The City of Fort Smith ARKANSAS

2019 Budget

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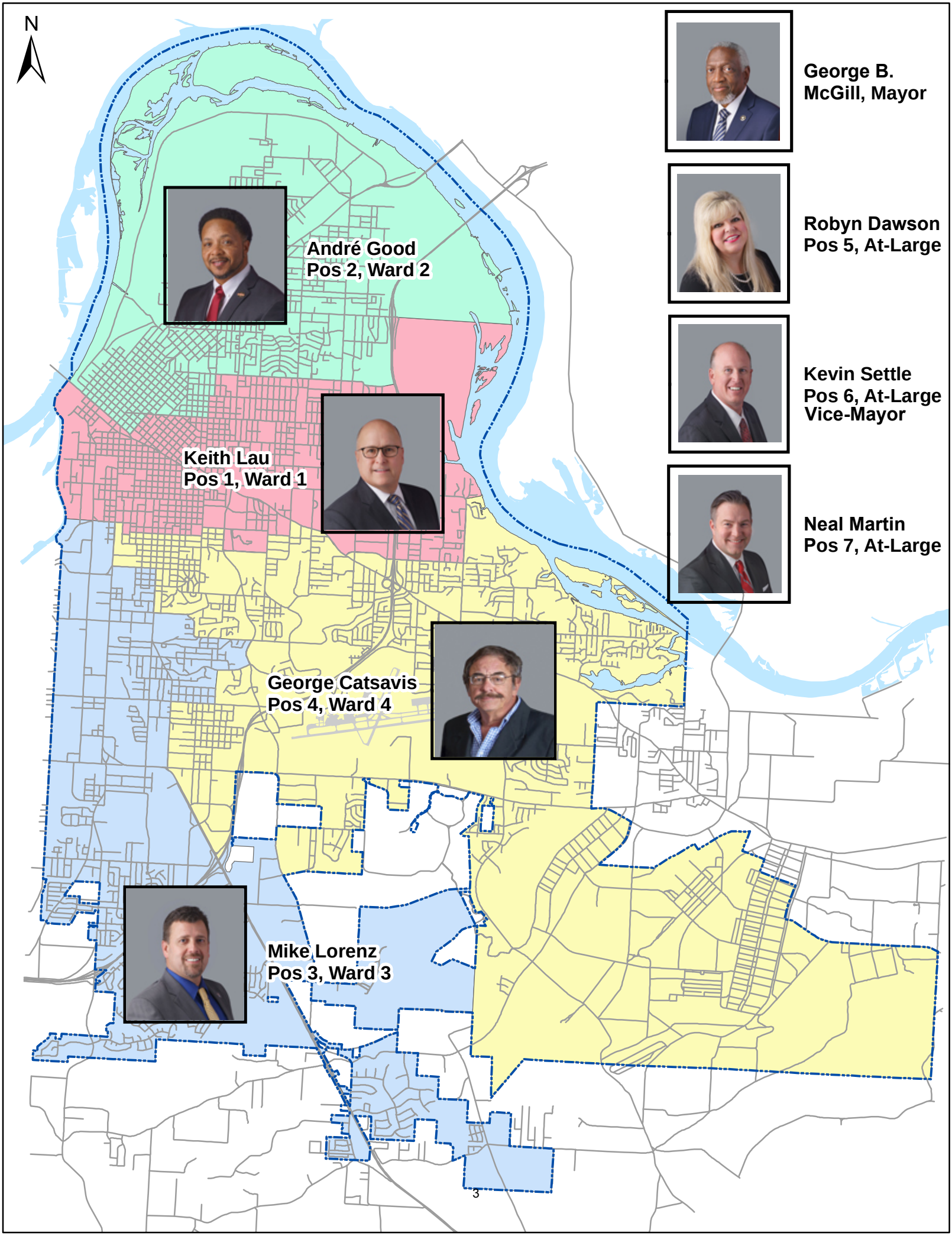
N
André Good
Pos 2, Ward 2
Keith Lau
Pos 1, Ward 1
George Catsavis
Pos 4, Ward 4
Mike Lorenz
Pos 3, Ward 3
George B.
McGill, Mayor
Robyn Dawson
Pos 5, At-Large
Kevin Settle
Pos 6, At-Large
Vice-Mayor
Neal Martin
Pos 7, At-Large

CITY OF FORT SMITH, ARKANSAS
PROPOSED FISCAL YEAR 2019
BUDGET

George B. McGill	Mayor
Keith Lau	Director - Ward One
Andre Good	Director - Ward Two
Mike Lorenz	Director - Ward Three
George Catsavis	Director - Ward Four
Robyn Dawson	Director - At Large
Kevin Settle	Director - At Large
Neal Martin	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
Rick Lolley	Interim Director of Human Resources
Russell Gibson	Director of Information and Technology Services
Doug Reinert	Director of Parks and Recreation
Kyle Foreman	Director of Sanitation
George Allen	Director of Streets and Traffic Control
Ken Savage	Director of Transit
Jerry Walters	Director of Utilities
Claire Borengasser	District Court Judge
Jim O'Hern	District Court Judge
R Gunner Delay	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
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Lori Hopkins, Manager of Finance
Tracy Keck, Accounting Manager
Alie Bahsoon, Purchasing Manager
Serena Billy, Senior Budget Analyst
Angie Chance, Payroll Accountant

City of Fort Smith on the Internet at:
www.fortsmithar.gov

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 2018 and Estimated 2017.

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 FY16 Actual, FY17 Budget, FY17 Estimated and FY18 Budget is included. A comparative summary for all funds with major revenue is presented for FY15 Actual, FY16 Actual, FY17 Budget, FY17 Estimated, and FY 18 Budget. A combined summary of all funds for the FY18 Budget as well as individual fund statements by fund type for FY18 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 FY18 is also incorporated this section. An early projection for FY19 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.

City Administrator's Budget Message

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

It is my honor to submit to you the City of Fort Smith 2019 operating and capital improvement budgets. The annual budget guide is our plan to provide public services, facilities, and infrastructure to the People of Fort Smith. We strive to produce a structurally-balanced budget that reflects the City's commitment to services and programs that align with Board of Directors goals and community needs.

The 2019 Budget combines the efforts and input from citizens, the Mayor, Board of Directors, and your City staff. It reflects a positive and progressive approach that tackles long-held issues and addresses them head-on—not kicking the can down the road for future generations to grapple with, but looks our problems squarely in the eye and deals with them, setting a responsible path toward the future we share.

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

The 2019 Budget is another positive step forward for our thriving business and cultural communities and citizenry. It includes almost $88 million in capital investment—the majority of it in Utilities. With this, we address both Consent Decree and non-mandated but responsible and necessary wastewater work and projects to improve and ensure water treatment and delivery. We are fortunate to be a "water rich" community. Recognizing this, we must protect that resource, tap its economic potential, and ensure our residents have clean and plentiful water delivered to their homes and business for many decades to come.

In 2018, the City sold $142 million in Utility bonds, refinancing $62 million of existing debt—a move that saved ratepayers $10 million. $80 million in new monies from this bond issue finances our Utility Department's work.

This responsible management, planning, and leveraging of debt led to the City's bond rating being raised prior to issuance of the new bonds. Better credit means lower risk for buyers, and the City reaps the reward of lower interest rates levied against its borrowing.

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

Additional Capital projects for our Police and Fire Departments, Engineering, Streets, and Parks & Recreation are providing new vehicles, body cameras, and other equipment for our police officers; new fire engines, ladders, pumpers, and other equipment for our firefighters; some new and many improved streets, and soon some new and highly-anticipated sidewalks along some of our major thoroughfares; and additional miles of trails, playgrounds and other amenities that help us remember that in being

responsible and protecting what's important, we here in Fort Smith always remember and enjoy the best that life has to offer for ourselves, our families, and our communities.

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

Fort Smith is fiscally conservative. Your City is dedicated to maintaining conservative fiscal perspective without tax increases. The 2019 Budget focuses expenditures on core services and other critical areas identified by the Board of Directors. This budget totals $216 million—$85.4 million for capital projects and $130.6 million for the operations.

FUND	2019 BUDGET	% CHANGE FROM 2018
General	$44 million	-1.4%
Street Maintenance	$ 9.3 million	9.7%
Water & Sewer	$60.3 million	-4.7%
Sanitation	$15.7 million	-4.2%

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

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

General Fund – General Fund revenues for 2019 are expected to remain consistent with 2018.

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

Water & Sewer Fund – The Sanitation Department maintains its sinking fund reserve required for future facility and equipment needs.

The City will continue to focus on our long-range financial plan to further streamline operations and lower costs. The 2019 Budget is aligned to Mayoral and Board policies, strategically and objectively. We will maintain strong fund balances and reserves, recommending a balanced budget, maintaining current programs, and making decisions within the context of our long-range financial and debt management plan.

The 2019 Budget asserts our commitment to meet and exceed our community's priority expectations. We continue to strive to deliver against these expectations and responsibilities while holding to the lowest possible costs to our residents.

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

Carl E. Geffken
City Administrator

2019 CITY-WIDE BUDGET GOALS

The City wide goals and a few of the 2019 departmental service objectives that correlate to the 2019 City wide goals are listed as follows:

1. Spending priorities for the 2019 budget include:
    a) Police Department critical equipment
    b) Pay increase for employees city-wide
    c) Additional LOPFI contributions to reduce the outstanding pension liabilities
    d) General Fund Capital Improvement Program

2. Incorporate the implementation of the Future Fort Smith Comprehensive Plan and vision statement into the City's operating and capital budgets (all FFS Goals).

    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)

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

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

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

    Mayor: 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.

5. Support riverfront development, restoration and the revitalization of downtown into a prominent multipurpose center of activity. (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.

6. Preserve, protect, and revitalize the City's neighborhoods with continued proactive code enforcement, community beautification, public sidewalk improvements, and planting parkway trees. (FFS Goal PFS-1; HN-1; TI-1; TI-3)

   Development Services: Continue to review, edit and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, 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)

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

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

8. Educate and inform the community, legislators, and other stakeholders on the funding obligations for Police and Fire pensions.

9. Continue converting portions of the City's fleet to alternatively-fueled vehicles. (FFS Goal NCR-2.3)

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

    Convention Center: Continue to capitalize on 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.

