2,338,674	$ 2,553,909	$ 2,502,569
Capital Outlay	29,500	0	0	18,900	56,700
Budget Appropriation	$ 2,544,473	$ 2,449,304	$ 2,338,674	$ 2,572,809	$ 2,559,269
Authorized Positions	31.00	31.00	31.00	31.00	31.00

Development Department 2017 Service Objectives

1. Continue implementation of the goals identified for the development services department through the Comprehensive Plan update.
2. Continue to review, edit and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, ETJ, planning area, annexation plans and other development maps.
3. Improve the quality of place and life by strengthening customer services and communications with citizens.
4. Continue to monitor department performance via electronic customer service surveys.
5. 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. Staff is implementing the Housing Assistance Program which was CDBG funded at $231,801 for PY16 and HOME funds in the amount of $202,485. Staff anticipates CDBG and HOME program funding will remain consistent for PY17.
6. Collaborate with IT to improve the department's presence online by updating the Development Services website in order to make the experience more user friendly for customers.

Police Services



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

Police Department Overview:

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

The FY17 Budget is $480,000 less than the FY16 Budget. The decrease is attributable to mid-year reductions taken in FY16 and reductions in personnel funding.

One meter position is eliminated in the FY17 budget.

POLICE DEPARTMENT	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 12,625,422	$ 12,624,521	$ 11,698,929	$ 11,998,148	$ 12,038,148
Operating Expenditures	2,875,332	3,008,118	2,522,776	3,156,390	3,156,390
Operating Budget	$ 15,500,754	$ 15,632,639	$ 14,221,705	$ 15,154,538	$ 15,194,538
Capital Outlay	410,051	0	0	0	0
Budget Appropriation	$ 15,910,805	$ 15,632,639	$ 14,221,705	$ 15,154,538	$ 15,194,538
Authorized Positions	221.00	219.00	219.00	218.00	218.00

Police Department 2017 Service Objectives

Administration Division

Coordinate efforts of all Police Divisions to continue implementation of intelligence-led policing within the Department, to include appropriate performance measures.

Coordinate with all divisions in efforts to recruit, train and hire new officers to reduce the significant staffing shortages within the Department currently.

Support Services

Training Unit:

As evidenced by the recent rise of attacks on officers across the country, the need for additional training time on officer safety of critical. By the end of 2017, additional training will have been provided on officer safety topics to all officers. This training will be in addition to reoccurring mandatory training already occurring.

Increasing diversity efforts will continue in 2017. The FSPD recruiter will participate in the ever growing number of organizations and task force groups assembled to address minority hiring within the city in order to further minority hiring efforts.

Continue construction of a smalls arms firing range on the Fort Smith Sanitation property. Provided sufficient finances are available during 2017, the unit will make reasonable efforts to complete the dirt work on the firing range, providing better training opportunities. This will be a multi-year effort and continuing service objective.

Central Records:
Continue to work toward implementing full electronic entry of police records in support of the Criminal Intelligence Analyst as the Department works towards Intelligence Led Policing.

The State has moved to the "E-Crash" electronic accident reporting system for the reporting of vehicle collisions. By the end of first quarter FY17, Support Services will strive to assist the patrol division with department wide training and transition to the "E-Crash" system.

Network Team:
The Network Team will research solutions to offset technology risks due to the much needed replacement of several aged servers. Replacement will ensure compliance with FBI CJIS security policies. Improvement in this area are also required to mitigate the exposure of malware and loss of public safety data..

Communications Center:
The unit will attempt to increase customer service and overall efficiency by ensuring adequate staffing of telecommunicators are on duty at each shift. A review of the existing work schedule will occur to provide insight into proper staffing levels required to attempt to reduce overtime, and identify critical periods and staff for those, or eliminate the current shift overlaps to increase efficiency. Day to day operations within the unit will be streamlined further increasing efficiency and productivity. Quality assurance audits will be work flowed electronically to reduce paper use and increase efficiency.

Criminal Investigations
Increase customer service to the community by restoring a Senior Record Position in Narcotics, enabling citizens to call in complaints regarding drug activity, graffiti, prostitution, gambling and other vice related crimes.
Citizens should be able to speak with a trained individual to take the complaint and route the information to the appropriate personnel as opposed to leaving a complaint on an answering machine. This position will also assist with other department duties to make for a more efficient and safer working environment for our officers.

Patrol Division
The Patrol Division seeks to replace 15 of the older, more heavily worn fleet units. This replacement will improve the reliability of the necessary patrol response units and save additional repair costs associated with aging equipment.

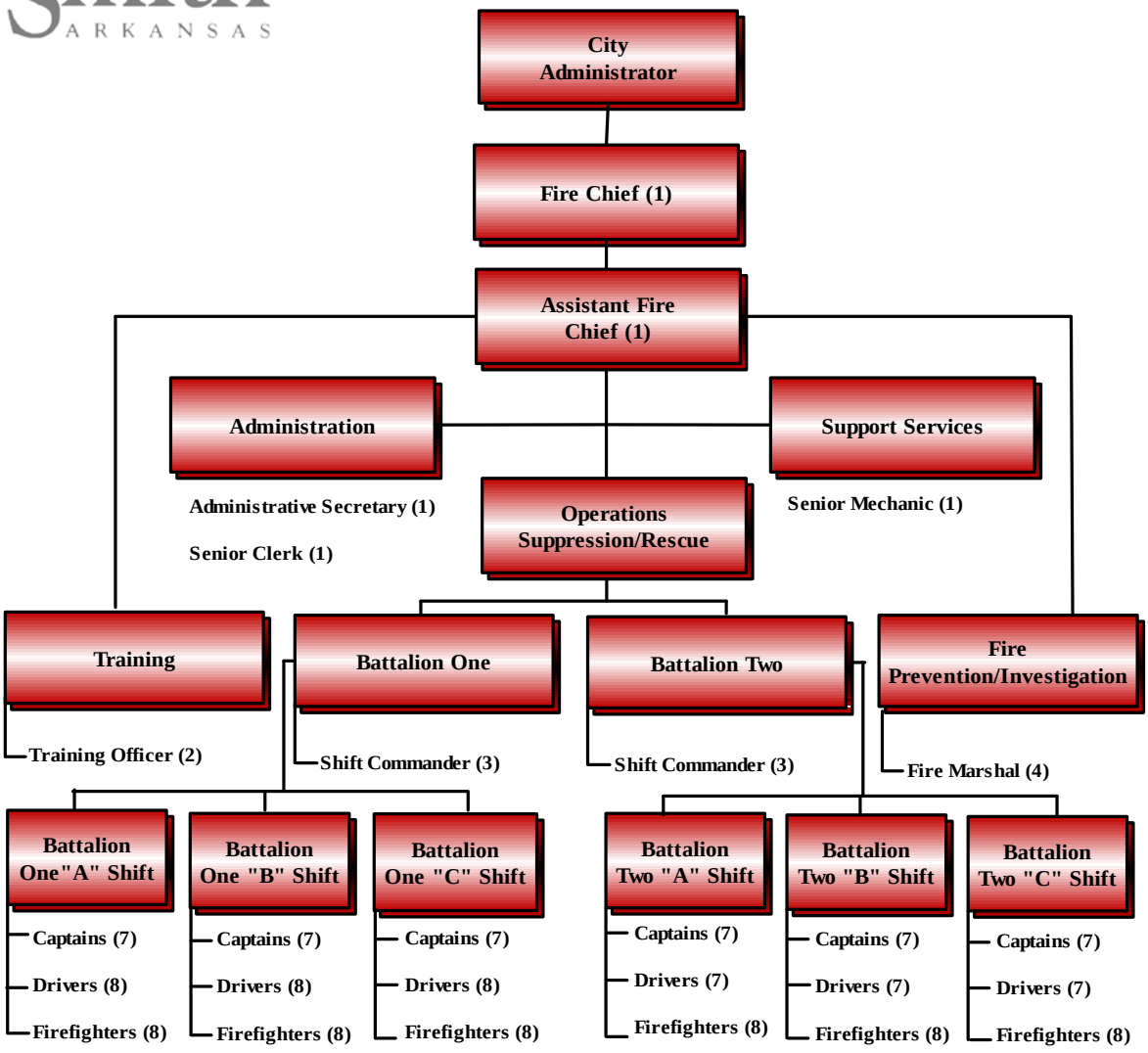
The Division needs to provide training for one K-9 handler as part of the department's commitment to succession planning.

Radio Maintenance

In order to maintain technical expertise in the Radio Communications Division, there is a need to obtain training for the Radio Technician position. This will include online classes as well as instructor led classroom training and will involve travel and lodging.

The State of Arkansas AWIN system is scheduled for a system level upgrade during 2017. Personnel in this unit will collaborate with the Motorola Support Team to implement this upgrade to our system.

Fire Services



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

Fire Department Overview:

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

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

The Fire Department consists of four programs: 4801 Administration, Prevention and Training, 4802 Suppression, 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 is certified through the Arkansas State Fire Academy.

The FY17 Budget is $490,000 less than the FY16 Budget due to reductions in capital.

For purposes of presentation, Program 4803 1/8% Sales Tax was removed from Budget FY17 summary numbers. The total personnel of the Fire Department is 152 FTE for FY17 which is consistent with the FY16 Budget.

FIRE DEPARTMENT	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 9,393,650	$ 9,707,678	$ 9,479,667	$ 9,487,930	$ 9,487,930
Operating Expenditures	1,097,879	1,159,835	1,009,041	1,193,660	1,193,660
Operating Budget	$ 10,491,529	$ 10,867,513	$ 10,488,708	$ 10,681,590	$ 10,681,590
Capital Outlay	365,404	318,000	422,156	11,000	11,000
Budget Appropriation	$ 10,856,933	$ 11,185,513	$ 10,910,864	$ 10,692,590	$ 10,692,590
Authorized Positions	132.00	132.00	132.00	132.00	132.00

Fire Department 2017 Service Objectives

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

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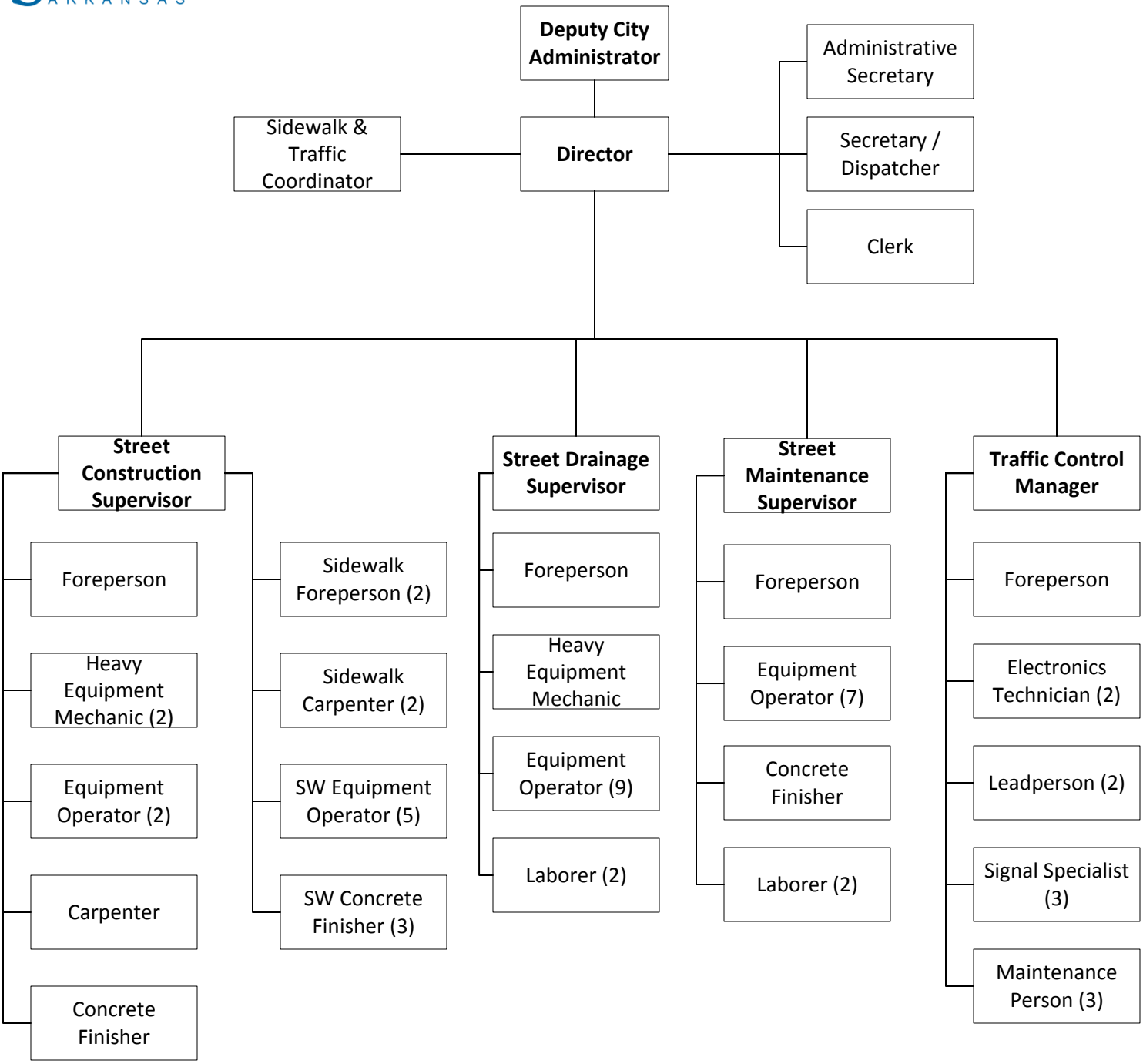
Operation Services
Streets and Traffic Control



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

Streets and Traffic Control Department Overview:

The Streets and Traffic Control Department is made up of 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 2017 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.