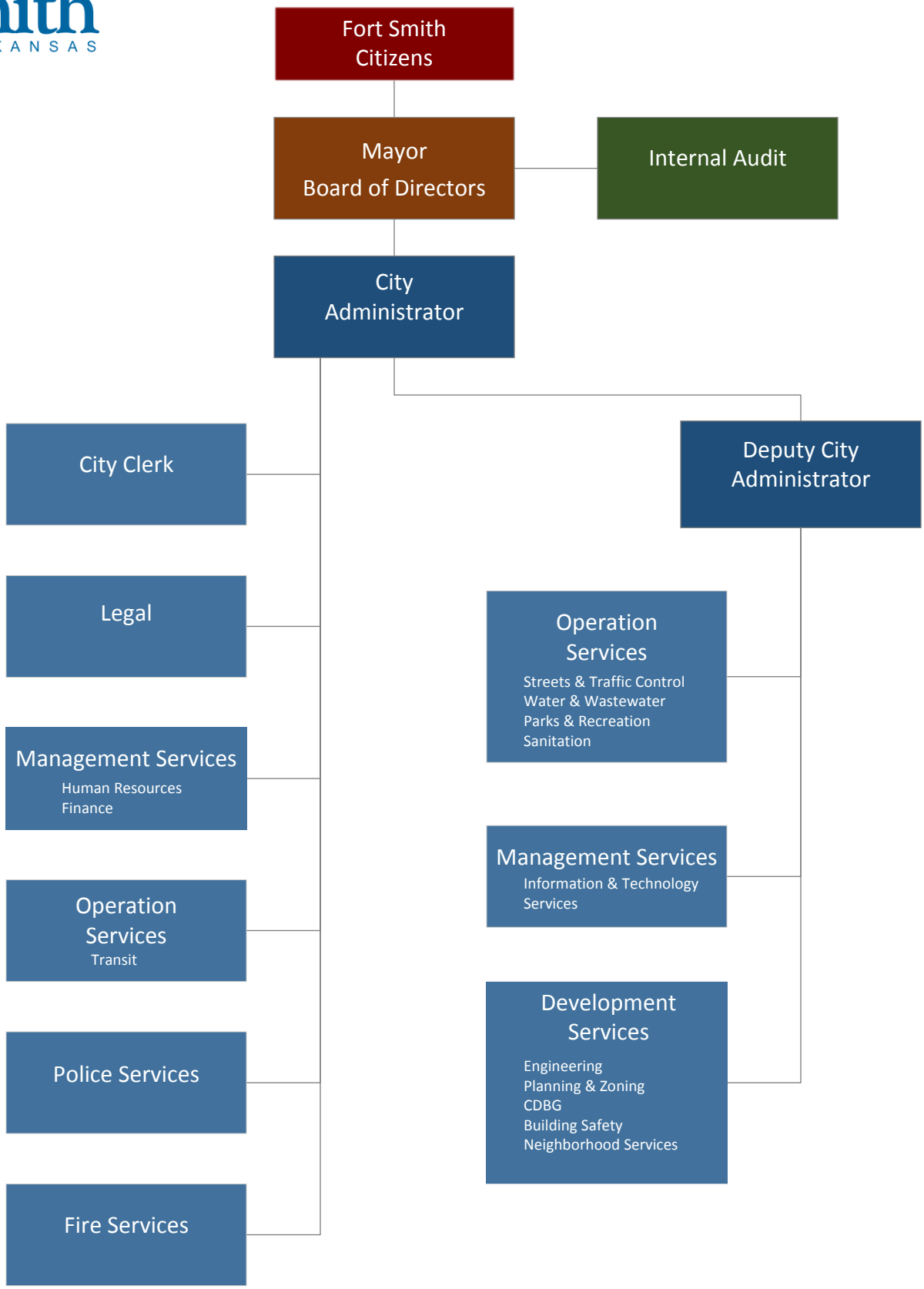
Convention Visitors Bureau: Continue to build on cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality industry.

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.

11. Build, establish, and maintain a communication strategy to educate citizens and increase community awareness of programs, activities, projects and accomplishments. This strategy will add prompt communication within challenges, issues and concerns. (FFS Goal PFS-2)

12. Evaluate the following areas for improvement in 2019:
    a) Personnel Reductions / Job Evaluations – positions vacant more than one year
    b) Contract Compliance and Administrative Services
    c) City Hall location and cost evaluations
    d) Add language to fiscal policies to address LOPFI funding parameters
    e) Add langue to fiscal policies to address capital purchases and include analysis of replenishment/maintenance costs with new requests.

City of Fort Smith
Plan of Organization

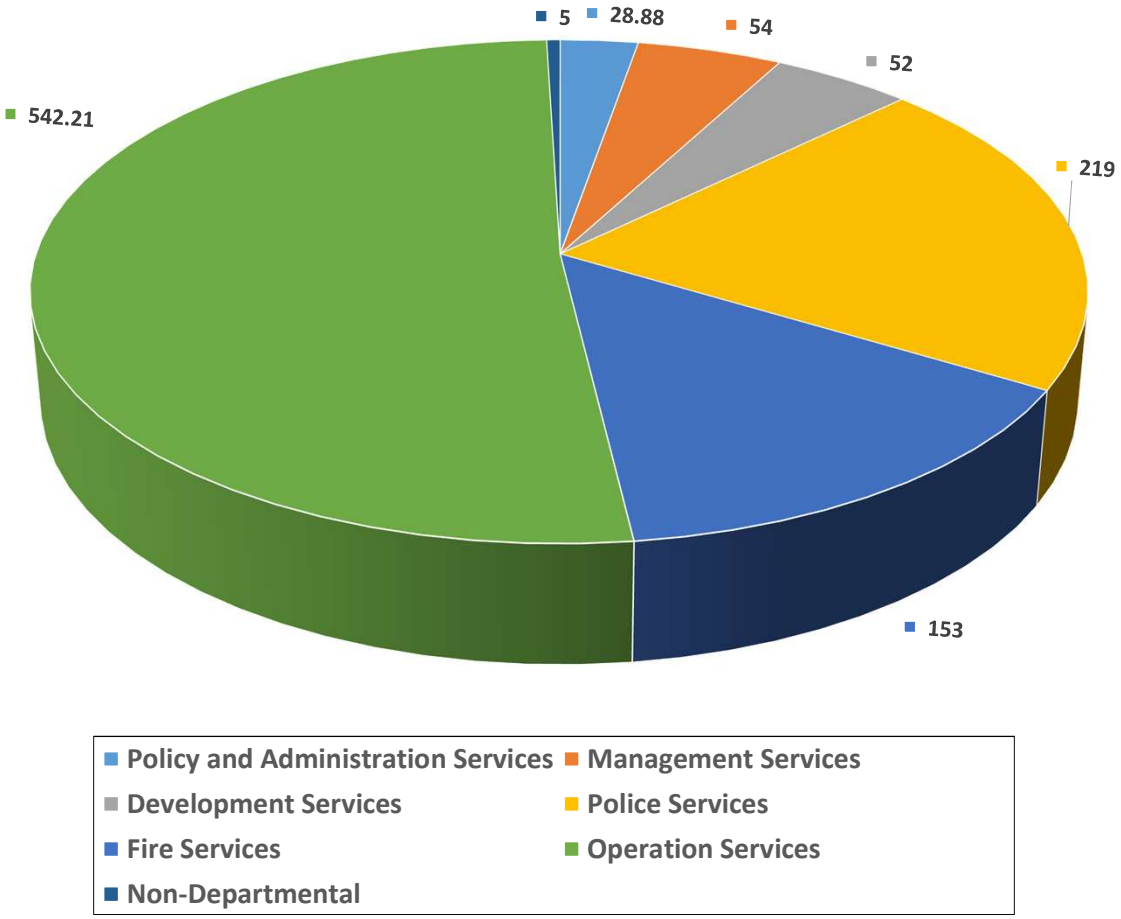


CITY OF FORT SMITH
AUTHORIZED LEVEL OF FULL-TIME EQUIVALENT (FTE) PERSONNEL
BY EXPENDITURE CLASSIFICATION

	FY17 Actual	FY18 Estimated	FY19 Budget
Policy and Administration Services (Note 1)			
Mayor's Office	1.00	1.00	1.00
City Administrator	3.00	4.00	4.00
District Court	18.63	18.63	18.88
City Prosecutor	2.00	2.00	2.00
Internal Audit	1.75	1.75	3.00
Total	26.38	27.38	28.88
Management Services			
Human Resources	5.00	6.00	6.00
City Clerk/Citizen Action Center	3.00	3.00	3.00
Finance	39.00	39.00	30.00
Information & Technology Services	13.00	13.00	15.00
Total	60.00	61.00	54.00
Development Services			
Engineering	19.00	19.00	19.00
Planning and Zoning	7.20	7.20	9.20
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	49.45	50.00	52.00
Police Services	208.00	222.00	219.00
Fire Services	152.00	152.00	153.00
Operation Services			
Streets and Traffic Control	72.86	72.86	72.86
Water and Sewer	274.00	283.50	294.10
Parks and Community Services	38.25	37.00	37.00
Convention Center	13.50	13.50	13.50
Sanitation	88.00	87.75	90.75
Transit	33.00	34.00	34.00
Total	519.61	528.61	542.21
Non-Departmental			
Convention & Visitors Bureau	5.00	5.00	5.00
Total Authorized Level of Full-Time Equivalent Personnel	1,020.44	1,045.99	1,054.09

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

1,054.09 FTE PERSONNEL FOR 2019



BY EXPENDITURE/EXPENSE CLASSIFICATION

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BUDGET HIGHLIGHTS

This section provides a narrative and graphical summary of the major components of the FY19 budget.

INTRODUCTION

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

BUDGET PROCESS

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

1. By December 1 of each year, the City Administrator is required to submit to the Mayor and the Board of Directors a proposed budget for the fiscal year beginning on the following January 1. The budget includes proposed expenditures/expenses and means of financing them.

2. Prior to adoption of the annual budget, a public hearing is conducted to obtain citizen comments.

3. State statutes require adoption of the Budget by February 1 of each year. For practical purposes, the Board of Directors usually adopt the Budget prior to January 1 of each year to coincide with the fiscal year.

4. Annual budgets are legally adopted for the operating funds which include the General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and the Sanitation Operating Fund.

5. Generally accepted accounting principles (GAAP) state that the General Fund and the Street Maintenance Fund budgets are to be prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available for use during the year and expenditures are recognized when the related liability is incurred, except for interest and principal on general long-term debt, which are recorded when due or otherwise payable. The City follows GAAP for the General Fund and Street Maintenance Fund in preparing its budget.

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

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

6. Working Capital is reflected for the Water and Sewer Operating Fund and the Sanitation Operating Fund budgets rather than net assets for comparative purposes. This provides a clearer picture of funds available for appropriation as Working Capital is current assets less current liabilities.

7. Amendments to the operating budgets during the year must be enacted by the Board of Directors. Ordinances are presented periodically during the fiscal year for amendments to the adopted budget. Transfers within appropriated amounts may be approved by the City Administrator.

8. The following budget preparation schedule was established for the 2018 Budget:

July 13, 2018	Board established 2019 City Wide goals at a Study Session.
July 23, 2018	Departments submit 2018 service objectives update for Board review. Distribution of 2019 Budget package to all departments.
July 23, 2018 through August 10, 2018	Departments prepare budget worksheets and summaries for 2019 requests as well as estimates for 2020. Finance refines 2019 revenue estimates and prepares 2020 revenue projections.
August 10, 2018	Departments submit service objectives, outcome/ performance measures, and completed budget packages for 2019 to the Finance Department.
August 28, 2018	Review departmental service objectives for 2019 and their correlation with city wide goals for 2019 during the Board Study Session.
August 10, 2018 through September 1, 2018	Finance verifies accuracy of amounts submitted by the departments and prepares a preliminary budget supplement.
September 9-14, 2018 through September 23-27, 2018	City Administrator, Deputy City Administrator and Director of Finance review budget requests and meet with department directors to discuss the 2019 requests.
October 23, 2018	Proposed five year streets and drainage CIP, Parks CIP, Water and Sewer CIP and General CIP are presented at Board Study Session. Also, 2019 Budget progress report.
October 23, 2018	Present proposed budget to Mayor and Board of Directors.
November 15 December 4, 2018	Review proposed budget with Mayor and Board of Directors; discussion with department directors.
December 18, 2018	Conduct 2019 Budget hearing and present 2019 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 FY19 BUDGET

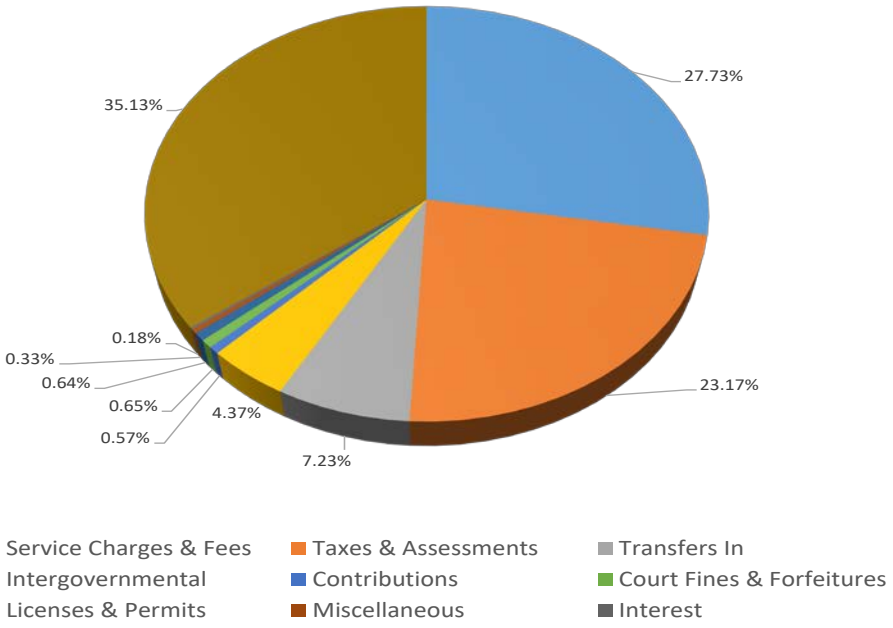
Total funding sources from all funds is estimated at $325 million with expenditures/expenses totaling $262 million for FY19. All funds for which revenues are received and expenditures/expenses are incurred are included in the Budget Summaries – All Funds section of this document.

The major sources of funding for FY18 are the prior year fund balance/working capital, taxes and assessments and service charges and fees. The prior year fund balance/working capital represents 35% of total resources. This is due to the inclusion of capital project budget balances which will be expended in future years. Taxes and assessments account for 23% of total resources. The City assesses a 3% local sales tax (2% city-wide plus 1% county-wide), a 4.25% utility franchise fee, a 3% hotel/motel tax and imposes a millage rate of $.70 per $100 of assessed property value. Service charges and fees account for 28% of total funding sources. Service charges and fees are primarily rates charged for municipal services of water sewer and solid waste collection and disposal.

The major uses of funds for FY19 are operating expenditures/expenses, capital improvements and debt service. Operating expenditures/expenses comprise 50% of total uses and are primarily for personnel, day-to day operating expenditures/expenses and equipment purchases. Capital improvements account for 32.5% of total uses. Capital improvements include the sales tax street program, the water and sewer projects and sanitary landfill projects. Debt service accounts for 12.6% 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.

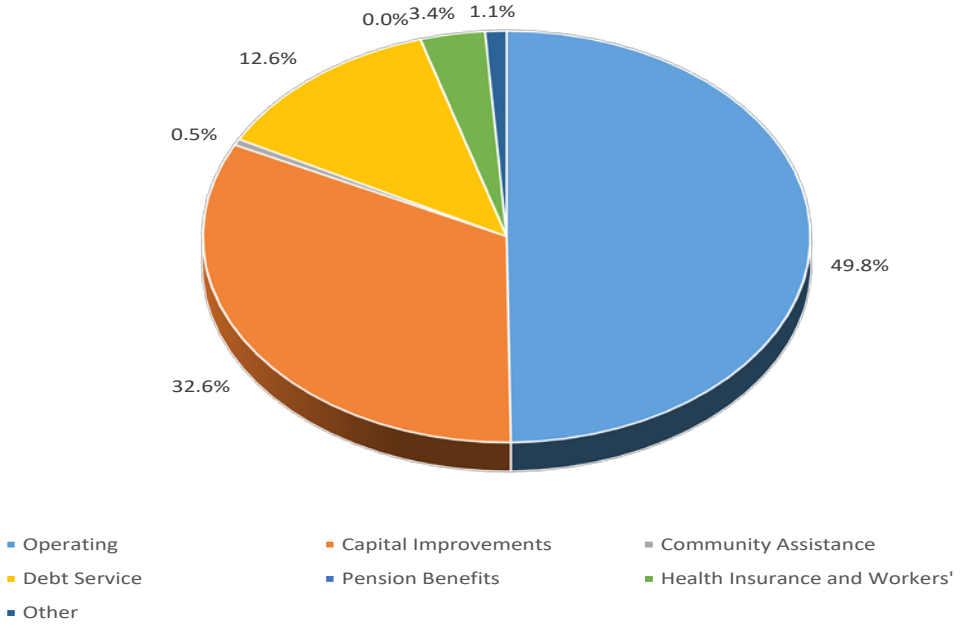
The two graphs which follow depict the allocation of total resources and total uses for 2019.

Summary of Total Resources
FY19



Total Resources $325,815,164

Summary of Total Uses
FY19



Total Uses $262,378,041

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 FY19 Operating Funds Budget totals $129.3 million in appropriations which is $421,347 or .3% more than the FY18 Operating Funds Budget. Operation services account for 61.1% of operating appropriations, sanitation and transit services. The police and fire services combine to account for 21.1% of total appropriations.

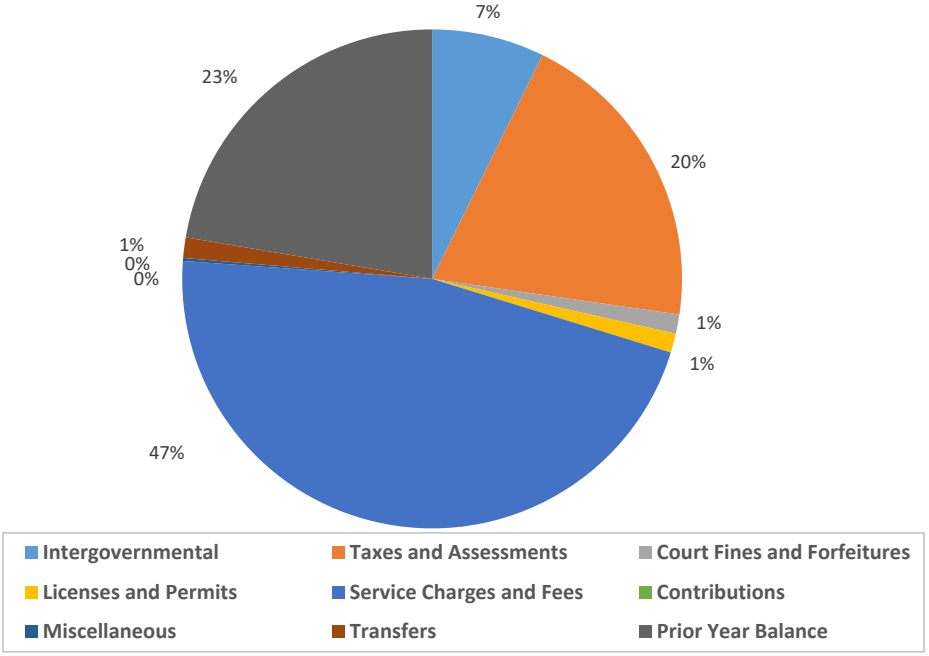
FY19 Operating Funds Sources total $168.4 million, which is $19.5 million more than FY19 Operating Funds Sources due to higher actual prior year balances. Service charges and fees account for 46.4% of total resources. Service charges and fees include utility rates charges for water, sewer and sanitation services. Taxes and assessments comprise of 20% 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.

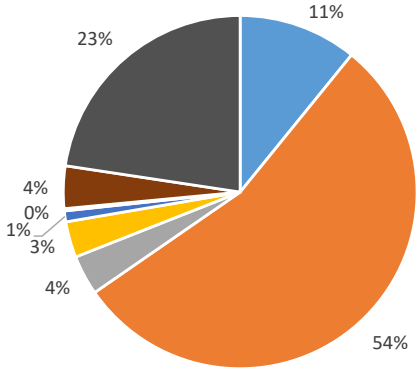
The graphs on the following two pages depict the funding sources and appropriations for the four operating funds. The graphs on page 32 illustrate funding sources combined and individually for the four operating funds. The graphs on page 33 illustrate appropriations in combined and individual format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