Total personnel for the Department in FY17 is 0.25 more than FY16. The FY17 budget is $230,000 less than the FY16 budget, due primarily to a reduction in capital.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 3,621,408	$ 3,514,874	$ 3,230,937	$ 3,498,166	$ 3,498,166
Operating Expenditures	2,781,588	2,679,684	2,559,408	2,625,890	2,625,890
Operating Budget	$ 6,402,996	$ 6,194,558	$ 5,790,345	$ 6,124,056	$ 6,124,056
Capital Outlay	13,182	495,000	536,971	335,000	335,000
Budget Appropriation	$ 6,416,178	$ 6,689,558	$ 6,327,316	$ 6,459,056	$ 6,459,056
Authorized Positions	71.04	71.97	71.94	72.22	72.22

Streets and Traffic Control Department 2017 Service Objectives

1. Continue to respond to citizens' request for service in a timely, effective and efficient manner. (Comprehensive Plan: Goal PFS-1 and 2)
2. Continue to lessen the potential for property damage from flooding by regularly cleaning and clearing debris from ditches and channels, and drainage structures. (Comprehensive Plan: Goal HN-1 and CCD-1)
3. Continue to preserve the appearance of public property by mowing detention ponds, levees and City owned right of way and drainage easements. (Comprehensive Plan: Goal HN-1 and CCD-1)
4. Continue to improve the safety of the traveling public by repairing and upgrading traffic control devices (signals, signs, striping, pedestrian crosswalks, etc.). (Comprehensive Plan: Goal TI-1, TI3)
5. Improve the downtown traffic flow, pedestrian and vehicular, by implementing a coordinated plan for the downtown traffic signals. (Comprehensive Plan: Goal TI-1)
6. Further develop a long range plan for sidewalk repair and continue to implement the year to year plan. (Comprehensive Plan: Goal TI-3)

Operation Services
Water and Sewer

City Administrator
Deputy City Administrator

Director of Utilities

Sewer Treatment
Program Manager
Supervisor (2)
Operators (27)

Utility Administration
Deputy Director Engineering
Deputy Director Business
Deputy Director Operations
Deputy Director Systems
Administrative Coordinator (3)

Water Treatment
Supervisor (2)
Operators (20)

Utility Business & Finance
Bus. Fin. Program Manager
Analyst (7)
Supervisor
Coordinator (2)
Inventory Foreperson
Technician (4)
Maintenance Person (2)
Storekeeper

Water Line Maintenance
Program Manager
Cross Connection Coordinator
Supervisor (3)
Cross Connection Technician
Foreperson
Accounting Technician
Chief Meter Reader
Leadperson (11)
Maintenance Person (12)
Equipment Operator (5)
Meter Reader (8)

Communications / Training
Program Manager
Public Relations Manager
Supervisor
Training & Safety Coordinator
Construction Inspector
Trainer (2)
System Control Operator (7)
Accounting Technician
Senior Clerk II (3)

Engineering & Technology
Program Manager
GIS Manager
Project Engineer (4)
GIS Analyst (2)
GIS Editor (2)
Property Agent
Administrative Coordinator
Technician (5)

Sewer Line Maintenance
Program Manager
Supervisor (2)
Technician (3)
Leadperson (4)
Maintenance Person (12)
Equipment Operator (6)

Sewer Line Construction
Supervisor
Leadperson (3)
Maintenance Person (10)
Equipment Operator (3)

Environmental Quality
Program Manager
Lab Supervisor / Chemist
Env Monitoring Supervisor
FOG Coordinator
Environmental Coordinator
Biologist (2)
FOG Inspector (4)
Technician (7)
Watershed Coordinator
Lab Analyst (2)

Fleet, Building, Station & Environmental Maintenance
Program Manager
Supervisor (2)
Mechanic (17)
Electrician (8)
Acctg Technician
Leadperson
Maintenance Person (5)

Water System Construction
Leadperson (1)
Maintenance Person (2)
Equipment Operator (1)

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

Water and Sewer Department Overview:

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

The FY17 Budget is $2 Million more than the FY16 Budget. The increase in attributable to capital requests in FY17.

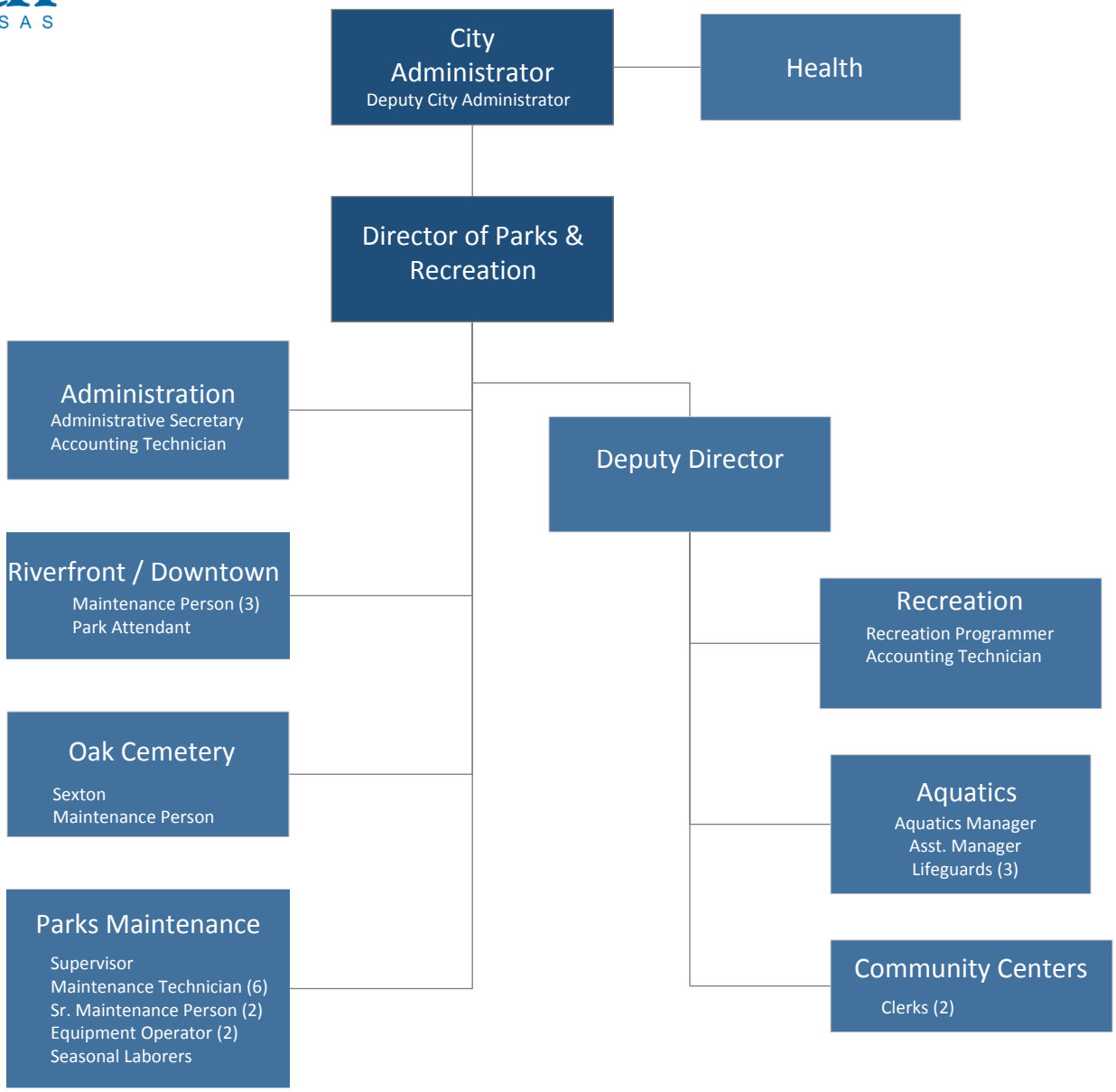
Total positions for the Department are 270FTE for FY17, an increase of 9FTE over FY16. The increase is attributable to Ordinance 35-15 providing additional staffing associated with the Consent Decree.

WATER AND SEWER OPERATING FUND	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenses	$ 11,145,690	$ 14,160,476	$ 10,276,157	$ 13,684,018	$ 13,684,018
Operating Expenses	22,107,200	28,059,419	25,092,263	28,766,593	28,766,593
Operating Budget	$ 33,252,890	$ 42,219,895	$ 35,368,420	$ 42,450,611	$ 42,450,611
Capital Outlay	1,671,166	339,072	313,595	2,168,460	2,187,860
Budget Appropriation	$ 34,924,056	$ 42,558,967	$ 35,682,015	$ 44,619,071	$ 44,638,471
Authorized Positions	223.19	261.50	263.50	270.50	270.50

Water and Sewer Department 2017 Service Objectives

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

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 311 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 and Elm Grove Community Center which provide affordable event locations for citizens. The Department oversees an Olympic-size swimming pool, two splash pads, and three wading pools. In addition the Department manages the River Park trail and facilities, Garrison Avenue Streetscape, and Downtown parking areas.

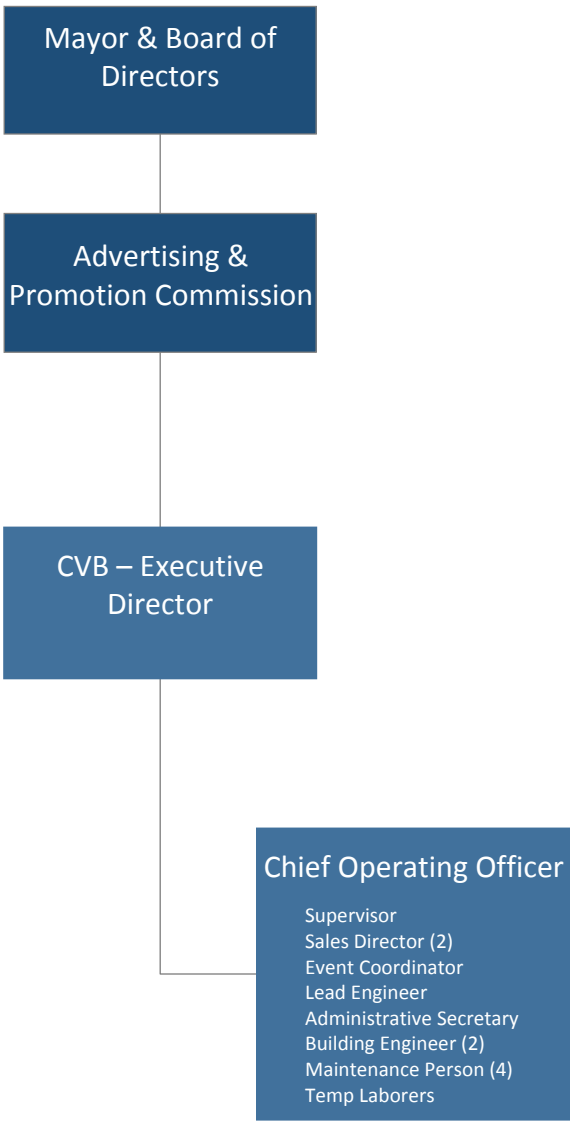
The FY17 Budget is $134,000 less than the FY16 budget and the total positions for the Department is consistent with staffing levels for FY16. For purposes of presentation, Program 6208 1/8% Sales Tax was removed from Budget FY17 summary numbers.

PARKS & RECREATION	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 1,535,397	$ 1,424,321	$ 1,267,791	$ 1,444,000	$ 1,444,000
Operating Expenditures	844,208	886,182	689,740	786,780	786,780
Operating Budget	$ 2,379,605	$ 2,310,503	$ 1,957,531	$ 2,230,780	$ 2,230,780
Capital Outlay	130,922	54,000	0	0	0
Budget Appropriation	$ 2,510,527	$ 2,364,503	$ 1,957,531	$ 2,230,780	$ 2,230,780
Authorized Positions	39.10	35.35	35.35	34.85	34.85

Parks and Recreation Department 2017 Service Objectives

1. Expand the role of parks by developing a healthy living campaign to commence mid-year 2018. (City-Wide Goal 1; Comprehensive Plan: Goal NCR-1)
2. Continue to meet the goals of the Capital Improvement Plan through dedicated funding of the 1/4% sales and use tax. (City-Wide Goal 2; Comprehensive Plan: NCR-1)
3. Promote riverfront development by constructing a soccer complex on the Riverfront Drive property. (City-Wide Goal 4; Comprehensive Plan: FLU-2.3)
4. Continue to develop a continuous and connective trail system throughout the community. (Comprehensive Plan: FLU-3.2.3)
5. Maintain open communication between the City, CBID, Parks Commission and citizens through participation in public programs. (Comprehensive Plan: PFS-2.2)

Operation Services
Convention Center



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

Convention Center Overview:

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

The FY17 Budget is $285,000 less than the FY16 Budget. The decrease is due to a reduction in capital requests. The City General Fund will provide a transfer of $777,000 to the Convention Center in FY17 as it did in FY16.

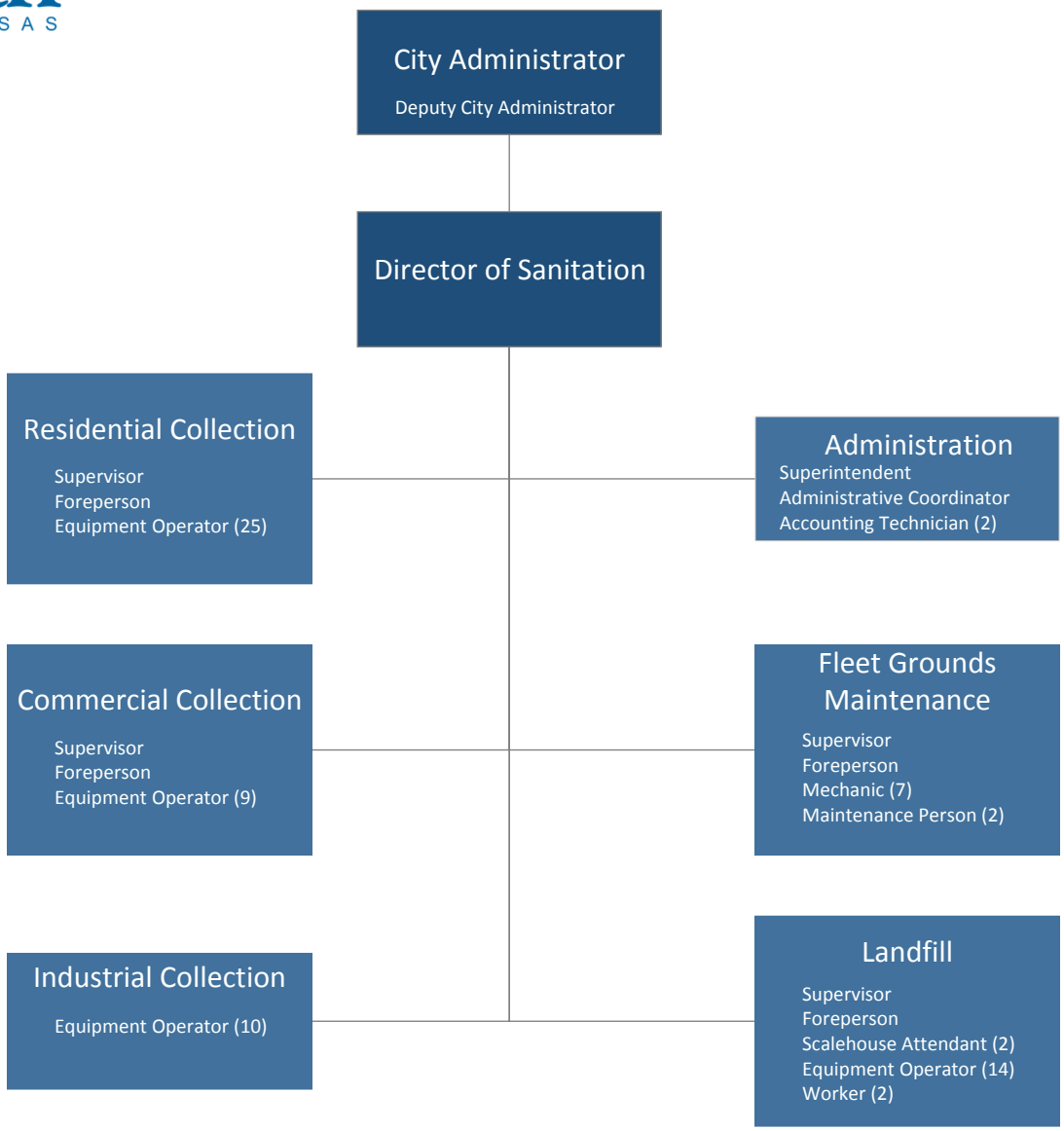
The Convention Center has 13.50FTE positions for FY17 which is consistent with FY16.