COMBINED OPERATING FUNDS

FISCAL YEAR January 1 - December 31, 2019

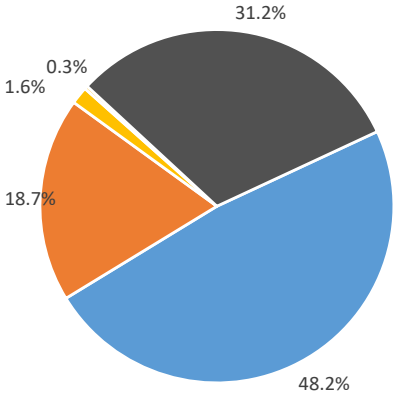
TOTAL FUNDING SOURCES $168,409,223





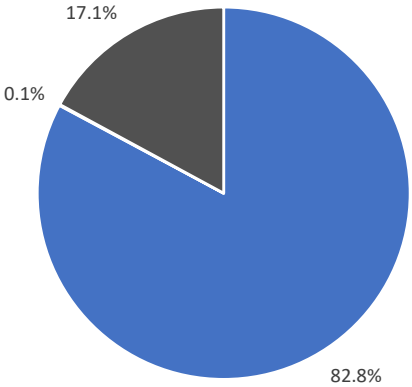
GENERAL FUND

$57,487,536



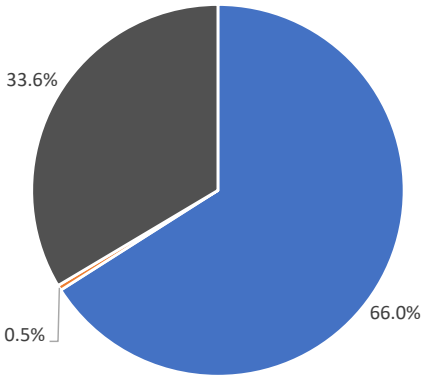
STREET MAINTENANCE FUND

$12,506,496



W/S OPERATING FUND

$74,722,775



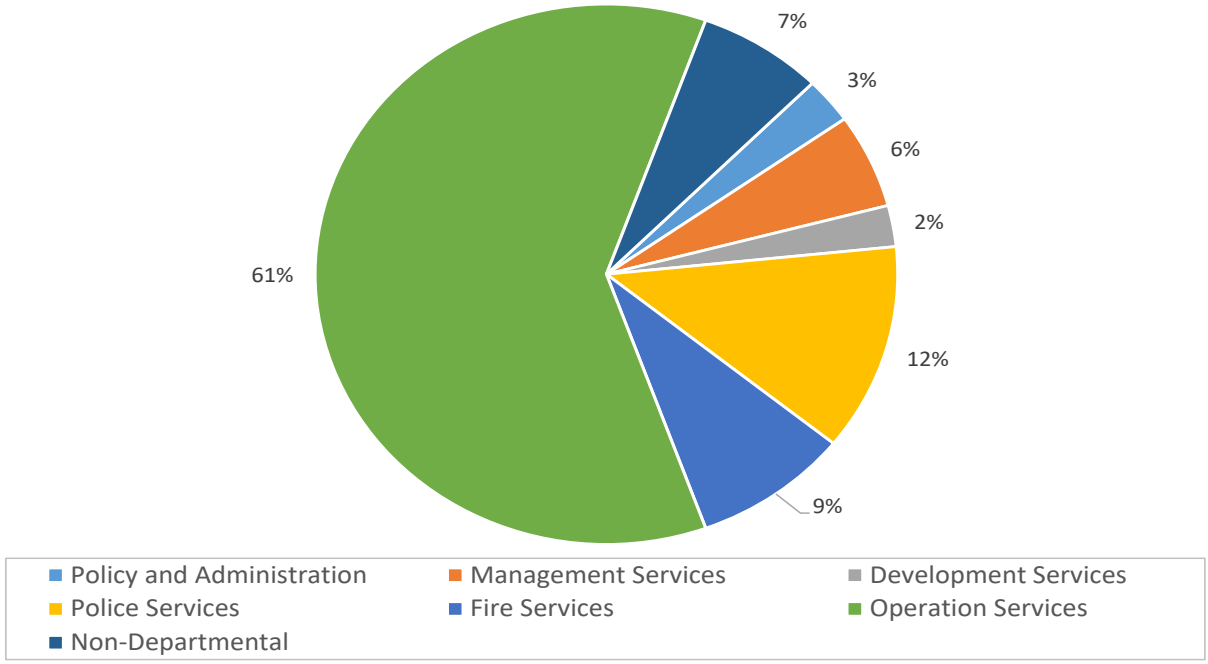
SANITATION OPERATING FUND

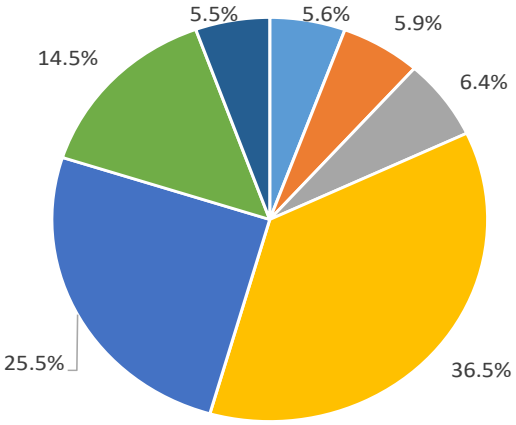
$23,692,416

COMBINED OPERATING FUNDS

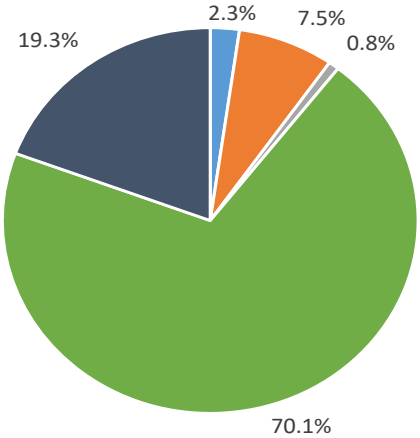
FISCAL YEAR January 1 - December 31, 2019

TOTAL APPROPRIATIONS $129,358,194

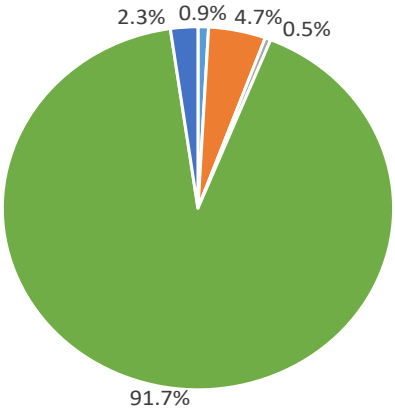




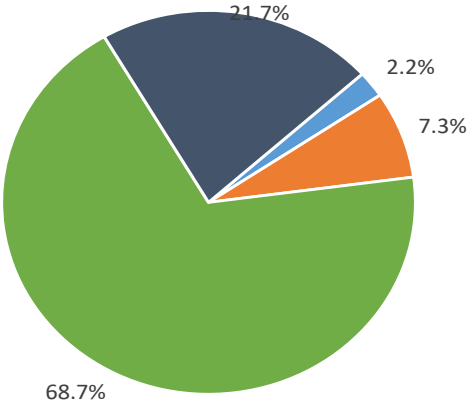
GENERAL FUND
$44,031,060



STREET MAINTENANCE FUND
$9,270,648



W/S OPERATING FUND
$60,320,584



SANITATION OPERATING FUND
$15,735,902

GENERAL FUND

Total funding sources for the General Fund in FY18 amount to $57.4 million that is $77,450 more than the FY18 Budget funding sources. Funding sources include current year revenue plus the prior year balance brought forward. The increase is due primarily from an increasing beginning fund balance. Additionally, the City Board re-instituted a Business License Fee and increased the Franchise Fee to the maximum percentage (4.25%) in FY18.

The major funding source for the General Fund is Taxes and Assessments which comprise 54% 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 FY19 total $7.8 million, which is an increase of 10% over the FY18 estimated amount of $7.1 million. The tax rate for FY18 and FY19 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 FY19 are shown on page 185.

Franchise fees for FY19 are budgeted at $6.67 million, which is an increase of 1% over the FY18 estimated revenue of $6.61 million. A comparison of the franchise fee revenues between years is as follows:

	FY18 Estimated (Thousands)	FY19 Budget (Thousands)
Electric	4,307	4,350
Gas	1,289	1,302
Cable	758	765
Telephone	79	80
Other	176	178
	$6,610	$6,676

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 79% 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 $16.8 million for FY19. This tax accounts for 38% 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 FY19, this tax will generate $5.8 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 FY19 total $41.9 million which is $318,357 or 1% more than the FY18 Budget. This increase is due to City-wide merit increases.

Personnel changes total to an increase of 8 FTE for FY19. The changes include a net increase of 2FTE in Policy and Admin, 1FTE for Management Services, 1FTE for Development Services, 1FTE for Fire, and 3FTE for Sanitation.

The General Fund uses for the County Sales Tax in FY18 are as follows:

Public Safety	$ 12,819,680
Public Library	1,012,080
Park Capital Maintenance	421,700
Senior Citizen Programs	253,020
Downtown Development & Maint.	506,040
Public Transit	506,040
Privilege License Replacement	1,349,440
	$ 16,868,000

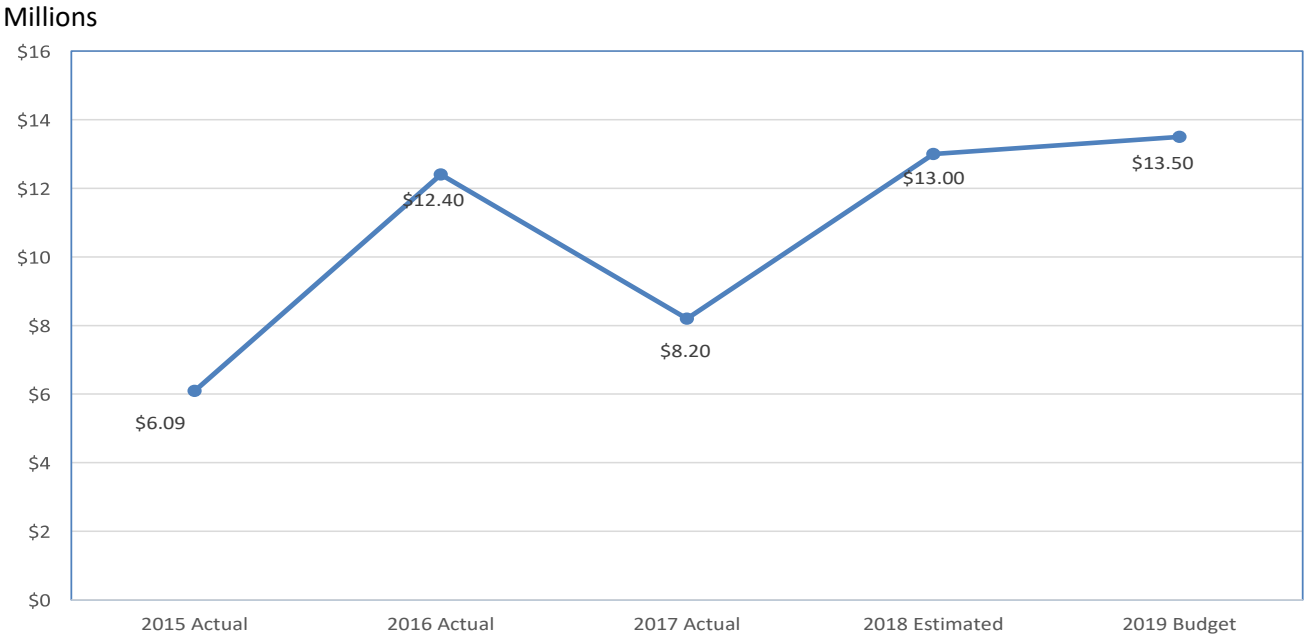
The projected fund balance of the General Fund at December 31, 2019 is $13,456,476 which represents 30.6% of operating expenditures for 2019. The Fiscal Performance Policies require a 15% contingency.

The level of ending fund balances for the past four years, and projected for FY19 is:

FY15	12.9%
FY16	33.0%
FY17	21.1%
FY18Estimated	31.5%
FY19 Budget	30.1%

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 FY19 amount to $12.5 million and is $1.5 million more than the FY18 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 FY19 is $46.66 which is slightly more than the FY18 estimated amount of $46.32. The actual turnback revenue was $46.56 for FY17, and $46.66 is estimated for FY20.

Beginning July 1, 2013, the Street Maintenance Fund began to receive a share of the 1/2% state sales tax allocated for highway improvements. This tax was approved by Arkansas voters on November 6, 2012. The revenue is to be received for a period of 10 years. This tax is also a state turnback revenue. The tax is allocated based upon the city's population. The per capita amount is estimated at $22.19 for FY18. The estimate for FY19 and FY20 is $22.30.

This Fund also receives one-half of the 3.0 road millage levied by Sebastian County. Total estimate from this revenue for FY19 is $2.3 million which is consistent with the FY18 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 $200,000 for FY19.

FY19 appropriations for the Street Maintenance Fund total $9.3 million and are $874,000 more than FY18. The personnel count for the fund in FY19 remains the same as FY18.

The major appropriation classification of the Street Maintenance Fund is Operation Services involving the streets and traffic control programs. This classification represents 70.1% of total appropriations.

The estimated year end fund balance of the Street Maintenance Fund is $3,235,849 which represents 35% of FY18 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 $74.7 million for FY19. This is consistent with FY18 budget of $75.1 million

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

Total Water and Sewer Operating Fund appropriations for FY19 are $60.3 million consistent to FY18 appropriations of $60.6 million.

The projected working capital at December 31, 2019, is $14,402,191, which represents 24% of FY19 operating expenses. This exceeds the fiscal policy of a 20% reserve requirement.

SANITATION OPERATING FUND

Total funding sources of the Sanitation Operating Fund amount to $23.7 million for FY19 and is consistent with FY18 budget of $23.8.

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

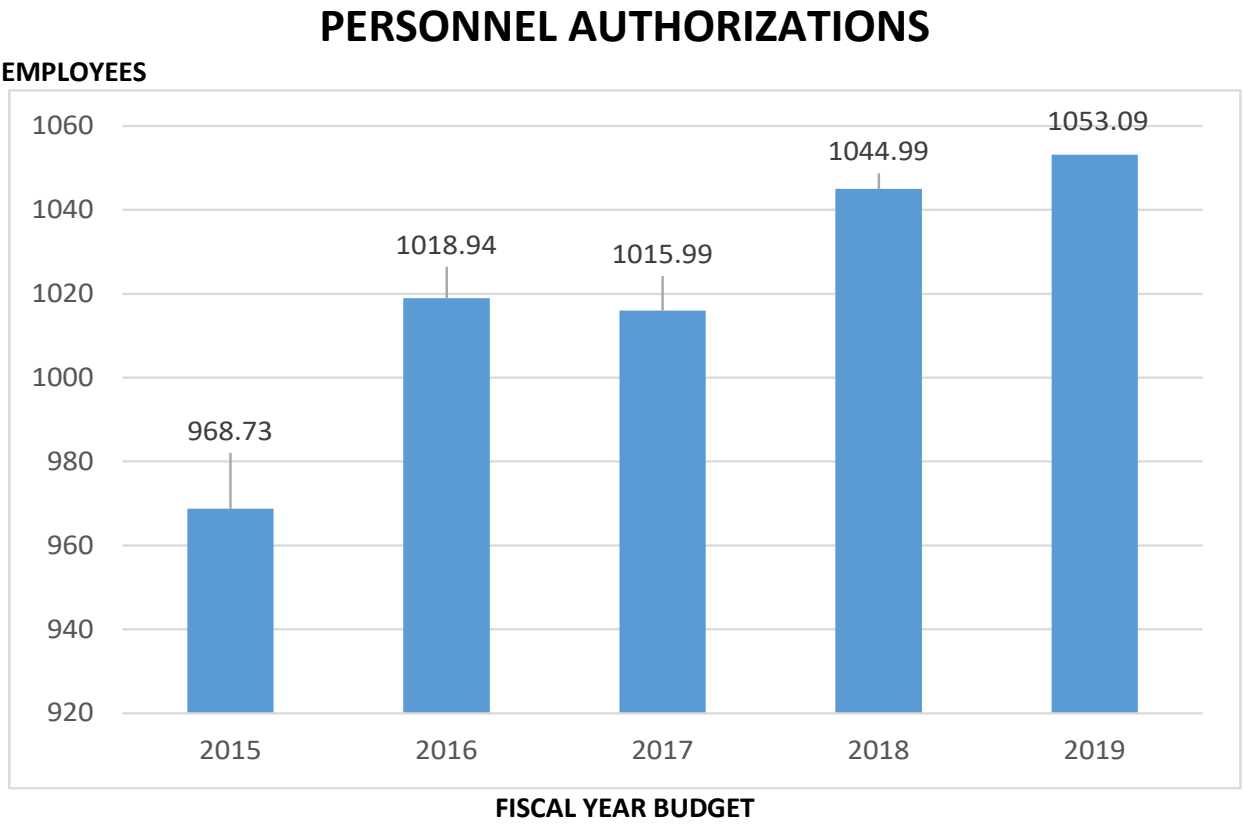
Appropriations for the Sanitation Operating Fund in FY19 total $15.7 million. This decrease of $514,000 from FY17 Budget is due from a reduction in Fund appropriations.

The major appropriation of the Fund is operation services which comprise 68% of the total appropriations.

The projected year end working capital of the Sanitation Operating Fund is $7,956,513 and reflects 51% of FY19 operating expenses. This exceeds the policy goal of 15%.

PERSONNEL AUTHORIZATIONS

Personnel costs for the City in FY18 represent 47% of total operating funds appropriations compared to 46% for estimated FY18. The level of personnel for the past five years is represented in the graph below.



The net change in personnel between 2018 estimated and 2019 is an increase of 8.1 FTE. The following chart reconciles the 2018 estimated positions to the total positions for 2019.

	Full Time	Part-Time/ Seasonal	Total FTE
2018 Estimated	1013	31.99	1044.99
Policy and Admin Services	2	-0.5	1.5
Management Services	-7	-	-7
Development	2	-	2
Police	-3	-	-3
Fire	1	-	1
Water & Sewer	11	-0.4	10.6
Sanitation	3	-	3
2019 Budget	1022	31.09	1053.09

CAPITAL IMPROVEMENT PROGRAM

Total capital improvements other than capital outlay for the operating programs for FY19 total $85 million. Capital Improvements for the current fiscal year are provided by the following funds as indicated:

		Amount (Thousands)
Sales Tax Fund	$	30,220
Water and Sewer Capital Improvement Projects Fund		52,628
Sales & Use Tax Bond Construction Fund		0
Sanitary Landfill Construction & Sinking Fund		2,524
Convention Center/CVB		68
CDBG		0
Parking Authority		0
Total	$	85,440

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 FY19 are 17.29% and 23.5% for police and fire personnel as well as a flat rate of $128,531 and 120,081, respectively, as compared with FY18 rates of 16.29% and 22.51% for police and fire personnel as well as a flat rate of $111,248 and $119,920, respectively. The contributions are high due to the amortization of the old police and fire pension funds. At the end of 2018, the remaining amortization period is 19 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 FY19 are estimated at $10 million as compared to $10 million for FY18. 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 FY19, this totals $490,000. If the General Fund had to make direct contributions for LOPFI members, the employer amounts would be:

FY19	Police	Fire	Total
Employer Cost	$4,400,000	$5,400,000	$9,800,000
Actual Direct Contribution	0	490,000	490,000
Amount of Employer Contributions Paid by Special Revenues	$4,400,000	$5,890,000	$10,290,000

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 FY19. The current employer contribution rate for the court clerk is 15.32%. The FY19 contribution for the court clerk will be made from the General Fund. There is currently one retiree receiving benefits.

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

BONDED INDEBTEDNESS

The City has seven bond issues outstanding in 2018. 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 and the remaining $66,260,000 was refunded by Series 2018 Bonds.

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 FY19 appropriation of $1.8 million will cover the required debt service payments during 2019. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY19.

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 FY19 appropriation of $2.1 million will cover the required debt service payments during 2019. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY19.
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 $15.8 million for this purpose in FY19. Current year revenues and prior year carry over will be sufficient to pay the required debt service of $8.5 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 $15.8 million for this purpose and the 2012 Bonds in FY18. Current year revenue and prior year carry over will be sufficient to pay the required debt service of $1.9 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 FY19 appropriation of $2.3 million will cover the required debt service payments during 2019. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY19.

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 FY18 appropriation of $4.5 million will cover the required debt service payments during 2019. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY19.

8. **Water and Sewer Revenue Refunding Bonds-Series 2018-**
   These bonds are secured by the rates of the water and sewer system that are reflected in the Water and Sewer Operating Fund. The Water and Sewer Operating Fund provides the transfers to meet the debt service requirements of the bonds. These bonds were issued to finance all or a portion of the costs of water and sewer improvements and to refund the remaining balance of $66,260,000 for series 2008 water and sewer revenue bonds. The original principal issued was $130,680,000 million. The FY19 appropriation of $7.0 million will cover the required debt service payments during 2019. The Water and Sewer Operating Fund is expected to generate sufficient revenues to meet the required debt service for FY19.

Please refer to pages 173-176 in the Related Financial Information section of this document for more information regarding the City's debt.

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BUDGET SUMMARIES – ALL FUNDS

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

A comparative summary for FY17 Actual, FY18 Budget, FY18 Estimated and FY19 Budget is provided on a consolidated basis with interfund transfers included. A combined summary with more detailed revenue sources for FY16 Actual, FY17 Actual, FY18 Budget, FY18 Estimated and FY19 Budget is included. A schedule of beginning and ending balances/working capital for all fund types for FY19 Budget is provided. Major revenue analyses are included in this section. Also included are individual fund statements for FY19 Budget.

City of Fort Smith
FY19
Comparative Summary - All Funds

	Actual FY17	Budget FY18	Estimated FY18	Budget FY19
Revenues				
Intergovernmental	$ 14,861,955	$ 14,056,863	$ 13,077,321	$ 15,174,097
Taxes & Assessments	73,677,310	74,058,937	74,763,870	75,494,216
Licenses & Permits	1,830,347	2,317,325	2,079,820	2,088,900
Court Fines & Forfeitures	2,086,362	2,420,000	2,109,871	2,121,480
Service Charges & Fees	82,857,477	85,987,503	87,939,876	90,349,367
Interest	669,115	720,106	1,082,226	1,149,850
Bond Proceeds	0	0	0	0
Contributions	1,895,356	1,730,000	2,494,098	1,844,770
Miscellaneous	890,747	1,344,020	937,825	336,275
Transfers In	25,196,852	19,214,823	27,722,860	23,553,596
Total	$ 203,965,520	$ 201,849,577	$ 212,207,767	$ 212,112,551
Expenditures / Expenses				
Operating	$ 125,459,277	$ 135,149,380	$ 126,747,889	$ 130,622,016
Capital Improvements	41,114,920	63,729,195	49,017,952	85,440,400
Community Assistance (Note 1)	1,117,654	1,427,372	2,186,999	1,475,145
Debt Service	26,207,455	30,683,179	20,918,331	32,997,026
Pension Benefits / Retirement Contributions	6,710,819	6,700,160	0	10,000,150
Health Insurance and Workers' Compensation Claims	10,320,149	10,275,000	9,039,295	8,581,007
Other (Note 2)	2,755,058	4,388,906	2,928,674	2,997,900
Total	$ 213,685,332	$ 252,353,192	$ 210,839,140	$ 272,113,644
Excess (Deficiency) Revenues Over Expenditures / Expenses	$ (9,719,812)	$ (50,503,615)	$ 1,368,627	$ (60,001,093)
Fund Balance / Working Capital, Beginning of Year	124,845,727	115,125,915	115,125,915	116,494,542
Fund Balance / Working Capital, End of Year	$ 115,125,915	$ 64,622,300	$ 116,494,542	$ 56,493,449