CONVENTION CENTER	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 824,433	$ 810,019	$ 752,487	$ 800,800	$ 800,800
Operating Expenditures	589,138	655,650	456,601	634,580	634,580
Operating Budget	$ 1,413,571	$ 1,465,669	$ 1,209,088	$ 1,435,380	$ 1,435,380
Capital Outlay	33,919	287,000	30,392	32,500	32,500
Budget Appropriation	$ 1,447,490	$ 1,752,669	$ 1,239,480	$ 1,467,880	$ 1,467,880
Authorized Positions	13.50	13.50	13.50	13.50	13.50

Convention Center 2017 Service Objectives

1. Attract new clients and retain the current client base by emphasizing excellent customer service. The Center team will continually seek opportunities to ensure that our customers receive the best value and service for their money.
2. Next to customer service, operational efficiencies will be a top priority for every member of the staff. Each team member will establish on-going programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.
3. Continue to capitalize on the working relationship with the Convention and Visitors Bureau with regard to integrated marketing. The partnership allows the Center to be better poised to achieve brand recognition, credibility and greater market share. We will emphasize this new partnership in our marketing strategies to maximize our customers understanding of the benefits and opportunities this partnership creates.
4. The Center will create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. A thriving Convention Center increases business for the local hospitality, service and restaurant sectors capturing revenue that would not be there otherwise.
5. The Convention Center will maximize revenue to allow for future growth by controlling costs, adding additional services, increasing utilization and creating a price schedule that properly reflects market and economic realities to maximize bookings and regain customers who might have chosen an alternative venue based on affordability.
6. Continue administering the client survey "report card" program designed to gather feedback about service levels and quality of facilities from our clients. Achieve minimally a 25% client response rate, garnering a completed report card from approximately 25% of our events. Maintain an overall score showing that the center meets or exceeds expectations 95% of the time in all areas of sales and planning process and operations areas.
7. In conjunction with the CVB staff, center staff will populate the Event Impact Calculator with appropriate event details within three months following the event's conclusion. This objective will ensure the CVB goal of producing/publishing measureable local/regional economic impact data in a timely fashion.

Operation Services
Sanitation



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

Sanitation Department Overview:

The Sanitation Department is comprised of six programs: 6301 Administration, 6302 Residential Collection, 6303 Commercial Collection, 6304 Fleet Maintenance, 6305 Sanitary Landfill and 6307 Industrial Collection. 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 FY17 Budget is $378,000 more than the FY16 Amended Budget. The increase is attributable to increases to operating requests and the cost for a rate study.

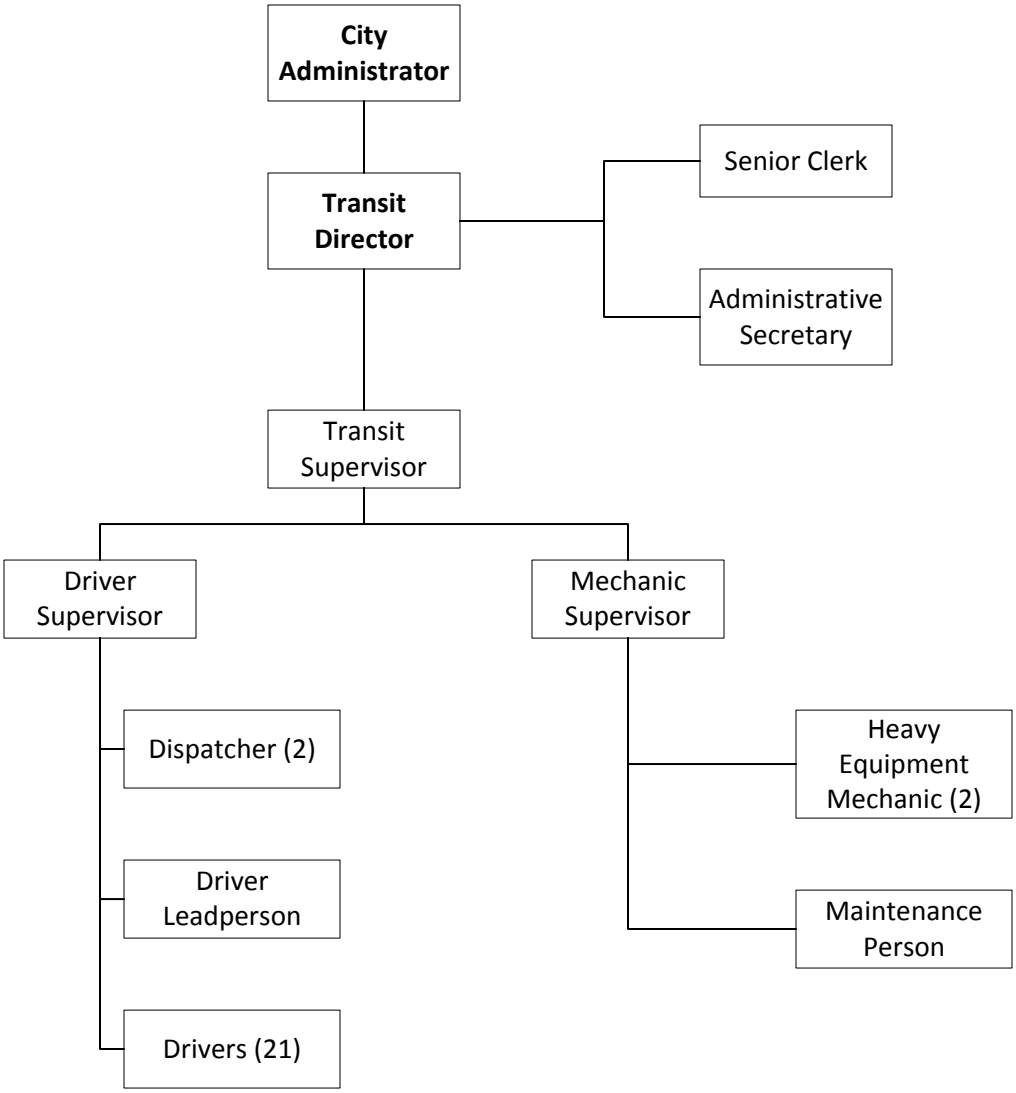
The Sanitation Department has 86FTE positions for FY17 which is consistent with FY16.

SANITATION DEPARTMENT	ACTUAL FY 15	AMENDED FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenses	$ 4,626,010	$ 4,555,361	$ 3,936,182	$ 4,351,612	$ 4,351,612
Operating Expenses	3,918,144	3,527,990	3,436,355	5,069,525	5,089,525
Operating Budget	$ 8,544,154	$ 8,083,351	$ 7,372,537	$ 9,421,137	$ 9,441,137
Capital Outlay	844,052	1,495,664	194,798	536,200	529,800
Budget Appropriation	$ 9,388,206	$ 9,579,015	$ 7,567,335	$ 9,957,337	$ 9,970,937
Authorized Positions	78.50	85.00	88.00	86.00	86.00

Sanitation Department 2017 Service Objectives

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

Transit Department



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

Transit Department Overview:

The Transit Department, Program 6550, is responsible for the operation of the City's bus system to provide transportation for its citizens. The Department currently operates 18 buses on fixed routes and by demand response.

The FY17 Budget is $756,000 more than the FY16 Budget. The increase is attributable to additional capital requests funded primarily through federal grants.

The total personnel in the Department is allocated at 33FTE for FY17 that is consistent with FY16.

TRANSIT DEPARTMENT	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 1,727,744	$ 1,638,037	$ 1,548,818	$ 1,663,110	$ 1,663,110
Operating Expenditures	421,583	502,100	492,317	546,660	546,660
Operating Budget	$ 2,149,327	$ 2,140,137	$ 2,041,135	$ 2,209,770	$ 2,209,770
Capital Outlay	184,313	500,250	185,000	1,186,880	1,186,880
Budget Appropriation	$ 2,333,640	$ 2,640,387	$ 2,226,135	$ 3,396,650	$ 3,396,650
Authorized Positions	33.00	33.00	34.00	33.00	33.00

Transit Department 2017 Service Objectives

1. Convert two new replacement buses to bi-fuel (unleaded and CNG) bringing the department's operating fleet to 100% CNG capable, excluding the downtown trolley and 50% of the departments backup buses will be bi-fuel as well. (Comprehensive Plan: Goal NCR-2.3.1)
2. Work with the Transit Advisory Commission and Fort Smith Bus Coalition to increase awareness about public transportation benefits. (Comprehensive Plan: Goals TI-4.1 and TI-4.2)
3. Enhance passenger amenities by providing bus stop shelters along fixed route corridors. (Comprehensive Plan: Goals PFS-4.2 and TI-4.2)
4. Improve the accountability and performance measurement of our budget by including key performance indicators for the Department. (Comprehensive Plan: Goal PFS-2)

Non-Departmental

NON-DEPARTMENTAL	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenditures	6,244,393	3,607,093	3,566,259	3,464,401	3,489,801
Operating Budget	$ 6,244,393	$ 3,607,093	$ 3,566,259	$ 3,464,401	$ 3,489,801
Capital Outlay	1,570,478	1,315,689	1,329,053	1,562,242	1,562,242
Budget Appropriation	$ 7,814,871	$ 4,922,782	$ 4,895,312	$ 5,026,643	$ 5,052,043
Authorized Positions	0.00	0.00	0.00	0.00	0.00

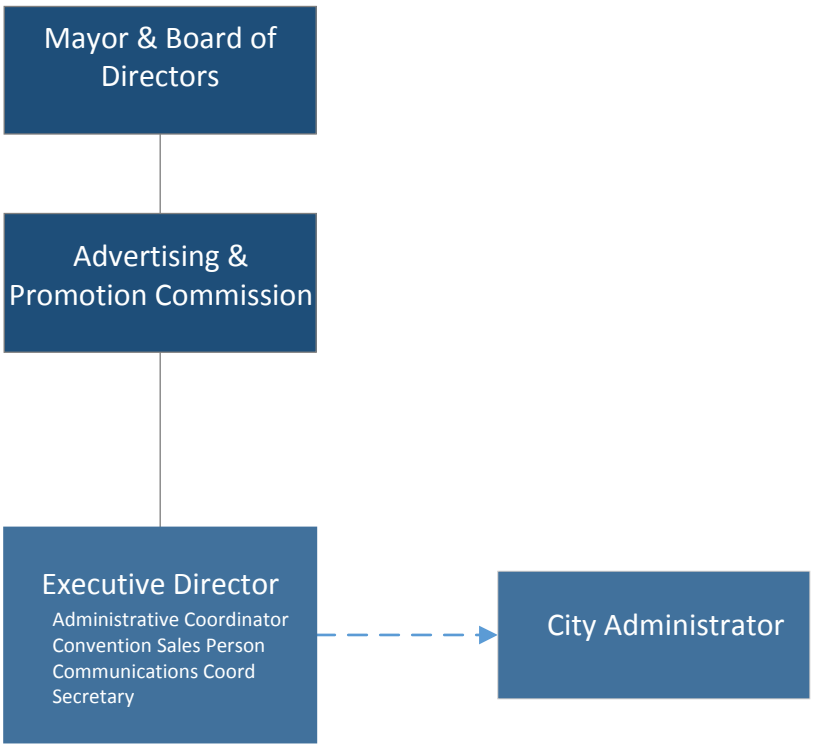
The Non-Departmental budget contains funds for a variety of activities and programs which are not related to any one of the traditional departmental programs.

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	FY17	
Allocation to LOPFI Fund	150,000	
Fort Smith Museum of History - Utilities	20,000	
SRCA, Inc. Social Services	175,000	
State Drug Asset Forfeiture Account	27,000	
Good Neighbors Day Housing	1,000	
Transfer to Cleanup/Demolition	90,000	
Transfer to Convention Center Fund	777,000	
Property Insurance Deductible	5,000	
Fort Chaffee Redevelopment Authority	103,121	
Western Arkansas Regional Intermodal Authority (RITA)	40,000	
Fort Smith Public Library-6% County Sales Tax Allocation	950,000	
Area Agency on Aging	50,000	
Project Compassion	7,500	
Sub-Total		2,395,621
STREET MAINTENANCE FUND		
50/50 Sidewalk Repair Program	$ 2,500	
DRIPP	3,000	
Transfer to General Fund	91,000	
Sinking Account	478,225	
Sub-Total		574,725
WATER AND SEWER OPERATING FUND		
James Fork Association-Annual Payment Per Agreement	120,280	
Transfer to General Fund	91,000	
Sub-Total		211,280
SANITATION OPERATING FUND		
Transfer to Sanitation Sinking Fund for Equipment Replacement	1,084,017	
Transfer to Sanitation Sinking Fund for Closure/Postclosure Care Costs	200,000	
Transfer to Cleanup/Demolition Fund	470,000	
Transfer to General Fund	91,000	
Sub-Total		1,845,017
GRAND TOTAL		$ 5,026,643

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 FY17 Budget is $4,000 more than the FY16 Budget. The FY17 positions for the Department is 5.0FTE.

CONVENTION & VISITORS BUREAU	ACTUAL FY 15	BUDGET FY 16	ESTIMATED FY 16	BUDGET FY 17	BUDGET FY 18
Personnel Expenditures	$ 356,271	$ 347,593	$ 328,465	$ 356,598	$ 356,598
Operating Expenditures	426,593	458,654	430,366	471,780	471,780
Operating Budget	$ 782,864	$ 806,247	$ 758,831	$ 828,378	$ 828,378
Capital Outlay	6,814	17,500	17,500	0	0
Budget Appropriation	$ 789,678	$ 823,747	$ 776,331	$ 828,378	$ 828,378
Authorized Positions	5.00	5.00	5.00	5.00	5.00

Convention and Visitors Bureau 2017 Service Objectives

1. Continue to maximize transient guest tax receipts through aggressively marketing the Fort Smith area's hospitality facilities and attractions to convention/event, corporate and leisure travel markets.
2. Continue to develop and maintain a database of planners in the convention and corporate markets whose business will positively impact the Fort Smith area economy and enhance the quality of life for area citizens. (Comprehensive Plan: ED-4)
3. Continue to build on cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality industry.
4. Ensure a positive guest experience by connecting the guest with quality products or services provided by our Fort Smith area business partners. (Comprehensive Plan FLU-3.4)
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. (Comprehensive Plan FLU-2)
6. Take an active role in "destination development" efforts to add tourist attractions to the Fort Smith area. Continue to take a leading role in development of the United States Marshals Service National Museum and National Learning Center. Stay abreast of museum developments in order to update customers as to status with much more confidence. Continue planning to adjust our marketing efforts to feature all above referenced features as primary attractions in the region as they develop, relying on our "History" brand whenever appropriate.
7. Ongoing refinement of the communications program to maximize Fort Smith's exposure to all target audiences through standard marketing practices both in print and on the worldwide web.
8. Continue to grow our presence in all versions of internet social media vehicles.
9. Place top priority on responding to the economic conditions in the local market by adjusting marketing plans based on funding. Grow the reserve A&P fund account as much as possible.
10. Continue to take an active role as much as possible in guaranteeing the continued availability of quality meeting and exhibit space and service at the Fort Smith Convention Center and the Kay Rodgers Park Expo Facility, Temple Live and any other quality function space that may be developed.
11. Place increased emphasis on rebooking successful events, particularly those that comprise a two state region of attendees of Arkansas and Oklahoma memberships, taking 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 pursue educational travel groups in anticipation of the US Marshals Service National Museum and National Learning Center.