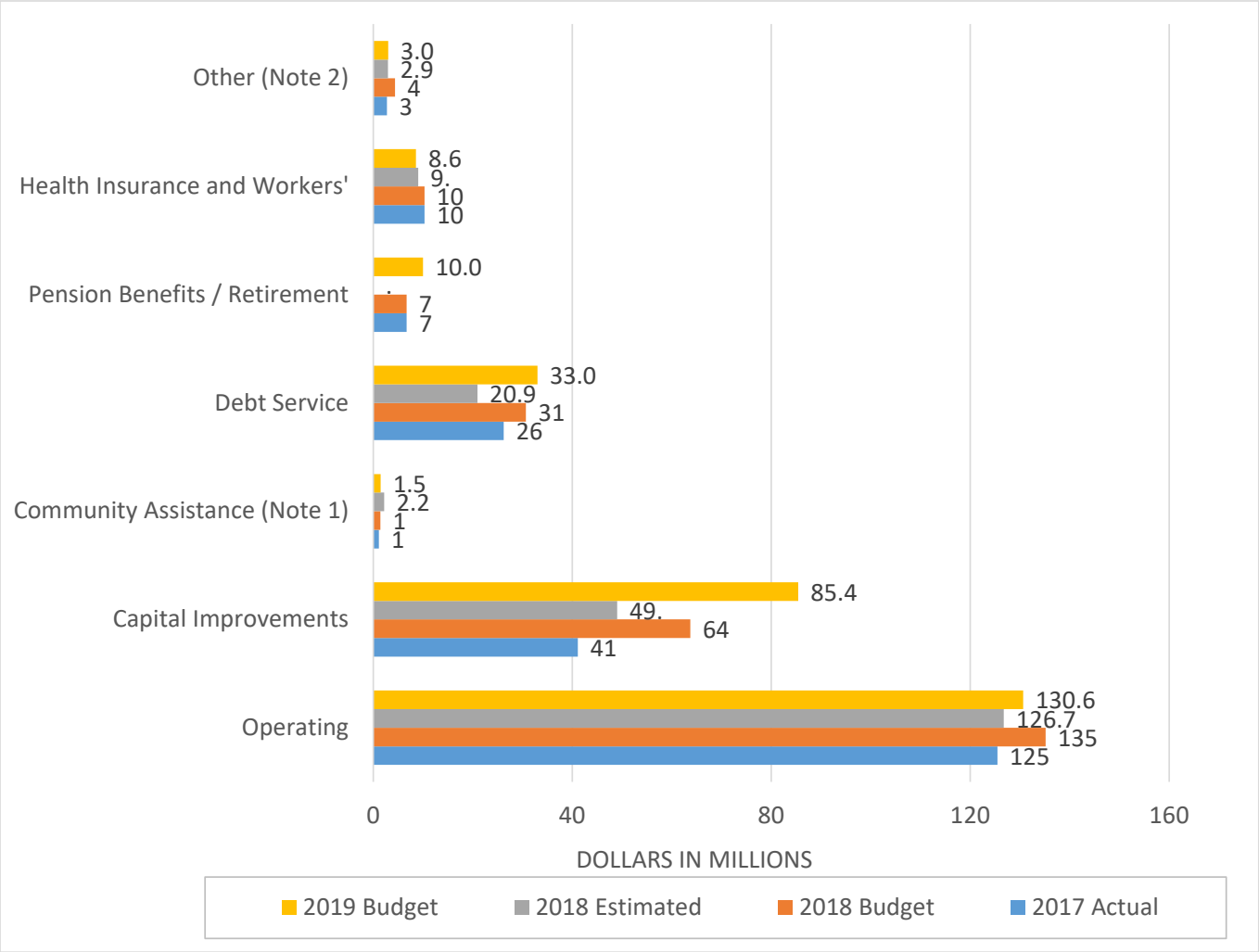
Note 1: Community Assistance includes CDBG and HOME programs as well as the historic preservation, federal transportation and drug enforcement activity of the Special Grants Fund.

Amounts for 2019 are: CDBG and HOME: $1,062,350; Special Grants: $412,795

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

COMPARATIVE SUMMARY - ALL FUNDS

Expenditure/Expense



City of Fort Smith
FY19
Fund List Summary

	Beginning Fund Balance/ Working Capital	Revenues	Expenditures/ Expenses	Ending Fund Balance/ Working Capital
General	$ 12,998,446	$ 44,489,090	$ 44,031,060	$ 13,456,476
Special Revenue Funds:				
Street Maintenance	3,897,296	8,609,200	9,270,650	3,235,846
Sales Tax	31,501,086	21,961,590	30,220,100	23,242,576
Community Development Block Grant	5,339	767,900	767,900	5,339
HOME Investment Partnership Act	0	294,450	294,450	0
Special Grants	101,653	412,795	412,795	101,653
Tilles Park	25,531	50	0	25,581
Advertising and Promotion	490,778	890,700	947,140	434,338
Arkansas LOPFI Contribution	6,712,087	6,393,370	10,000,150	3,105,307
Convention Center	523,151	1,518,100	1,620,440	420,811
Sub-Total	43,256,921	40,848,155	53,533,625	30,571,451
Debt Service Fund:				
Sales & Use Tax Bonds	16,028,353	16,501,564	15,915,430	16,614,487
Enterprise Funds:				
Water and Sewer	665,854,540	79,691,203	130,030,180	615,515,562
Sanitation	40,141,674	19,227,100	18,958,462	40,410,312
Parking Authority	1,895,696	185,900	316,680	1,764,916
Sub-Total	707,891,910	99,104,203	149,305,323	657,690,790
Internal Service Funds:				
Working Capital	139,272	777,100	747,200	169,172
Employee Health & Wellness	3,530,882	9,886,000	7,909,700	5,507,182
Workers' Compensation	429,830	672,307	671,307	430,830
Sub-Total	4,099,984	11,335,407	9,328,207	6,107,184
Total	784,275,614	212,278,419	272,113,644	724,440,389
Interfund Transfers				
Adjusted Total	$ 784,275,614	$ 212,278,419	$ 272,113,644	$ 724,440,389

City of Fort Smith
FY19
Comparative Summary with Detail Revenue Categories - All Funds

	Actual FY16	Actual FY17	Budget FY18	Estimated FY18	Budget FY19
Revenues					
Intergovernmental					
Federal	$ 6,026,995	$ 5,018,901	$ 4,190,470	$ 4,208,046	$ 5,321,957
State	8,798,087	9,092,964	9,127,893	9,301,969	9,107,140
Local	762,294	750,090	738,500	767,807	745,000
Taxes and Assessments					
Ad Valorem	12,209,823	12,708,725	12,065,402	12,936,580	12,936,580
Franchise	5,974,790	6,304,008	6,654,000	6,610,375	6,676,325
Sales Tax - City	42,312,763	37,107,249	37,668,591	37,630,871	38,111,311
Sales Tax - County	16,580,569	16,691,854	16,791,000	16,785,000	16,868,000
Hotel/Motel Tax	889,368	853,764	867,944	789,244	890,000
Other	9,701	11,709	12,000	11,800	12,000
Licenses and Permits	1,752,102	1,830,347	2,317,325	2,079,820	2,088,900
Court Fines and Forfeitures	2,368,501	2,086,362	2,420,000	2,109,871	2,121,480
Service Charges and Fees					
Water & Sewer	52,211,062	54,825,693	56,665,000	59,919,435	61,890,770
Sanitation	14,625,732	14,634,242	16,029,000	15,222,700	15,633,900
General Fund	606,111	602,996	591,500	548,340	572,390
Internal Service	10,972,133	11,780,220	11,830,000	11,299,343	11,327,307
Convention Center	704,790	861,607	689,000	765,831	740,000
Parking Operations	195,392	152,718	183,003	184,227	185,000
Interest	324,067	669,115	720,106	1,087,517	1,149,990
Contributions	2,142,987	1,895,356	1,730,000	2,494,098	1,844,770
Bond Proceeds	0				
Miscellaneous	1,155,125	890,747	1,344,020	937,825	336,275
Transfers In	19,626,390	25,196,852	19,214,823	27,722,860	23,553,596
Total	$ 200,248,782	$ 203,965,520	$ 201,849,577	$ 213,413,560	$ 212,112,691
Expenditures/Expenses					
Operating	$ 102,088,069	$ 125,459,277	$ 135,149,380	$ 126,747,889	$ 130,622,016
Capital Improvements	64,365,876	41,114,920	63,729,195	49,017,952	85,440,400
Community Assistance	2,318,458	1,117,654	1,427,372	1,977,864	1,475,145
Debt Service	28,750,231	26,207,455	30,683,179	31,465,470	32,997,026
Pension Benefits/Retirement Contributions	6,919,501	6,710,819	6,700,160	9,631,234	10,000,150
Health Insurance and Workers' Compensation Claims	9,433,170	10,320,149	10,275,000	9,039,295	8,581,007
Other	2,636,474	2,755,058	4,388,906	2,928,674	2,997,900
Total	$ 216,511,779	$ 213,685,332	$ 252,353,192	$ 230,808,378	$ 272,113,644
Excess (Deficiency) Revenues Over (Under) Expenditures/Expense	$ (16,262,997)	$ (9,719,812)	$ (50,503,615)	$ (17,394,819)	$ (60,000,953)
Fund Balance/Working Capital Beginning of Year	141,108,724	124,845,727	115,125,915	115,125,915	97,731,097
Fund Balance/Working Capital End of Year	$ 124,845,727	$ 115,125,915	$ 64,622,300	$ 97,731,097	$ 37,730,143

Major Revenue Analyses-2019 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.

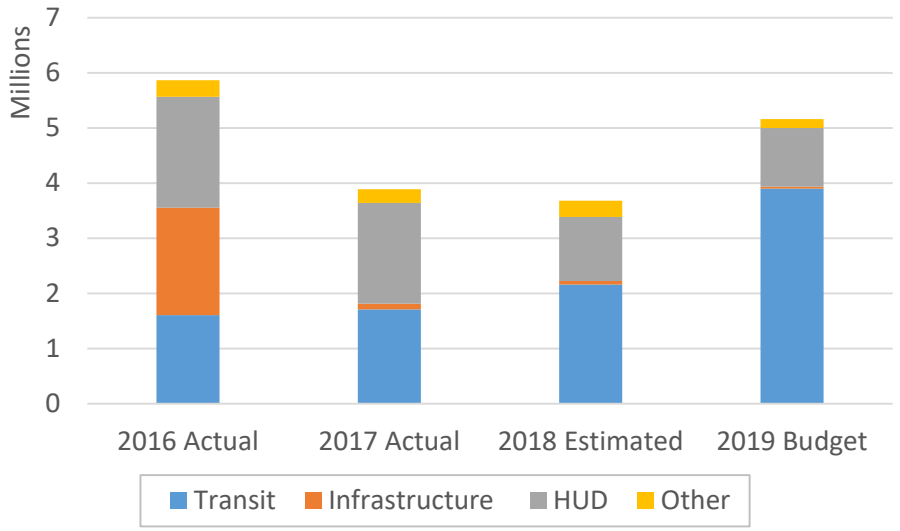
Intergovernmental

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 1.4% of total annual revenues. However, the transit funding is accounted for in the General Fund and represents an average of 8.8% 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
2016 Actual	1,607,477	1,948,814	2,010,158	301,850	5,868,299
2017 Actual	1,712,911	99,894	1,829,536	244,300	3,886,640
2018 Est.	2,160,000	66,350	1,160,308	296,300	3,682,958
2019 Budget	3,900,000	36,700	1,062,350	163,990	5,163,040



2019 Revenue Estimates- The increase in 2019 is due to a projected increase in federal Transit reimbursements for FY19. The HUD grants are expected to remain flat in FY19.

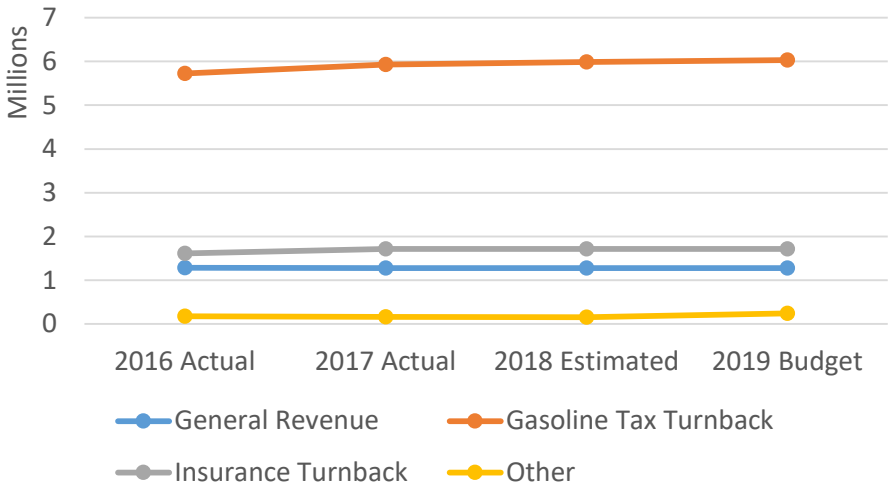
State-

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 4.4% of total revenues. However, the gasoline tax turnback plus the ½% highway sales tax turnback represent an average of 70% of the Street Maintenance Fund annual revenue and the insurance turnback represents 26.9% of the Arkansas LOPFI Contribution Fund revenue.

	General Revenue Turnback	Gasoline Tax / Hwy Sales Tax Turnback	Insurance Turnback	Other	Total
2016 Actual	1,286,388	5,726,951	1,609,970	177,686	8,800,995
2017 Actual	1,275,959	5,933,311	1,715,394	161,675	9,086,339
2018 Est.	1,274,600	5,990,000	1,712,138	152,000	9,128,738
2019 Budget	1,275,000	6,030,000	1,712,140	141,820	9,261,319



2019 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. Other state revenue includes the recognition of Act 833 fire funds that are restricted for fire safety purposes and is budgeted at $100,000 for 2019.

Taxes and Assessments

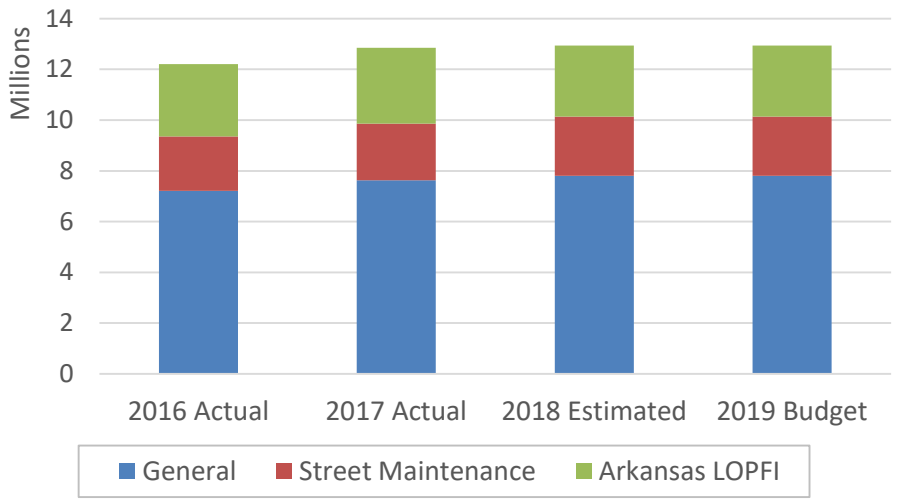
Ad Valorem-

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 185 in the Related Financial Information section of this document.

Ad valorem taxes represent an average of 6.1% of total City revenues. The history of the revenue since 2016 for the three funds which receive property tax revenue is as follows:

	General	Street Maintenance	Arkansas LOPFI Contribution	Total
2016 Actual	7,219,252	2,138,454	2,852,117	12,209,823
2017 Actual	7,631,784	2,235,463	2,982,094	12,849,340
2018 Estimate	7,800,000	2,342,500	2,794,080	12,936,580
2019 Budget	7,800,000	2,342,500	2,794,080	12,936,580



2019 Revenue Estimate-ad valorem taxes are expected to remain flat in 2019.

Franchise Fees-

Revenue Description- a General Fund revenue which is a 4.25% fee assessed to franchised utilities' and 5% fee assessed to franchised cables' gross revenues earned within the City limits. The fee is assessed for the use of streets, alleys, highways and public grounds which are directly affected by the franchised utilities' activities and systems.

Revenue History- the two electric utilities and the gas utility gross revenues are directly related to rate adjustments and weather fluctuations. Franchise fees represent an average of 3.1% of total City revenues and an average 15.6% of total General Fund revenue.

	2016 Actual	2017 Actual	2018 Estimated	2019 Budget
Electric	3,919,769	4,211,437	4,307,100	4,350,150
Gas	1,078,016	1,183,928	1,289,400	1,302,400
Cable	847,215	805,465	758,000	765,600
Telephone	107,240	87,079	79,300	80,000
Other	22,550	16,100	176,575	178,175
	5,974,790	6,304,008	6,610,375	6,676,325

2019 Revenue Estimate- franchise fees are anticipated to remain flat in 2019.

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
2016 Actual	5,289,152	21,156,609	15,867,457	42,313,218
2017 Actual	5,301,036	21,204,143	15,903,107	42,408,286
2018 Estimate	5,304,120	21,503,354	16,127,517	42,934,991
2019 Budget	5,330,000	21,822,520	16,288,791	43,441,311

2019 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 2016	16,580,569
Actual 2017	16,691,854
Estimated 2018	16,785,000
Budget 2019	16,868,000

2019 Estimated Revenue- the county sales tax is expected to increase 1% over 2018. As in the case of the City's sales tax levies, the state provides minimal commodities information for this revenue source.

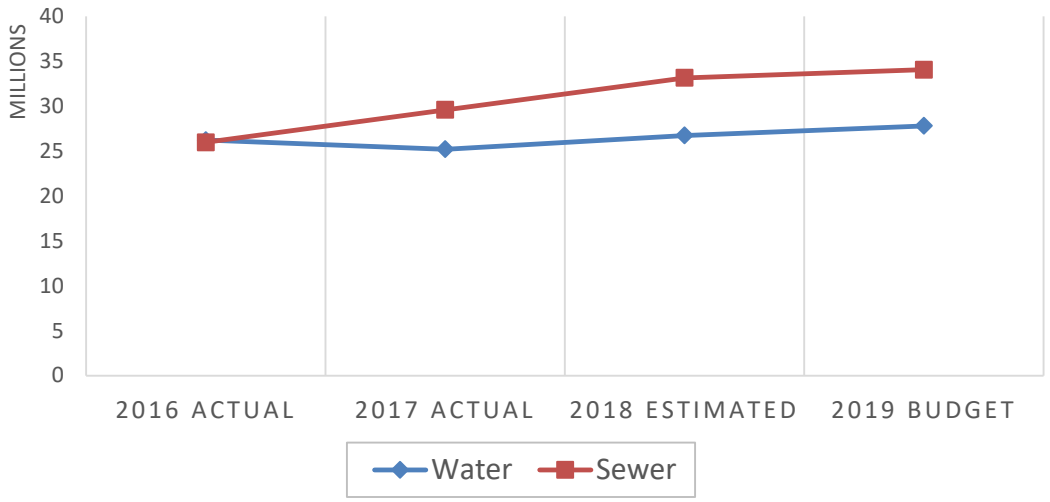
Service Charges and Fees

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 2.6% in 2019. Combined water and sewer service charges and fees represent an average 29% of total city revenue.

	Water	Sewer	Total
2016 Actual	26,230,543	25,980,519	52,211,062
2017 Actual	25,218,608	29,607,085	54,825,693
2018 Estimate	26,748,335	33,171,100	59,919,435
2019 Budget	27,821,770	34,069,000	61,890,770



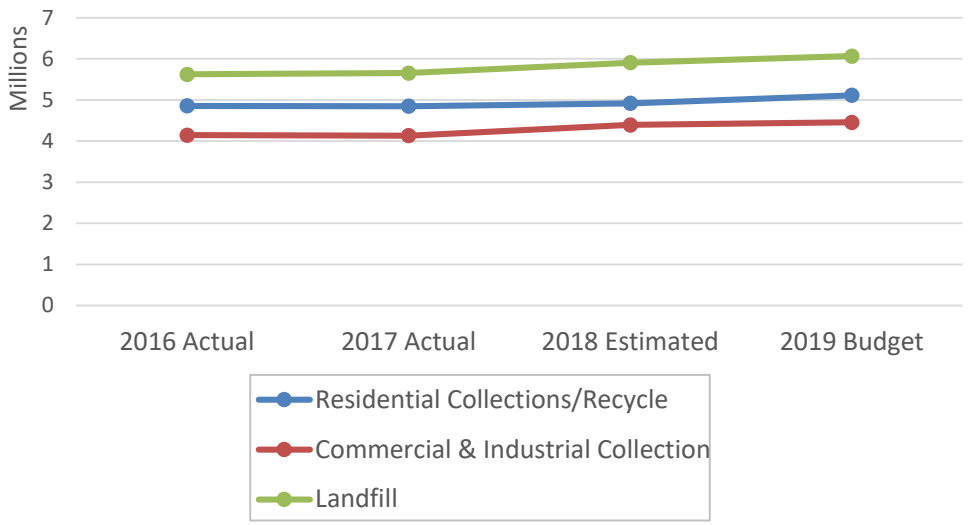
2019 Revenue Estimate - Consumption is expected to increase by 4% between FY18 and FY19. The increase in revenues for FY18 was due to sewer rate increases.

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 February 1, 2018.

	Residential Collection / Recycling	Commercial / Industrial Collection	Landfill	Total
2016 Actual	4,857,760	4,144,593	5,623,379	14,625,732
2017 Actual	4,848,810	4,132,325	5,653,108	14,634,242
2018 Est.	4,920,000	4,394,000	5,908,700	15,222,700
2019 Budget	5,115,000	4,453,900	6,065,000	15,633,900



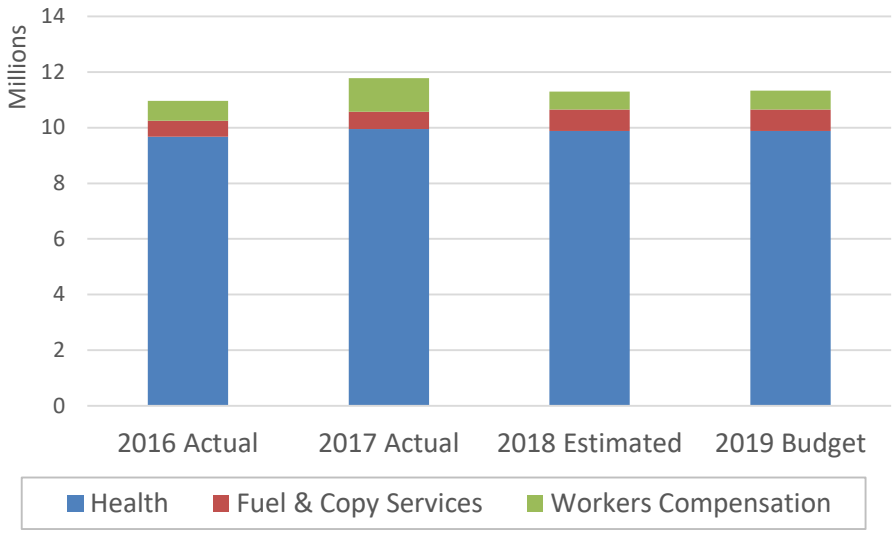
2019 Revenue Estimates - In FY19, all Sanitation services are anticipated to remain stable between years.

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 increase due to anticipated claims.

	Health & Wellness	Fuel & Copy Services	Workers' Compensation	Total
2016 Actual	9,672,812	581,776	708,910	10,963,498
2017 Actual	9,954,503	619,108	1,208,320	11,781,930
2018 Estimate	9,878,837	777,039	643,467	11,299,343
2019 Budget	9,878,900	777,100	671,307	11,327,307



2019 Revenue Estimate- Contributions to the Employee Health and Wellness Fund and Workers' Compensation are expected to remain stable between years. Fuel and copy services will remain stable as well.