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CAPITAL IMPROVEMENT PROGRAM

This section includes highlights of the City's FY17 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 FY17. 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

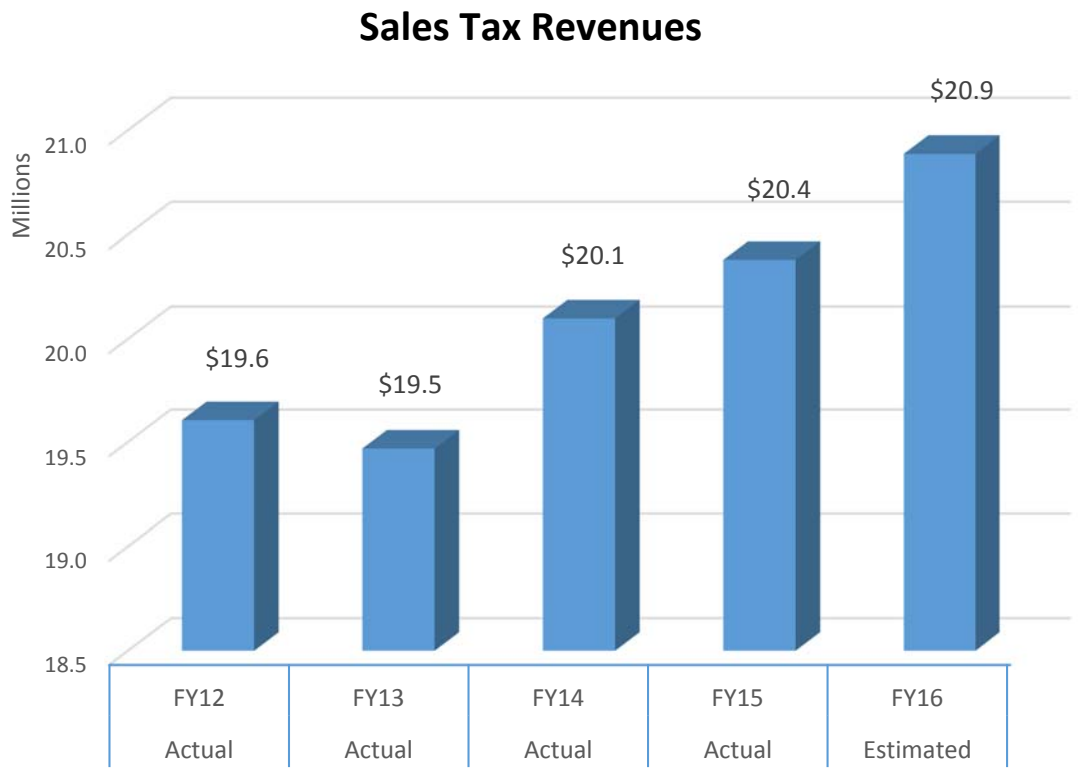
The City's major capital improvements are provided by the Sales Tax Fund, the Water and Sewer Capital Improvement Projects Fund, the Sales and Use Tax Bond Construction Fund, the Sanitation Sinking/Landfill Construction Fund, the Tilles Park Fund and the Parking Authority Fund. The current year projects 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 October 4, 2016. The FY17 CIP for the sales tax street program was included in the approval document Resolution No. R-145-16.

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.



The estimated sales tax revenue for 2017 is $20.9 million which represents no change from the estimated 2016 sales tax revenue. Interest earnings and other revenue for 2017 are estimated at $2.3 million and the beginning fund balance is estimated to be $29.3 million. Therefore, total resources available for 2017 are $52.5 million. Of this amount, $8.9 million is estimated as the ending fund balance at December 31, 2017 which represents funds available for contingency and for future years' projects. Total project funds available are $43.6 million and will be used for the 2017 program allocated as follows:

FY17 Program:		(in millions)
Neighborhood Overlays and Reconstruction	$	4.8
Neighborhood Drainage Improvements		10.0
Intersection Signal Improvements		0.6
Multi-Year and/or Major Projects		24.9
Special Projects		0.6
Administrative Costs		2.4
Overlays by Street Department		0.3
	$	43.6

The 2017 neighborhood overlays and reconstruction projects are as follows:

Street	From	To	Length (linear feet)		Cost
Grand Ave.	59th Ter.	580' East of I-540	1125	$	626,946
High St.	50th St.	51st St.	320		54,400
South U St.	State Line Rd.	7th St.	1197		237,405
Fresno St.	70th St.	End of Road	100		25,500
Roberts Blvd.	Chad Colley Blvd.	I-49 Right of Way	2151		690,710
Moody Rd.	Massard Rd.	92nd St.	3100		644,111
Jenny Lind Rd.	Savannah St.	530' North of Phoenix Ave.	1245		429,463
Jenny Lind Rd.	Houston St.	Dallas St.	1784		792,540
Old Greenwood Rd.	Cliff Dr.	Country Club Ave.	4494		2,291,940
Jenny Lind Rd.	Market Trace	Harvard Ave.	1490		562,889
Jackson St.	Towson Ave.	Jenny Lind Rd.	2634		497,533
46th St.	Rogers Ave.	Free Ferry Rd.	2382		539,920
56th St.	South X St.	Rogers Ave.	1062		180,540
Texas Rd.	Cavanaugh Rd.	North Hillside Dr.	2490		540,883
	Total 2017 Street Overlay/Reconstruction Program			$	8,114,780
	Projects to be included in 2018				(7,114,780)
	Balance of 2016 Projects Currently Under Construction				3,840,733
	Total 2017 Street Overlay/Reconstruction Program			$	4,840,733

The 2017 neighborhood drainage improvements total $800,000. In addition, there is $9.2 million of prior year projects to be completed during FY17. The FY17 project is identified as follows:

Martin Avenue, Hillside - $800,000
This project will be to purchase properties of repetitive flooding along Hillside Road and Martin Circle.

Multi-year and major projects FY16 are described as follows:

May Branch Drainage Project -

This project is for the purpose of reducing flooding along May Branch from the Arkansas River to Park Avenue. It consists of the construction of a drainage channel to replace the existing deteriorated and hydraulically inadequate concrete pipe. The project is being designed by the Corps of Engineers (COE). The City continues to lobby for federal funding to assist with the project as the total cost exceeds $30 million. The most downstream section of the project (from approximately North 7th Street to the river) is being funded entirely with City funds with an agreement that the City's costs would be credited towards the future cost sharing on the project when federal funds become available. However, the COE has advised that their revised estimated cost for this lower reach is over $32 million and it is very unlikely the City would receive any federal credit as the cost to benefit ratio is not greater than one. The COE also notes that extrapolating this lower reach cost estimate to the total project cost results in a total revised estimated cost of $65 million which is more than double the $30.85 million authorized for the project. For 2017, we are proposing to revisit the COE design to look for possible cost reductions and also to review alternative methods to reduce the flooding including potential stormwater detention ponds and/or purchasing repetitive properties.

FCRA Development -

The $500,000 budgeted annually for 2017-2021 will be utilized for public street and/or drainage work identified in association with the FCRA for economic development. This amount has been reduced as requested by the CIP committee.

North B Street Truck Route -

This project is the modification of North B Street from 5th Street west to Riverfront Drive to accommodate two way truck traffic. This is in lieu of the current one way split that exists along this section of North A and B Streets. This project is based on the concept of closing a section of North A Street and Belle Point Place to add more green space. The project includes radius improvements at North 5th and B Streets, upgrading of the crossings on North B Street and reconstruction/resurfacing of the remaining sections of North A Street which are being removed from the truck route. Prior year funding totals $97,000. The FY17 allocation is $1 million and $700,000 allocated for FY18. This project is currently on hold pending a completion of a study of the Garrison/Riverfront area to ensure adequate access for various modes of transportation are accommodated throughout downtown.

Spradling Avenue Extension at Riverfront Drive -

This project includes the new construction of Spradling Avenue eastward from Riverfront Drive approximately 1,700 feet. This street will serve the proposed sports fields on the city's 51 acre tract. Plans are complete and the street construction is being scheduled to coincide with the construction of the sports fields in FY17. Prior year funding has totaled $71,000. The FY17 allocation is $1.3 million.

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 approximately 50% complete. At the direction of the CIP committee, the construction of the project has been pushed out to begin in 2021. The design will be completed in 2018, with ROW acquisition and utility relocation following in 2019 and 2020. Prior year funding totals $458,000. The FY17 allocation is $200,000. Future funding allocations include $178,995 in FY18, $400,000 in FY19, $600,000 in FY20 and $5 million in FY21.

Geren Road Reconstruction -
This project is for the reconstruction and widening of Geren Road between Highway 45 and 58th Street. Final engineering is underway and appraisals for the right of way acquisition are ongoing. This project has significant utility adjustments which include a major electric transmission lines along the south, a high pressure gas line along the north side and fiber optic lines throughout the corridor. Relocation of the franchise utilities is expected to begin later this year pending acquisition of the necessary easements. Road construction is scheduled to begin in 2017 and extend into 2018. The FY17 allocation is $2.5 million with $3 million allocated for FY18.

Jenny Lind Road - Zero to Cavanaugh -
This project includes improvement to Jenny Lind Road between Zero and Cavanaugh Road. It also includes improvements to Ingersoll Avenue from U.S. Highway 271 to Jenny Lind and the extension of Ingersoll Avenue from Jenny Lind to U.S. Highway 71B. This project is under construction with a scheduled completion in Spring 2018.

Zero Street Widening -
This project is for the widening and realignment of Zero Street (Hwy 255) from just west of Massard Road to its new alignment with Frontier Road. The project is being cost shared with the Arkansas Highway and Transportation Department, City of Barling, Fort Chaffee Redevelopment and the City of Fort Smith. Construction is expected to begin in 2020.

Highway 45 Widening-Zero Street to Highway 71 -
This project is the widening of Highway 45 south of Zero Street and extending to Highway 71. The project is proposed to be cost shared with the Arkansas Highway and Transportation Department contributing $10 million and a local match of $5 million. The $5 million local match is proposed to be split 80:20 with Sebastian County. The City's share will be $4 million. Construction is expected to begin in 2020.

Intersection Signal Improvements total $580,000 for FY17. These improvements include the replacement of following five intersections; Wheeler Avenue and South Y, Wheeler Avenue and South Zero, South Zero and Highway 271, Midland and North 50th Street and Dodson Avenue and Lexington Avenue. The estimated cost for this work is $940,000 of which $580,000 is estimated for FY17 and $360,000 in FY18.

Special projects are various street related improvements and studies and include the following for FY16:

Traffic Studies	$	25,000
Railroad Crossing Panels		280,000
Contingency		280,000
	$	585,000

Administrative- costs for in-house engineering services and administration services total $2,360,000.

Overlays provided by the Street Maintenance department will total $300,000 for 2017.

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	2013	2014	2015	2016
January	$ 1,928,749	$ 1,885,800	$ 2,023,594	$ 2,077,772
February	1,497,408	1,456,416	1,578,720	1,563,949
March	1,614,568	1,634,580	1,634,517	1,810,472
April	1,646,650	1,702,331	1,852,298	1,720,140
May	1,583,826	1,502,359	1,677,557	1,577,485
June	1,608,546	1,845,608	1,744,672	1,752,139
July	1,614,459	1,634,754	1,810,264	1,891,283
August	1,641,118	1,653,311	1,691,177	1,854,668
September	1,622,236	1,727,997	1,703,731	1,720,017
October	1,605,482	1,681,925	1,227,122	1,772,029
November	1,510,304	1,711,041	1,715,825	1,681,413
December	1,595,627	1,662,892	1,720,676	1,735,242
Totals	$ 19,468,975	$ 20,099,014	$ 20,380,153	$ 21,156,609
Y-T-D % Change	-0.7%	3.2%	1.4%	3.8%

The following schedule reflects the proposed current year projects for the sales tax program for the years 2017 through 2021 (in millions):

Improvements	2017	2018	2019	2020	2021
Neighborhood Overlays and Reconstruction	$ 4.8	$ 8.1	$ 8.5	$ 8.5	$ 8.5
Neighborhood Drainage Improvements	10.0	3.6	2.0	2.0	2.0
North B Truck Route	1.0	0.7	-	-	-
Intersection and Signal Improvements	0.6	0.4	0.4	0.4	0.4
Spradling Extension at Riverfront Drive	1.3	-	-	-	-
Kelley Highway Extension to Riverfront Drive	0.2	0.2	0.4	0.6	5.0
Jenny Lind - Zero to Cavanaugh	17.7	4.0	0.0	-	-
Geren Road Construction	2.5	3.0	-	-	-
Zero Street (Highway 255)	0.8	-	-	4.0	-
May Branch Drainage	0.2	0.8	4.0	4.0	4.0
FCRA Development	0.5	0.5	0.5	0.5	0.5
Highway 245 Widening South of Zero	0.7	-	-	3.3	0.0
Railroad Crossing Panels	0.3	0.2	0.2	0.2	0.2
Overlays by Street Department	0.3	0.3	0.3	0.3	0.3
Engineering & Other Departments	2.4	2.4	2.4	2.4	2.5
Contingency	0.3	0.2	0.2	0.2	0.2
Total	$ 43.6	$ 24.4	$ 18.9	$ 26.4	$ 23.5

Impact on 2017 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 $2.4 million in FY17. The program also reimburses the Street Maintenance Fund approximately $280,000 for its assistance for various project. For FY17, $25,000 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 2017 through 2021 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:

Water Projects	**2017**	**2018**	**2019**	**2020**	**2021**
Lake Fort Smith 48" Transmission Line Ph. 2	1,500,000	12,500,000	12,500,000	-	-
Lake Fort Smith 48" Transmission Line Ph. 3	-	-	1,925,000	1,925,000	12,833,000
Vehicle and Equipment Maintenance	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Distribution System Repair/Rehabilitation/ Replacement/ Improvement	2,000,000	2,000,000	2,000,000	9,462,000	9,462,000
Watershed Property Acquisition Lake Fort Smith	650,000	650,000	650,000	650,000	650,000
North M Street to Towson & South I 24" Transmission Line Extension	468,000	3,129,800	3,130,000	-	-
Watershed Stream Bank Stabilization	75,000	300,000	260,000	50,000	50,000
North N Street 24" Transmission Line Repl.	216,000	2,889,000	-	-	-
Program 5627 Water System Construction	340,700	357,300	375,000	394,000	414,000
Annual Water Plant and Supply Improvements	250,000	250,000	250,000	250,000	250,000
Tennessee Road 12" Water Line	-	245,200	1,640,000	1,640,000	-
Jack Freeze Standpipe and Brooken Hill Waterline	130,800	2,324,700	1,725,000	-	-
Howard Hill Ground Storage Reservoir & Transmission Line Extension	-	-	800,000	5,350,000	5,350,000
Chaffee Crossing 18" Transmission Line Relocation	-	-	140,000	1,860,000	-
North 6th Street 12 " Water Line Replacement	750,000	-	-	-	-
Downtown Pressure Reducing Valves	-	-	200,000	2,000,000	-
Total Water Projects	$ 7,880,500	$ 26,146,000	$ 27,095,000	$ 25,081,000	$ 30,509,000
Wastewater Projects					
Equipment Maintenance	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Facility Construction and Rehabilitation	1,000,000	-	-	5,000,000	-
Basin 12 Collection System Defect	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Sub-Basin P004 Capacity Improvements	-	-	-	-	200,000
Annual Sewer Plant Improvements	250,000	250,000	250,000	250,000	250,000
Vicksburg Interceptor Defect Remediation	1,000,000	2,000,000	-	-	-
Program 5612 Construction	1,022,100	1,071,400	1,125,000	1,181,000	1,240,000
Basin 13 Capacity Improvements	-	-	-	-	180,000
Sub-Basins P002 & P003 Capacity	4,500,000	4,500,000	1,000,000	-	-
P Street Wastewater Treatment Plan	1,178,800	1,178,800	-	-	-
Massard Wastewater Treatment Plant Impr.	-	1,000,000	5,000,000	33,333,000	33,333,000
Sub-Basin P007 Capacity Improvements	1,100,000	1,100,000	-	-	-
Pump Station 5 Rehabilitation/Replacement	93,200	931,500	1,035,000	-	-
Pump Station 6 (Riverfront)	-	-	93,000	932,000	1,035,000
Basin W001 Capacity Improvements	500,000	1,666,700	1,667,000	1,667,000	-
Basin 10 & 14 Capacity Improvements -Ph 1	-	1,500,000	3,583,000	4,167,000	4,167,000
Basin FL01 Capacity Improvements	-	400,000	1,333,000	1,333,000	1,333,000
Basin FL02 Capacity Improvements	-	250,000	833,000	833,000	833,000
Skyline Estates Capacity Improvements	-	-	-	321,000	600,000
Phoenix Ave Capacity Improvements	-	-	100,000	500,000	500,000
Basin 12 Capacity Improvements Phase 2	-	-	300,000	1,200,000	1,667,000
2015 SSA Collection System Defect Remediation	7,069,400	10,783,700	3,714,000	-	-
2016 SSA Collection System Defect Remediation	1,800,000	6,666,700	6,667,000	6,667,000	-
2017 SSA Collection System Defect Remediation	1,600,000	1,200,000	3,333,000	3,333,000	3,333,000
2018 SSA Collection System Defect Remediation	-	1,600,000	1,200,000	3,333,000	3,333,000
2019 SSA Collection System Defect Remediation	-	-	1,600,000	1,200,000	3,333,000
Annual Sewer Collection System Improvements	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Wastewater Projects	25,613,500	40,598,800	37,333,000	69,750,000	59,837,000
Total Water and Wastewater CIP	$ 33,494,000	$ 66,744,800	$ 64,428,000	$ 94,831,000	$ 90,346,000

Impact on 2017 Operating Budget:

There is no direct impact on the current year budget from the projects listed for 2017.

Sales and Use Tax Bond Construction Funds

In May 2012, the City issued $110.66 million in Sales and Use Tax Bonds, Series 2012. The bonds are supported by a 3/4% local sales tax approved by voters on March 13, 2012. The bonds refunded the outstanding sales and use tax bonds, series 2006, 2008 and 2009 of $51.645 million and provided proceeds of $39.6 million for wastewater improvements; $20.7 million for water improvements; $8.6 million for fire improvements; and $4.02 million for the aquatics parks. In February 2014, the City issued $34.295 million in Sales and Use Tax Bonds, Series 2014. These bonds are supported by the same 3/4% local sales tax. The 2014 bonds were issued to provide additional water and wastewater improvements.

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

The following is the five year CIP for the Sales and Use Tax Bond Construction Fund for 2016 through 2020:

	2017	2018	2019	2020	2021
Water Projects					
5th Part 12 Inspection Report - Lee Creek Dam	50,000	-	-	-	-
Lake Fort Smith East Side Slide	250,000	-	-	-	-
Lee Creek Lagoon Repairs	825,000	-	-	-	-
Lake Fort Smith 48" Transmission Line Ph 1	5,500,000	-	-	-	-
Sub-total-Water	6,625,000	-	-	-	-
Wastewater Projects					
Pump Station 5 Interceptor Easement Road	295,000	-	-	-	-
Information and Communication Systems	500,000	-	-	-	-
Pump Station 6 Interceptor Road	400,000	-	-	-	-
Riverlyn Wastewater Pump Station	1,800,000	-	-	-	-
Riverfront Soccer Complex Sewer Extension	50,000	-	-	-	-
Pump Station 5 Interceptor East	113,500	-	-	-	-
Massard Wastewater Treatment Plant Alt.	1,000,000	-	-	-	-
Sub-total Wastewater	4,158,500	-	-	-	-
Total	$ 10,783,500	$ -	$ -	$ -	$ -

Impact on 2017 Operating Budget:
There is no direct impact on the current year budget from the projects listed for 2017.

Sanitation Sinking/Landfill Construction Fund
The Sanitation Sinking/Landfill Construction Fund is reserved for Capital Improvements and Equipment purchases. No equipment purchases are planned for 2017. Total capital transfers into the sinking fund total $1,784,017.

Impact on 2017 Operating Budget:
The FY17 capital projects will not impact the FY17 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 2017 for improvements or equipment total $25,882. These funds will be used for future years' capital needs.

Parking Authority Fund

No repairs are anticipated for the parking facilities in FY17.

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 2017-2021. Funding will be provided by the Parks 1/8% local sales tax.

	2017	2018	2019	2020	2021
Conversion of Tilles Wading Pool to Splash Pad	$ -	$ 200,000	$ -	$ -	$ -
Conversion of Woodlawn Wading Pool to Splash Pad	-	200,000	-	-	-
Creekmore Park Land Acquisition and Parking	-	-	200,000	-	-
Creekmore Park Tennis Court Resurfacing	-	-	-	275,000	-
Fort Smith Park Dog Park	-	100,000	-	-	-
Fort Smith Park Playground	-	-	100,000	-	-
Kelley Stage & River Park Amphitheater	75,000	-	-	-	-
Martin Luther King Skate Park Improvements	-	-	-	400,000	-
Matching Funds	200,000	250,000	250,000	250,000	250,000
Neighborhood Parks	-	-	-	-	300,000
Riverfront Drive Property Improvements	600,000	-	-	-	750,000
Shade Structures at Creekmore Pool, Martin Luther King Splash Pad and Playground	75,000	-	-	-	
Stagecoach Park Phase II	-	-	-	-	150,000
Trails & Greenways	1,000,000	1,100,000	1,050,000	1,050,000	250,000
Westphal Property Purchase	50,000	50,000	50,000	50,000	50,000
Wilson Park Improvements	-	-	100,000	-	-
Total	$ 2,000,000	$ 1,900,000	$ 1,750,000	$ 2,025,000	$ 1,750,000

Impact on the 2017 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. Trails and Greenways program is designed to create an extensive network of trails across the city. Phase I construction will continue throughout 2018. The Riverfront Drive sports fields will provide more recreation opportunities for youth leagues and an increase in tournaments. Many of the current year projects are expected to have a favorable impact on the economy and enhance the quality of life for citizens.

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 FY17:

Building/Infrastructure Improvements -			
Westphal Property Purchase (Parks)	$	50,000	
Kelley Park Stage (Parks)		75,000	
Riverfront Drive Property (Parks)		600,000	
Shade Structures at Creekmore & MLK Splashpad (Parks)		75,000	
Trails & Greenways (Parks)		1,000,000	
Matching Funds (Parks)		200,000	
Theater Drape Leg Replacement (CC)		4,500	
Mobile/Riding Carpet Extractor/Sweeper (CC)		13,000	
Variable Frequency Drive - Phase II (CC)		6,000	
New Salt/Sand Facility - Chaffee Crossing - 5101		100,000	
Fence for Additional Property at Chaffee Crossing - 5101		40,000	
Purchase 5 acres at Chaffee Crossing (50/50 split w/Utilities) - 5101		25,000	
Commercial Kitchen Hood & Fire Suppression System (Addition)(CC)		9,000	
			2,197,500
Heavy Equipment -(Replacement unless noted otherwise)			
Brush Truck - 4803 (New asset)	$	160,000	
Heavy Duty Ladder Truck - 4803 (New asset)		950,000	
Pumper Truck - 4803 (New asset)		500,000	
Backhoe - 5610		95,000	
Equipment Trailer - 5610		17,000	
1 Ton Cab/Chassis Auto Crane - 5626		66,500	
Garage Truck Lift (Addition) - 5626		43,800	
Total Heavy Equipment			1,832,300
Water & Wastewater Plant & Systems			
Massard Aeration Basin Blower - 5603		37,300	
Massard HVAC (4) - 5603		35,500	
P Street High Pressure Water Pumps (2) - 5603		78,000	
P Street Basin Diffuser (4 basins) - 5603		116,640	
P Street Wilo Stabilized Sludge Pump (Addition) - 5603		54,920	
P Street Solids/Chemical Handling Building Heater - 5603		9,300	
Lee Creek Roof & Heater Replacement - 5604		136,000	
Lee Creek Finish Water Drive (2) - 5604		550,000	
Meters - 5610		550,000	
ICP Mass Spec - 5625		159,650	
Hydro Lab Surveyor 4 w/50 M Cable (Addition) - 5625		15,950	
Total Water & Wastewater Plant & Systems			1,743,260
City Fleet-			
1/2 Ton 4WD Crew Cab - Transit (80% Federal Reimb)		28,900	
1/2 Ton Pickup -Neighborhood Services		18,900	
Medium Duty Bus (2)-Transit (80% Federal Reimb.)		100,000	
1/2 Ton Full Size PU - 6305		25,300	
4WD Pickup - 5603		23,500	
1/2 Ton 4WD Pickup - 5625		23,100	
1/2 Ton 4WD Pickup w/Extended Cab - 5626		25,300	
Pickup w/Service Bed - 5626		32,500	
1 Ton Cab/Chassis w/Utility Bed - 5626		56,000	
CNG Conversion Med. Duty Bus (2)-Transit (90% Federal Reimb)		56,280	
Total City Fleet			389,780

Miscellaneous Capital Outlay-

SCBA Facepiece Fit Tester	Fire - 4802	11,000	
Excavator	Street - 5303	130,000	
Chipper	Street - 5303	40,000	
Tire Changing Machine	Transit	8,000	
Passenger Shelters (2)(Local Match & F	Transit - 6550	70,000	
Automated Refuse Carts 65 Gal	Sanitation-6302	5,000	
Automated Refuse Carts 96 Gal	Sanitation-6302	80,400	
2yd Rear Load Containers - 6303	Sanitation-6303	68,000	
4yd Front Load Containers - 6303	Sanitation-6303	50,000	
8yd Front Load Containers - 6303	Sanitation-6303	77,000	
8yd Front Load Cardboard Containers -	Sanitation-6303	50,000	
6yd Front Load Containers - 6303	Sanitation-6303	42,000	
2yd Compactors - 6307	Sanitation-6307	17,500	
4yd Compactors - 6307	Sanitation-6307	27,000	
20yd Open Top Containers - 6307	Sanitation-6307	24,000	
30yd Open Top Containers - 6307	Sanitation-6307	27,000	
40yd Open Top Containers - 6307	Sanitation-6307	30,000	
40yd Compactor Containers - 6307	Sanitation-6307	13,000	
CNG Fueling Station (Addition-90% Fur	Transit - 6550	800,000	
AC Unit for Admin Building (80% Fundi	Transit - 6550	6,500	
Bus Hoist for CNG Vehicles (80% Fund	Transit - 6550	30,000	
Security Cameras for 2 buses (80% Fur	Transit - 6550	7,200	
Opticon Transmitters Buses (17)			
(Addition-80% Federal Reimbursemei	Transit - 6550	80,000	
Infracal 2 FOG IR Analysis System (5) (Addition) - 5625		42,500	
			1,736,100
			$ 7,898,940

Reconciliation of Total Capital Outlay:

Capital Outlay -	
Operating Funds (see page 100)	7,847,540
Convention Center (see page 69)	32,500
Neighborhood Services (see page 119)	18,900
	$ 7,898,940

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 2017 are as follows:

Streets and Traffic Control:	
2017 Depreciation	$ 486,600
Planned Fleet Purchases in 2017:	
1 Ton Flatbed Pickup - 5302	40,000
Loader - 5302	150,000
Jet Rod/Vacuum Trailer - 5303	100,000
1/2 Ton 4WD Pickup - 5303	25,000
3/4 Ton Pickup w/Utility Bed - 5304	35,000
Total	$ 350,000
Sanitation:	
2017 Depreciation	$ 1,084,017
Planned Fleet Purchases in 2017:	
	0
Total	$ 0

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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 62-63. Each fund's budget is presented on pages 67-75 in the Budget Summaries - All Funds section of this document. It is important to note that the City is legally required, by state law, to adopt a budget for the General Fund and Street Maintenance Fund. An Annual budget is approved for the Water and Sewer Operating Fund and Sanitation Operating Fund as well. These four funds are referred to as the operating funds and a major portion of this document is devoted to the operating funds.

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

Division Program Number and Title	Funding Source					
	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund	Street Sales Tax Fund	Other Fund
Policy & Administrative Services						
4100 Mayor	43%	8%	37%	12%	-	
4101 Board of Directors	28%	8%	37%	12%	15%	
4102 City Administrator	23%	8%	37%	12%	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%	-	-	-	-	
4405 Internal Auditor	28%	3%	45%	7%	17%	
Management Services						
4104 Human Resources	53%	7%	21%	9%	10%	
4105 City Clerk	33%	8%	37%	12%	10%	
4301 Finance	18%	8%	42%	12%	20%	
4303 Collections	33%	8%	37%	12%	10%	
4304 Utility Billing/Customer Service	3%	5%	75%	15%	2%	
4306 Purchasing	33%	8%	37%	12%	10%	
4401 Information & Technology Svcs	37%	5%	25%	9%	24%	
6912 Parking Deck - Personnel	100%	-	-	-	-	
6921 Public Parking Deck	-	-	-	-	-	100% Parking Authority Fund
Development Services						
4103 Engineering	5%	5%	10%	-	80%	
4106 Planning & Zoning	65%	-	15%	-	20%	
4107 Community Development	-	-	-	-	-	100% CDBG Fund
4108 Building Safety	100%	-	-	-	-	
6900 Neighborhood Services	-	-	-	-	-	100% Cleanup / Demo Fund
Police Services						
4701 Administration	100%	-	-	-	-	
4702 Support Services	100%	-	-	-	-	
4703 Investigations	100%	-	-	-	-	
4704 Patrol	100%	-	-	-	-	
4705 Radio Communications	100%	-	-	-	-	
4706 Airport Services	100%	-	-	-	-	
6911 Police Grant	-	-	-	-	-	100% Special Grants Fund
6920 Parking Enforcement	-	-	-	-	-	100% Parking Authority Fund
Fire Services						
4801 Administration, Training, & Preventi	100%	-	-	-	-	
4802 Suppression	100%	-	-	-	-	
4803 1/8% Sales Tax Operations	100%	-	-	-	-	
4804 Training	100%	-	-	-	-	
Operation Services						
Streets & Traffic Control						
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%	-	-	-	

Division Program Number and Title	Funding Source					
	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund	Street Sales Tax Fund	Other Fund
Operation Services						
Water & Sewer						
5501 Utility Administration	-	-	100%	-	-	
5521 Business & Finance	-	-	100%	-	-	
5522 Communications & Training	-	-	100%	-	-	
5523 Engineering & Technology	-	-	100%	-	-	
5590 Non-Capital Projects	-	-	100%	-	-	
5603 Sewer Treatment	-	-	100%	-	-	
5604 Water Treatment	-	-	100%	-	-	
5610 Water Line Maintenance	-	-	100%	-	-	
5611 Sewer Line Maintenance	-	-	100%	-	-	
5612 Sewer Line Construction	-	-	100%	-	-	
5618 Debt Service	-	-	100%	-	-	
5625 Environmental Quality	-	-	100%	-	-	
5626 Fleet, Bldg, Environ Maintenance	-	-	100%	-	-	
5627 Water System Construction	-	-	100%	-	-	
Operation Services						
Parks & Recreation						
6101 Health Services	100%	-	-	-	-	
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 Roll -Off Collections	-	-	-	100%	-	
Operation Services						
Public Transit						
6550 Transit	100%	-	-	-	-	
Non-Departmental						
6870 Convention & Visitors Bureau	-	-	-	-	-	100% A&P Fund

Budget and Budgetary Control

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

> Prior to December 1, the City Administrator submits to the Mayor and Board of Directors a proposed budget for the fiscal year beginning January 1. Both the Budget Summary and the Budget Supplement are provided to the Board for review sessions prior to adoption of the budget in the same format as the eventual adopted document.
>
> The budget includes proposed expenditures/expenses and the means to finance them.
>
> A public hearing is conducted at a meeting of the Board of Directors to obtain taxpayer comments prior to approval of the budget.
>
> The budget document is adopted by ordinance prior to January 1. State statutes require adoption prior to February 1.

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

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

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

Accounting System Control

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

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

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

Classification of Revenue Sources-Operating Funds

General Fund

Intergovernmental

State Turnback-General

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

Transit Reimbursement

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

Airport Security Reimbursement

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

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 Creekmore Community Center, the Darby Community Center, and the Elm Grove Community Center.

Fire Protection Contracts

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

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.

Sanitation Operating Fund

Service Charges and Fees

Residential Collections

Revenue derived from the monthly billing to residential customers (single family dwelling units) for trash collection. Rates are established by the Board of Directors.

Commercial Collections

Revenue derived from the billing of commercial customers for sanitation services. Rates are established by the Board of Directors.

Sanitary Landfill Operations

Revenue derived from charges for use of the sanitary landfill. Rates are established by the Board of Directors.

Roll-Off Collections

Revenue derived from charges for roll-off container services to industrial customers electing to sign a contract for such services. Rates are established by the Board of Directors.

Sale of Methane Gas

Revenue derived from the operation of a third party vendor that captures methane gas from the landfill and sells it. The City receives a percentage of the revenue generated by the operation.

Recycling Operations

Revenue derived from charges for recycling material. The City receives a portion of revenue earned from a contractual source.

Miscellaneous

Interest Earned

Revenue derived from the investment of idle monies of the Sanitation Operating Fund.

Other

Revenue derived from miscellaneous items such as the sale of capital assets.

Debt Service
Summary of Debt Service Requirements by Purpose

Purpose	FY17 Principal and Interest	12/31/2016 Principal Outstanding	Year of Retirement	Original Issue
Water and Sewer Refunding and Construction Revenue Bonds- Series 2008-Note 2	4,232,783	67,110,000	2032	117,420,000
Water and Sewer Revenue Refunding Bonds-Series 2011	1,810,323	11,060,000	2023	18,920,000
Water and Sewer Revenue Refunding Bonds-Series 2012	2,146,350	6,000,000	2019	13,250,000
Sales & Use Tax Bonds Series 2012	8,761,229	70,680,000	2027	110,660,000
Sales & Use Tax Bonds Series 2014	2,080,888	26,040,000	2029	34,295,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2015	2,328,750	34,055,000	2040	35,000,000
Water and Sewer Revenue Refunding Bonds-Series 2016	3,104,366	56,955,000	2032	56,955,000
Total	**$ 24,464,689**	**$ 271,900,000**		**$ 386,500,000**

The Water and Sewer Refunding and Construction Revenue Bonds, Series 2008, and the Water and Sewer Revenue Bonds, Series 2015, are collateralized by the operating revenue of the water and sewer utility system.

The Series 2008 Bonds were issued to advance refund the Series 2002A Bonds, to provide financing for sewer extensions in the growth areas of the City, Mountainburg water treatment plant rehabilitation and expansion, neighborhood water line replacements, and the Howard Hill elevated storage tank. The Water and Sewer Operating Fund provides for the current year's debt service. If revenue in a particular year were not estimated to be sufficient to provide for the operation of the system and current debt service, the rates of the system would be increased. Water and sewer operating revenue is anticipated to be sufficient to cover required debt service payments for 2017.

In November 2011, the City issued $18.92 million in water and sewer revenue refunding bonds to refund the outstanding 2002B and 2002C water and sewer revenue refunding bonds. The Water and Sewer Operating Fund provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2011 Series Bonds is subordinate to Series 2008 water and sewer revenue bonds. Rates generated by the water and sewer system are expected to cover the required debt service payments in 2017.

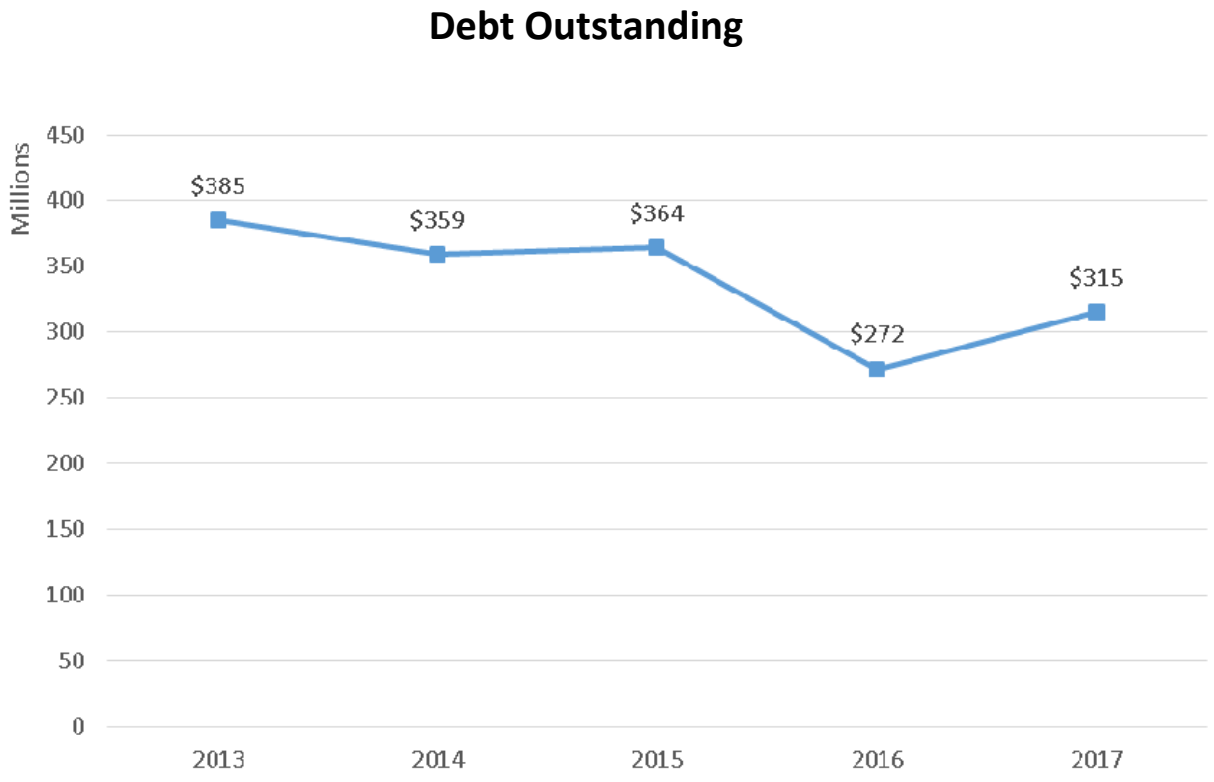
In January 2012, the City issued $13.25 million in water and sewer revenue refunding bonds to refund the outstanding 2005A water and sewer revenue refunding bonds. The Water and Sewer Operating Fund provides for the current year's debt service. The pledge of the water and sewer system revenues for the 2012 Series Bonds is subordinate to the Series 2008 and 2011 water and sewer bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2017.

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 operations. 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 shared venture 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.

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 and related operations facility improvements and 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 for 2017.

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 refunding provided a cost savings in interest of approximately $4 million over the term of the bonds. The pledge of the water and sewer system revenues for the 2016 Series bonds is subordinate to the portion of the Series 2008 that was not refunded and are 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 2017.

The following graph reflects the debt outstanding at December 31, 2013 through 2017.



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, 2016, is:

Assessed Property Value	$ 1,423 million
Debt Limit Per State Statute (25% of Assessed Property Value)	$ 356 million
General Obligation Bonds Outstanding @ December 31, 2017	0
Legal Debt Margin	$ 356 million

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 29) whereby annual payments should not exceed 25% of total operating revenue. In 2017, the calculation is as follows:

	Water & Sewer Revenue Bonds
2017 Debt Service Payment	$ 13,529,013
Operating Revenue (Service Charges & Fees)	$ 59,899,500
Debt Service as a % of Operating Revenue	23%
Policy Limit	25%

The policy is expected to be met in FY17 for the water and sewer revenue bonds, due to sewer rate increases in recent years.

Note: Sales and Use Tax Bonds are special obligations of the City and are governed by state law. There is not a debt margin for sales and use tax bonds. These bonds are subject to mandatory redemption from excess sales tax revenue on any payment date.

The following schedules reflect the total debt service for the City for the next five years and incrementally for each five year period through the maturity of each issue. The schedule begins with the current year's debt service. This schedule also indicates the principal outstanding as of December 31, 2016.

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5 Year Debt Maturity Disclosure
For the Fiscal Year Ended 12/31/16

Primary Government Water and Sewer Revenue Bonds	2008 Series		Note A	2011 Series		Note B	2012 Series		Note B
Term	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	850,000	3,382,783	4,232,783	1,455,000	355,323	1,810,323	1,930,000	216,350	2,146,350
2018	880,000	3,348,783	4,228,783	1,485,000	326,223	1,811,223	2,000,000	148,800	2,148,800
2019	915,000	3,312,483	4,227,483	1,520,000	289,310	1,809,310	2,070,000	78,800	2,148,800
2020	2,270,000	3,273,138	5,543,138	1,565,000	249,790	1,814,790	-	-	0
2021	2,385,000	3,159,638	5,544,638	1,610,000	198,863	1,808,863	-	-	0
2022-2026	18,775,000	13,658,350	32,433,350	3,425,000	193,913	3,618,913	-	-	0
2027-2031	33,120,000	7,272,163	40,392,163	-	-	-	-	-	-
2032-2036	7,915,000	395,750	8,310,750	-	-	-	-	-	-
Total	67,110,000	37,803,085	104,913,085	11,060,000	1,613,420	12,673,420	6,000,000	443,950	6,443,950

Primary Government Water and Sewer Revenue Bonds (continued)	2015 Series			2016 Series			Total Water & Sewer Revenue Bonds		
Term	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	850,000	1,478,750	2,328,750	1,190,000	1,914,366	3,104,366	6,275,000	7,347,571	13,622,571
2018	865,000	1,461,750	2,326,750	1,820,000	2,434,450	4,254,450	7,050,000	7,720,005	14,770,005
2019	900,000	1,427,150	2,327,150	1,870,000	2,379,850	4,249,850	7,275,000	7,487,593	14,762,593
2020	940,000	1,391,150	2,331,150	2,765,000	2,323,750	5,088,750	7,540,000	7,237,828	14,777,828
2021	975,000	1,353,550	2,328,550	2,850,000	2,240,800	5,090,800	7,820,000	6,952,850	14,772,850
2022-2026	5,550,000	6,097,300	11,647,300	19,225,000	9,236,400	28,461,400	46,975,000	29,185,963	76,160,963
2027-2031	6,820,000	4,826,750	11,646,750	22,340,000	4,152,600	26,492,600	62,280,000	16,251,513	78,531,513
2032-2036	8,705,000	2,942,500	11,647,500	4,895,000	195,800	5,090,800	21,515,000	3,534,050	25,049,050
2037-2040	8,450,000	861,400	9,311,400	-	-	-	8,450,000	861,400	9,311,400
	34,055,000	21,840,300	55,895,300	56,955,000	24,878,016	81,833,016	175,180,000	86,578,771	261,758,771

Note 1: A portion of the 2008 Bonds were advance refunded with the issue of the 2016 Series. The portion of the 2008 bonds that were not refunded with the proceeds of the 2016 bonds is considered the "Senior Bonds".

Note 2: The 2011 and 2012 Series Revenue Bonds are on parity with the 2016 Series.

5 Year Debt Maturity Disclosure
For the Fiscal Year Ended 12/31/16

Primary Government:

Sales & Use Tax Bonds	2012 Series			2014 Series			Total Sales & Use Tax Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2017	6,010,000	2,751,229	8,761,229	1,160,000	920,888	2,080,888	7,170,000	3,672,116	10,842,116
2018	6,220,000	2,537,204	8,757,204	1,195,000	886,088	2,081,088	7,415,000	3,423,291	10,838,291
2019	6,435,000	2,303,404	8,738,404	1,235,000	850,238	2,085,238	7,670,000	3,153,641	10,823,641
2020	6,685,000	2,048,504	8,733,504	1,275,000	813,188	2,088,188	7,960,000	2,861,691	10,821,691
2021	6,945,000	1,783,404	8,728,404	1,325,000	762,188	2,087,188	8,270,000	2,545,591	10,815,591
2022-2026	38,385,000	4,092,866	42,477,866	7,505,000	2,923,000	10,428,000	45,890,000	7,015,866	52,905,866
2027-2028 *	0	0	0 **	12,345,000	594,138	12,939,138	12,345,000	594,138	12,939,138
Total	70,680,000	15,516,609	86,196,609	26,040,000	7,749,725	33,789,725	96,720,000	23,266,334	119,986,334

* The 2012 SUT Bonds will be fully redeemed in 2027.
** The 2014 SUT Bonds will be fully redeemed in 2028.

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 $5,000 for a single item with an estimated life of three years or more for all assets other than infrastructure which has a threshold of $250,000.

Capital Improvement Program (CIP) - A financial plan for construction of physical assets such as streets, bridges, buildings, recreational facilities, water systems and sewer systems.

CBID - Central business improvement district. An area in the downtown area whereby economic development is managed by a Board appointed commission.

Citizens Academy (CA) - A forum that allows citizens to learn more about the city, its functions and priorities. The program is offered twice per year and lasts several weeks.

COLA - Cost of living adjustment.

Committed Fund Balance - a fund balance classification for governmental funds where the amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision making authority.

COSO- Committee of Sponsoring Organizations-Developed by the Treadway Commission, COSO is a voluntary private-sector organization dedicated to guiding executive management and governance entities toward the establishment of more effective, efficient, and ethical business operations on a global basis.

Component Unit - A legally separate organization for which the City, as primary government, is financially accountable. The Parking Authority and the Advertising and Promotion Commission are component units of the City of Fort Smith.

Comprehensive Annual Financial Report (CAFR) - The official annual report of the City. A financial report that contains, at a minimum, introductory, financial and statistical sections, and whose financial section provides information on each individual fund and component unit.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of cost of living and economic inflation.

Contingency/Reserve Balance - The amount of funds required to be reserved in each fund to meet unexpected claims and emergency type purchases.

CVB - Convention and Visitors Bureau

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Depreciation - The decrease in value of physical assets due to use and passage of time.

Division - The major organizational functions of the City which currently include Policy and Administration Services, Management Services, Development Services, Police Services, Fire Services, Operation Services and Non-Departmental. Operation Services is further sub-divided as Streets and Traffic Control, Water and Sewer System, Parks and Community Services, Sanitation and Transit.

EDA - Economic Development Agency

Encumbrance - An amount of money committed for the payment of goods and services not yet received or paid.

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 87,215.

The City has seen significant industrial and residential development. Several major companies have longstanding and growing interests in the region, including Planters, Baldor Electric Company, Umarex USA, Phoenix Metals, and Mars Petcare.

In September 2013, approximately 96,000 square feet of a former exhibition hall/rental center was redeveloped into what is known today as the Fort Smith Shared Services Center (SSC). Since then, the SSC has grown from more than 350 jobs in the local economy to over 600 at the end of 2015. The SSC today provides business office services to more than 40 hospitals affiliated with Community Health Systems in nine states.

In 2014, ArcBest Corporation, a transportation and logistics company, announced the construction of a new corporate headquarters at Chaffee Crossing in Fort Smith. They will invest $30 million in a 200,000 sq ft facility that should be completed in late 2016. They anticipate adding 975 new jobs to the local economy through 2021.

Also in 2014, it was announced that the Arkansas College of Osteopathic Medicine would be established at Chaffee Crossing in Fort Smith. The college anticipates its first class of medical students enrolling in fall 2017, and anticipates graduating 150 doctors of osteopathy annually beginning in 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 123rd Intelligence Squadron will be relocating from Little Rock to the City. The 188th will be the only organization in the world with RPA, intelligence and targeting at a combined facility, and all elements of the new missions should be fully operational in the City by 2018 or 2019. 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.

Glatfelter, a Pennsylvania based company recently announced plans to turn the vacant Mitsubishi plant into a state-of-the-art production facility for air-laid paper products. Glatfelter is planning to invest $80 million in the Chaffee Crossing facility that will provide approximately 83 jobs and be completed by late 2017.

Downtown Fort Smith is experiencing a revitalization on various fronts. Propak Logistics purchased and remodeled an unused historic building in downtown Fort Smith as its corporate headquarters. The 24,000 square feet on three floors will be used as a mixture of corporate office space and retail. This project, coupled with streetscape projects and other private investment in office, residential, and commercial redevelopment, is representative of the successful resurgence of the downtown area.

Chaffee Crossing and other areas of the City continue to see robust residential development. There are currently more than 1,600 residential lots at various stages of development in the City.

Miscellaneous Statistical Data

General Information:

Form of Government	City Administrator
Area	92.4 square miles
County	Sebastian
Time Zone	Central
Area Code	479
City Population	86,209 (2010 Census)
Date of Incorporation	December 24, 1842
Date Form of Government Adopted	March 28, 1967
Miles of Street	505 miles
Number of Street Lights	6,053
Number of Traffic Signals	149
Water Supply	Lake Fort Smith and Lee Creek Reservoir
Annual Precipitation	45.92 inches (average)
Temperature Averages	Winter: 49 degrees
	Summer: 72 degrees

Fire Protection:

Number of Stations	11
Number of Firefighters and Officers	149

Police Protection:

Number of Stations	1
Number of Sub Stations	2
Number of Police Members and Officers	168

Municipal Water Department:

Number of Consumers	33,747
Number of Contract Communities	12
Production Capacity	63,400,000 gallons
Average Daily Production	26,859,000 gallons
Maximum Daily Consumption	36,791,000 gallons
Miles of Water Main	702 miles

Municipal Wastewater Department:

Number of Customers	30,732
Number of Contract Communities	1
Sanitary Sewers	500
Average Daily Sewer Flow	15.01 MGD

Municipal Solid Waste System:

Number of Accounts	27,495
Average Annual Refuse Collections	100,731.4 tons
Average Annual Refuse Disposal	242,256 cubic yards

Recreation and Culture:

Number of City Parks	28
Park Acreage	325
Trails and Greenways	3
Miles	5.5
Number of Swim Pools	1
Number of Wading Pools	3
Number of Community Centers	5
Splashpad	2
Number of Libraries	4 (67,000 square foot main and three neighborhood branches)
Number of Volumes	297,967
Convention Center	
Theater	
Area	1,331 seats with 4,200 square feet of stage
Number of Event Days	65
Exhibition Hall	
Area	40,000 square feet of space
Number of Event Days	143

Population		Change
1980	71,626	-
1990	72,798	1.6%
2000	80,268	10.3%
2010	86,209	7.4%

Ethnicity in 2010:

Race	% of Population
White	70%
Black or African American	9%
American Indian and Alaska Native	2%
Asian	5%
Some Other Race	10%
Two or More Races	4%

Note: The Hispanic or Latino of any race was projected at 16% of the total 2010 population.

Median age in Fort Smith:	35
Estimated median income of a family:	$41,012
Average price for an 1,800 square foot home:	$223,885
National average price for an 1,800 square-foot home:	$313,000

Cost of living in Fort Smith is 14.8% below the national average.

City of Fort Smith
Schedule of Building Permits Issued for New Construction
For the Fiscal Year Ended December 31, 2005 through
December 31, 2016

	Commercial Construction		Residential Construction	
Fiscal Year	Number of Units	Value	Number of Units	Value
2007	57	$80,762,587	402	$34,661,039
2008	67	$107,390,575	350	$37,681,093
2009	45	$44,192,081	514	$40,173,803
2010	41	$23,582,143	359	$49,402,500
2011	43	$64,716,229	339	$45,224,255
2012	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

Source: City of Fort Smith Building Safety Department

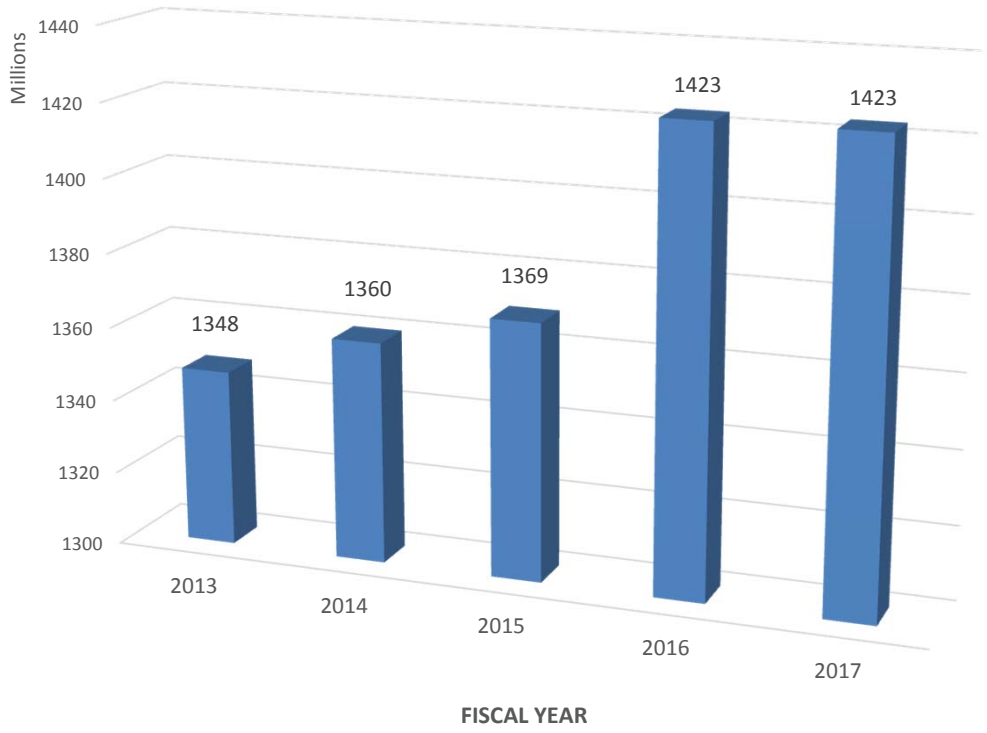
City of Fort Smith
Schedule of the Largest Employers

Company	**Product**
Sparks Health System	Healthcare
O K Foods	Poultry Processor
Baldor Electric	Electric Motors & Grinders
Fort Smith Public Schools	School
Mercy Fort Smith	Healthcare
ArcBest Corporation	Trucking and Logistics
City of Fort Smith	Municipality
University of Arkansas FS	Higher Education
Bost Human Development	School
Golden Living	Administrative Offices

Source: Fort Smith Chamber of Commerce

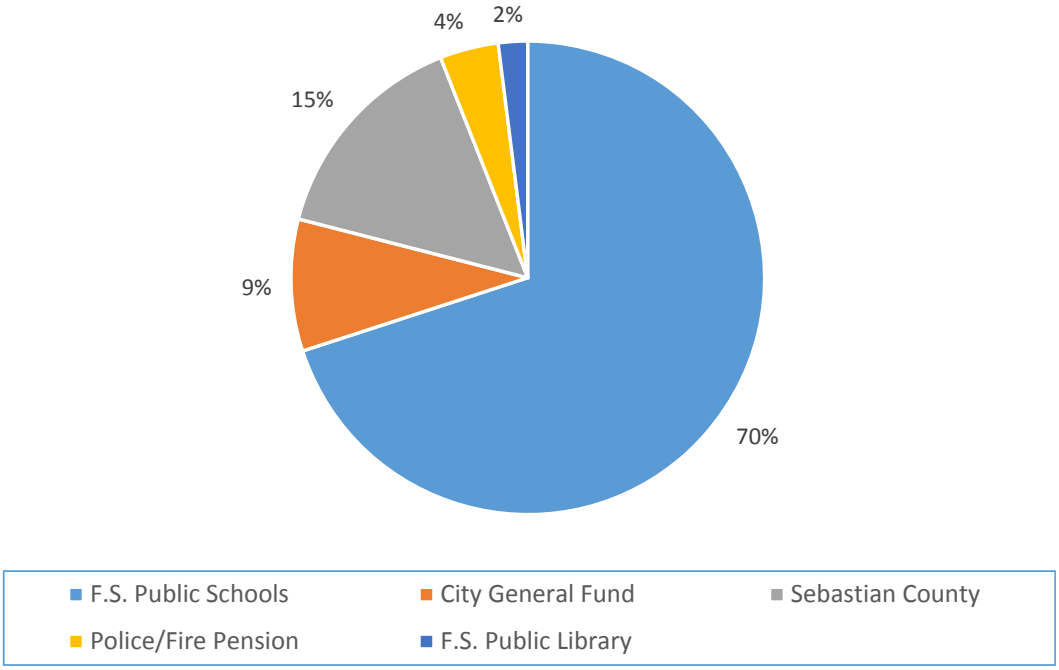
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City Limits.

Assessed Property Valuation



Source: Sebastian County Assessor's Annual Abstract

Allocation of Real Property Tax Rates For Taxes Payable FY17 for Overlapping Governments Within The City Limits



Source: Sebastian County Clerk's Office

Personnel Count Comparison

	2015 Actual	2016 Budget	2016 Estimated	2017 Budget
Policy & Administration Services Division				
4100 Mayor	1.00	1.00	1.00	1.00
4101 Board of Directors	7.00	7.00	7.00	7.00
4102 City Administrator	4.00	5.77	4.77	3.03
4201 District Court	18.00	18.63	18.63	18.63
4202 City Prosecutor	2.00	2.00	2.00	2.00
4203 Public Defender	0.00	0.00	0.00	0.00
4204 City Attorney	0.00	0.00	0.00	0.00
4206 District Court-State Division	1.00	1.00	1.00	1.00
4405 Internal Audit	1.00	2.70	1.70	1.70
Total Policy & Administration Services Division	34.00	38.10	36.10	34.36
Management Services Division:				
4104 Human Resources	4.00	5.00	5.00	5.00
4109 Safety & Risk Manager	1.00	1.00	1.00	0.00
4105 City Clerk	3.00	3.00	3.00	3.00
4301 Finance	12.00	11.00	12.00	16.00
4303 Collections	6.00	6.00	6.00	6.00
4304 Utility Billing/Cust. Svc.	13.00	13.00	13.00	13.00
4306 Purchasing	2.00	2.00	2.00	3.00
4401 Information and Technology	9.00	11.00	11.00	11.00
6912 Public Parking Personnel	1.00	1.00	1.00	1.00
Total Management Services Division	51.00	53.00	54.00	58.00
Development Services Division				
4103 Engineering	18.40	19.00	19.00	19.00
4106 Planning	7.75	7.75	7.20	7.20
4107 CDBG	3.25	3.25	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
Total Development Services Division	49.40	50.00	50.00	50.00
Police Services Division				
4701 Administration	5.00	5.00	5.00	5.00
4702 Support Services	53.25	52.25	52.25	52.25
4703 Criminal Investigations	43.44	43.44	43.44	43.44
4704 Patrol Operations	110.75	109.75	109.75	109.75
4705 Radio Communications	2.00	2.00	2.00	2.00
4706 Airport Security	3.00	3.00	3.00	3.00
6911 Police Grant	0.56	0.56	0.56	0.56
6920 Public Parking/Enforcement	3.00	3.00	3.00	2.00
Total Police Services Division	221.00	219.00	219.00	218.00

	2015 Actual	2016 Budget	2016 Estimated	2017 Budget
Fire Services Division				
4801 Administration	7.00	7.00	7.00	7.00
4802 Suppression & Rescue	123.00	123.00	123.00	123.00
4803 1/8% Sales Tax Operations	20.00	20.00	20.00	20.00
4804 Training	2.00	2.00	2.00	2.00
Total Fire Services Division	152.00	152.00	152.00	152.00
Operation Services Division-				
Streets & Traffic Control				
5101 Administration	5.00	5.00	5.00	5.00
5302 Street Construction	8.72	8.72	8.72	9.75
5303 Street Drainage	17.00	17.00	17.00	16.50
5304 Street Maintenance	15.60	15.60	15.50	14.25
5305 Sidewalk Construction	12.00	12.00	12.00	12.00
5401 Traffic Control Operations	12.72	13.72	13.72	13.72
5402 Signals	0.00	0.00	0.00	0.00
Total Streets & Traffic Control	71.04	72.04	71.94	71.22
Water & Sewer				
5501 Utilities Administration	15.00	8.00	8.00	8.00
5521 Business & Finance	0.00	19.00	19.00	19.00
5522 Communications & Training	0.00	16.00	16.00	18.00
5523 Engineering & Enggineering Tech.	0.00	16.00	17.00	17.00
5601 Water & Wastewater Treatment Administration	3.00	0.00	0.00	0.00
5603 Sewer Treatment	29.00	30.50	30.50	30.50
5604 Water Treatment	22.00	22.00	22.00	22.00
5605 Laboratory Services	9.00	0.00	0.00	0.00
5606 Wastewater Equipment Maintenance	14.00	0.00	0.00	0.00
5609 Industrial Waste Monitoring	5.69	0.00	0.00	0.00
5610 Water Line Maintenance	26.00	49.00	49.00	45.00
5611 Sewer Line Maintenance	24.00	30.00	30.00	30.00
5612 Construction Management	4.00	15.00	15.00	17.00
5613 Metering/Transmission Line Maintenance	19.50	0.00	0.00	0.00
5615 Water & Wastewater Line Maintenance Administration	14.00	0.00	0.00	0.00
5616 Water Stationary Equipment Maintenance	10.00	0.00	0.00	0.00
5620 Consent Decree Initiation	28.00	0.00	0.00	0.00
5625 Environmental Quality	0.00	20.00	21.00	23.00
5626 Fleet, Bldg., Station & Environmental Maintenance	0.00	36.00	36.00	37.00
5627 Sewer Construction	0.00	0.00	0.00	4.00
6700 Debt Service	0.00	0.00	0.00	0.00
Total Water & Sewer	223.19	261.50	263.50	270.50

	2015 Actual	2016 Budget	2016 Estimated	2017 Budget
Parks & Community Services				
6201 Parks Maintenance	19.50	18.50	18.50	18.50
6202 Oak Cemetery	3.50	3.00	3.00	3.00
6204 Community Centers	4.25	4.00	4.00	3.50
6205 Aquatics	4.85	3.85	3.85	3.85
6206 Riverfront/Dowtown Maint.	6.00	5.00	5.00	5.00
6207 The Park at West End	1.00	1.00	1.00	1.00
6208 1/8% Sales Tax Operations	6.00	7.00	7.00	7.00
Total Parks & Community Services	45.10	42.35	42.35	41.85
Convention Center				
6203 Convention Center	13.50	13.50	13.50	13.50
Sanitation				
6301 Administration	6.50	5.00	5.00	7.00
6302 Residential Collections	25.00	27.25	27.25	27.25
6303 Commercial Collections	10.00	10.00	11.00	11.00
6304 Fleet & Grounds Maintenance	10.00	12.75	12.75	12.75
6305 Sanitary Landfill	17.00	20.00	22.00	18.00
6307 Industrial Collection	10.00	10.00	10.00	10.00
Total Sanitation	78.50	85.00	88.00	86.00
Transit				
6550 Public Transit	33.00	33.00	33.00	33.00
Total Operation Services Division	464.33	507.39	512.29	516.07
Non-Departmental				
6870 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
Total FTE Personnel	976.73	1,024.49	1,028.39	1,033.43

Please note: This schedule includes position of Mayor and the seven Director positions.

	2015 Actual	2016 Estimated	2017 Budget
Total FTE Personnel, this schedule	976.73	1,028.39	1,033.43
Program 4100 Mayor & 4101 Board of Directors	(8.00)	(8.00)	(8.00)
Program 4206 District Court Sebastian County	(1.00)	(1.00)	(1.00)
Total FTE Personnel,	967.73	1,019.39	1,024.43

GENERAL INDEX

A

Accounting Control
  discussed, 164
Allocation of Personnel
  graphic display, 21, 43
  discussed, 43
  schedule, 20, 43, 188-190
Allocation of Property Tax Rates
  graphic display, 187
Annual Appropriated Budget - All Funds
  discussed, 14-15, 34
  graphic display, 35, 50
  individual statements, 67-75
  statement summaries, 49, 51-52
Appropriation
  defined, 178
  distribution of -
    FY17, 93-95
    FY18, 96-98
Assessed Property Valuation
  defined, 178
  debt limits, 174
  discussed, 40
  graphic display, 187

B

Basis Difference
  discussed, 25
Basis of Accounting
  defined, 178
  discussed, 25, 164
Bonded Indebtedness
  discussed, 45-46, 171-174
  graph, 173
  schedules, 171, 176-177
Budget Amendment
  defined, 178
  discussed, 25, 164
Budget Calendar
  defined, 178
  schedule, 26
Budget Format
  discussed, 8-9
Budget Message
  defined, 178
  current year message, 14-15
Budget Organizational Structure
  discussed, 161-163
Budget Overview
  discussed, 14-15
Budget Process
  discussed, 25-26
Budget Requirements
  discussed, 25, 164
Budgetary Control
  discussed, 164
Budget to GAAP Difference
  discussed, 25
Building Permits
  schedule, 186

C

CAFR
  defined, 179
  discussed, 25
Capital Improvement Policies
  presented, 29
Capital Improvement Program
  defined, 179
  discussed, 44, 147-157
  effects on operating budgets, 151, 152, 153, 154
  schedule, 44
Capital Projects Funds
  defined, 64
  fund chart, 62
  statements and definitions -
    Sales and Use Tax Bond
      Construction Fund, 64, 71, 153
City Divisions
  defined, 179
  discussed, 9
  Policy and Administration Services
    appropriations, 104, 106-107
    narrative, 104-107
    organization chart, 103
  Management Services
    appropriations, 110-113
    narrative, 110-114
    organization chart, 108-109
  Development Services
    appropriations, 117
    narrative, 117-119
    organization chart, 115-116
  Police Services
    appropriations, 121
    narrative, 121-123
    organization chart, 120

Fire Services
appropriations, 125
narrative, 125-126
organization chart, 124
Operation Services
Streets and Traffic Control
appropriations, 129
narrative, 129
organization chart, 128
Water and Sewer
appropriations, 131
narrative, 131
organization chart, 130
Parks and Recreation
appropriations, 133
narrative, 133
organization chart, 132
Convention Center
appropriations, 135
narrative, 135
organization chart, 134
Sanitation
appropriations, 137
narrative, 137
organization chart, 136
Transit
appropriations, 139
narrative, 139
organization chart, 138
Non-Departmental
appropriations, 140, 143
narrative, 140-143
organizational chart, 142
schedule, 141
Classification of Revenue Sources
descriptions of, 165-170
Combined Division Summary -
Operating Funds
by division classification, 99
by expenditure/expense classification, 100
Combined Statements
all funds, 49, 51-52
operating funds revenue, 84
Comparative Statements
all funds, 49, 51-52
graphic display, 50
operating funds, 79
Contingencies
discussed, 40-42
graphic display, General Fund, 40
reserve policies, 30-31

D

Debt Margin
computation, 174
Debt Policies
presented, 29-30
Debt Service
defined, 179
discussed, 45-46, 171-177
maturity schedule, 176-177
graphic display, 173
schedule, 171

E

Elected Officials, 5
Encumbrances
defined, 180
Enterprise Funds
defined, 65-66
fund chart, 63
statements and definitions
Parking Authority, 65, 74
Sanitation Related -
Sanitation Operating Fund, 65, 73, 83, 92
Cleanup/Demolition Fund, 65, 73
Sanitation Sinking/Landfill
Construction Fund, 65, 73
Water and Sewer Related -
Water and Sewer Operating Fund, 66, 72
82, 90-91
Water and Sewer Depreciation Fund, 66, 72
Water and Sewer Bond Fund, 66, 72
Water and Sewer Capital Improvement
Projects Fund, 66, 72, 151-152
Expenditure\Expense Distribution
operating funds allocation -
by service division, 99
by use, 100
FY17, 93-95
FY18, 96-98

F

Financial Reporting Policies
presented, 33
Financial Structure
defined, 61
Fiscal Performance Policies
discussed, 27
presented, 27-32
Franchise Tax Comparison
schedule, 39
Fund Balance
defined, 180
discussed, 25, 40-42
graphic display for General Fund, 40

Fund Structure
defined, 61
charts, 62-63
Funding Source
defined, 180
discussed, 34, 36, 39, 41-42
programs, 161-163

G

General Fund
comparative statement, 80
defined, 64
discussed, 39-40
fund chart, 61
graphic display, 37-38, 40
revenue comparisons, 85-86
statement, 67, 80
General Obligation Bonds
defined, 180
Goals and Objectives
city, 16
correlation of departmental goals
with citywide goals, 17-18
2017 departmental, 104-107,110-113,117,119,121, 126, 129, 131, 133, 135, 137, 139-140, 143
Graphic Displays
allocation of full-time personnel, 21
allocation of property tax rates, 187
appropriations by expenditure/expense classification, 100
appropriations by service division, 99
assessed property valuation, 187
comparison of total revenues -
Operating Funds, 84
General Fund, 86
Street Maintenance Fund, 88
Water and Sewer Operating Fund, 90
Sanitation Operating Fund, 92
debt outstanding, 173
fund balance, General Fund, 40
personnel authorizations, 21,43
revenue analyses, 53-60
sales tax revenues, 147
sources of funds, 35, 37
total sources and total appropriations -
Operating Funds, 37-38
General Fund, 37-38
Street Maintenance Fund, 37-38
Water and Sewer Operating Fund, 37-38
Sanitation Operating Fund, 37-38
uses of funds, 35,38

H

Historical Notes
presented, 182-183

I

Internal Controls
discussed, 164
Internal Service Funds
defined, 66
fund chart, 63
statements and definitions -
Working Capital Fund, 66, 75
Employee Insurance Fund, 66,75
Workers' Compensation Fund, 66,75
Investment and Cash Management Policies
presented, 31-32

L

Legal Debt Margin
computation, 174
LOPFI Contributions
discussed, 44
schedule, 44

M

Major Policy Initiatives
City, 16
Management Team
listed, 6
Message Summary
discussed, 15
Mission Statement,
defined, 181
presented, 7

N

Non-Departmental
defined, 181
discussed, 140
schedule, 141

O

Operating Expenditure/Expense
  Policies
    presented, 28
Operating Funds
  defined, 181
  discussed, 36, 39-42
  graphic display, 37-38, 84
Organization Charts
  City wide, 19
  Divisions -
  Policy and Administrative Services, 103
  Management Services, 108-109
  Development Services, 115-116
  Police Services, 120
  Fire Services, 124
  Operation Services -
    Streets and Traffic Control, 128
    Water and Sewer System, 130
    Parks and Recreation, 132
    Convention Center, 134
    Sanitation, 136
    Transit, 138
   Convention and Visitors Bureau, 142

P

Parking Authority Fund
  definition and statement, 65,74
  discussion, 154
Pension Trust Funds
  discussed, 44-45
Personnel
  allocation by expenditure/
    expense classification, 21
    count comparison, 188-190
  discussed, 43
  graphic display, 21,43
  listing of authorized
    positions, 20, 188-190
Program
  defined, 181
  discussed, 161
  funding sources, 161-163

R

Reserve Policies
  presented, 30-31
Retirement Plans,
  discussed, 44-45
Revenues
  classification of, 165-170
  comparative statements, 84,85,88,90,92
  defined, 181
  discussed, 86,87,89,91,92
  graphic display, 84,86,87,88,90,92
  major analyses, 53-60

Revenue Bonds
  defined, 181
  discussed, 45-46,172-174
  schedule, 171, 276-177
Revenue Policies
  presented, 27

S

Sales and Use Tax Bond Fund
  defined, 65
  statement, 70
Sales & Use Tax Bond Construction Fund
  capital improvement program, 153
  defined, 65
  fund chart, 62
  statement, 71
Sales Tax Fund
  capital improvement program, 147-151
  defined, 64
  fund chart, 62
  graphic display, 147
  schedule of monthly revenue, 151
  statement, 68
Sanitation Operating Fund
  comparative statement, 83
  defined, 65
  discussed, 42
  fund chart, 63
  graphic display, 37-38,92
  revenue comparisons, 92
  statements, 73
Service Measures/Outcomes and Workload Demand
   Statistics by Division
  Policy and Administration, 104-107
  Management Services, 110-114
  Development Services, 117-118
  Police Services, 121-123
  Fire Services, 126
  Operation Services -
    Streets & Traffic Control, 129
    Water & Sewer, 131
    Parks and Recreation, 133
    Convention Center, 135
    Sanitation, 137
    Transit, 139
   Non-Departmental-
    Convention and Visitors Bureau, 143

Sinking Account
defined, 182
discussed, 157
Sources of Funds
discussed, 34,36
graphic display, 35,37
Special Revenue Funds
defined, 64
fund chart, 62
statements and definitions -
Street Maintenance Fund, 62,64,88
Sales Tax Fund, 62,64
Community Development Block Grant Fund, 62,64
HOME Investment Partnership Act Fund, 62,64
Special Grants Fund, 62,64
Tilles Park Fund, 62,64
Advertising and Promotion Fund, 6,64
Arkansas LOPFI Contribution Fund, 62,64
Convention Center Fund, 62,64
Street Maintenance Fund
comparative statement, 81
defined, 64
discussed, 41
graphic display, 37-38
revenue comparisons, 88-89
statements, 68,81

T

Table of Contents
presented, 3-4
Ten Largest Employers
schedule, 186

U

Unencumbered Balance,
defined, 182
Uses of Funds
discussed, 34,36,39-42
graphic display, 35,37-38,99-100

V

Values Statement,
defined, 182
presented, 7
Vision Statement,
defined, 182
presented, 7

W

Water and Sewer Bond Fund
defined, 66
statement, 72
Water and Sewer Capital Improvement Projects Fund
defined, 66
statement, 72
Water and Sewer Depreciation Fund
defined, 66
statement, 72
Water and Sewer Operating Fund
comparative statement, 82
defined, 66
discussed, 41
graphic display, 37-38
revenue comparisons, 90-91
statements, 72,82
Working Capital,
defined, 182
discussed, 25,41
Working Capital Fund
defined, 66
statement, 75

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