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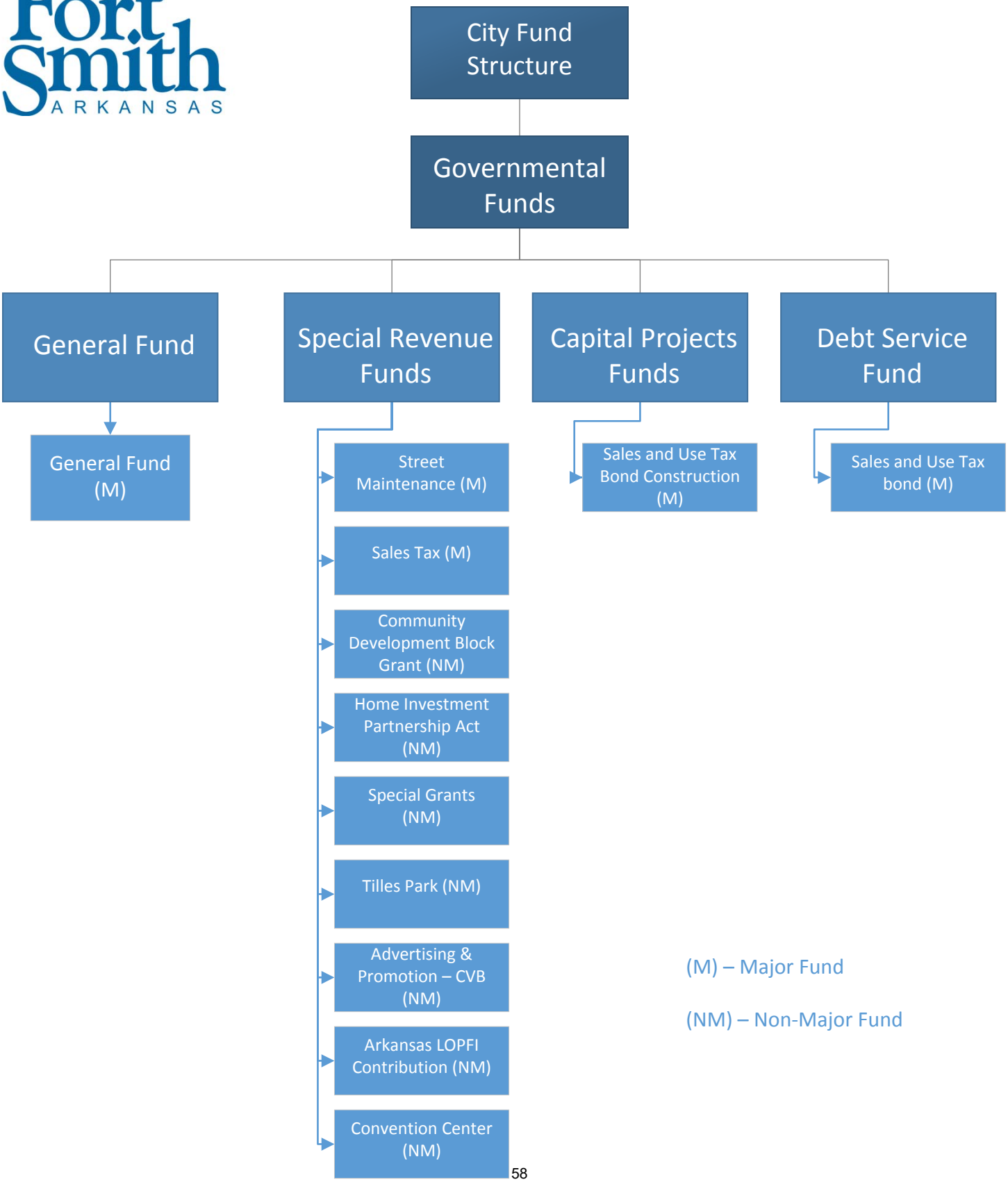
City of Fort Smith Financial Structure

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

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

The charts, on pages 58 and 59, illustrate the City's active fund structure. Following the charts, the fund types and individual funds are defined. After this, the 2018 Budget for each individual fund by fund type is presented.

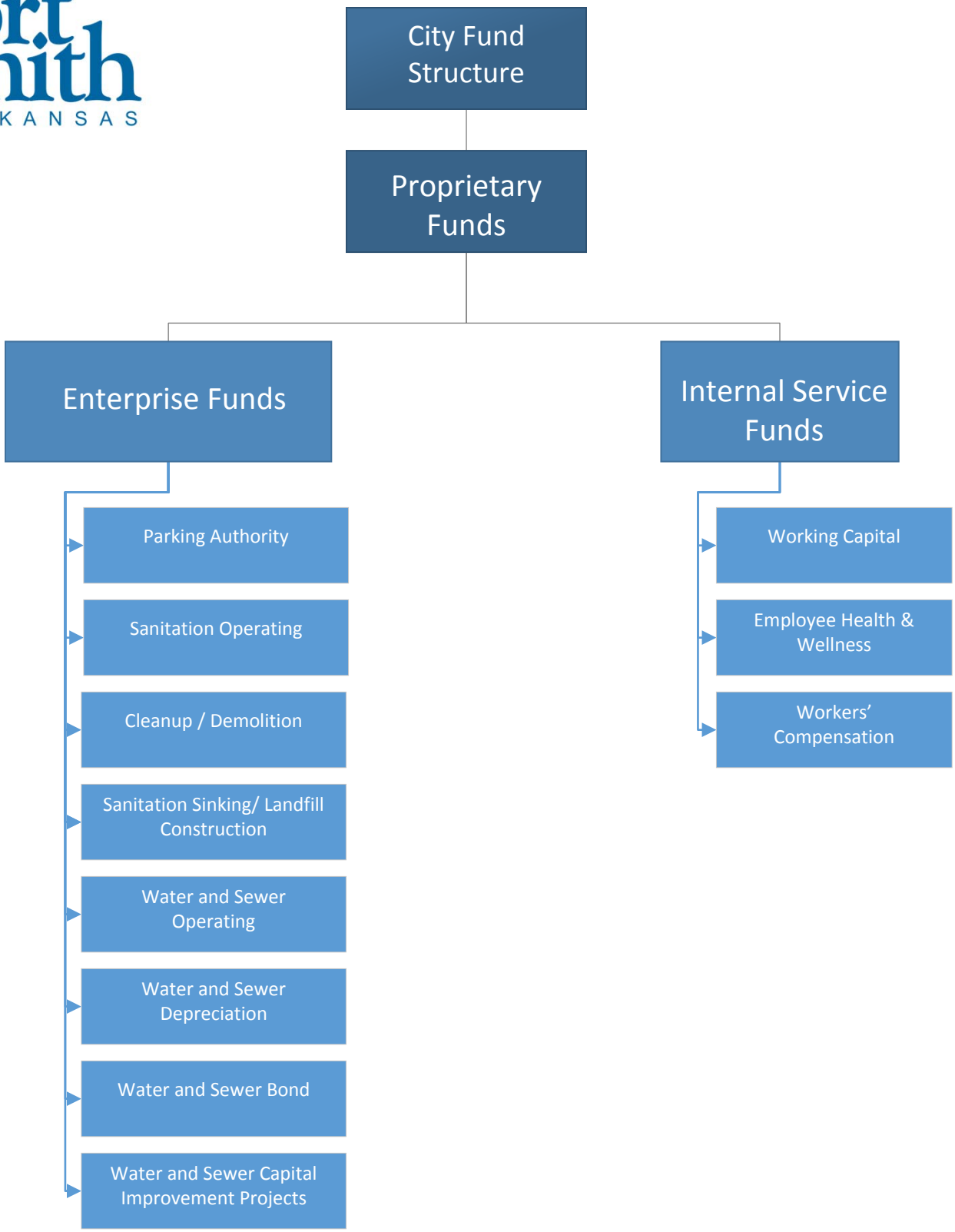
City of Fort Smith, Arkansas
Chart of Fund Types



(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.

GENERAL FUND

REVENUES		
Intergovernmental	$	6,236,000
Taxes and Assessments		31,344,325
Court Fees and Forfeitures		2,093,500
:Licenses and Permits		1,888,900
Service Charges and Fees		572,390
Miscellaneous		118,975
Interest		
Contributions		0
Transfers In		2,235,000
Total	$	44,489,090
EXPENDITURES:		
Operating		
Policy and Administrative Services	$	2,468,195
Management Services		2,619,188
Development Services		2,830,632
Police Services		16,049,710
Fire Services		11,241,767
Operation Services		6,393,264
Non-Departmental		2,428,305
Total	$	44,031,060
Excess (Deficiency) Revenues Over Expenditures		458,030
Fund Balance, Beginning of Year		12,998,446
Fund Balance, Reserved		
Unobligated		13,456,476
Fund Balance, End of Year		13,456,476

SPECIAL REVENUE FUNDS

	STREET	STREET SALES TAX	COMMUNITY DEVELOPMENT BLOCK GRANT	HOME INVESTMENT PARTNERSHIP ACT
REVENUES				
Intergovernmental	$	$	$	$
State Turnback	6,030,000			
Federal Grant			767,900	294,450
State Grant				
Local Grant				
Licenses and Permits	200,000			
Taxes and Assessments				
Ad Valorem Tax	2,342,500			
Sales Tax		21,822,520		
Prepared Food Tax				
Hospitality Tax				
Court Fines and Forfeitures				
Service Charges and Fees				
Interest		139,070		
Contributions				
Miscellaneous	36,700			
Transfers				
Total	$ 8,609,200	$ 21,961,590	$ 767,900	$ 294,450
EXPENDITURES				
Operating	$ 9,270,650	$	$	$
Capital Improvements		30,220,100		
Community Assistance				
Development Services			340,250	
Public Safety				
Public Works and Community Service Projects			195,840	
Housing Assistance			231,810	294,450
Pension Benefits/Retirement Cont.				
Other				
Total	$ 9,270,650	$ 30,220,100	$ 767,900	$ 294,450
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	-661,450	-8,258,510	0	0
FUND BALANCE, BEGINNING OF YEAR	3,897,296	31,501,086	5,339	0
FUND BALANCE END OF YEAR	3,235,846	23,242,576	5,339	0

SPECIAL GRANTS	TILLES PARK	ADVERTISING & PROMOTION	ARKANSAS LOPFI CONTRIBUTION	CONVENTION CENTER	TOTAL
$	$	$	$	$	$ 0
			1,712,140		7,742,140
246,607					1,308,957
154,179					154,179
11,689					11,689
					200,000
			2,794,080		5,136,580
					21,822,520
					0
		890,000			890,000
			27,980		27,980
				740,000	740,000
460	50	700	14,400	1,100	155,780
			1,844,770		1,844,770
					36,700
				777,000	777,000
$ 412,935	$ 50	$ 890,700	$ 6,393,370	$ 1,518,100	$ 40,848,295
$	$	$ 947,140	$	$	$ 10,217,790
				67,500	30,287,600
					0
					340,250
371,883					371,883
					0
40,912					236,752
					526,260
			10,000,150		10,000,150
				1,552,940	1,552,940
$ 412,795	$ 0	$ 947,140	$ 10,000,150	$ 1,620,440	$ 53,533,625
140	50	-56,440	-3,606,780	-102,340	-12,685,330
101,653	25,531	490,778	6,712,087	523,151	43,256,921
101,793	25,581	434,338	3,105,307	420,811	30,571,591

DEBT SERVICE FUND

		SALES & USE TAX BOND
REVENUES		
Taxes and Assessments	$	16,288,791
Interest		212,773
Transfer from Other Funds		
State Turnback		
Total	$	16,501,564
EXPENDITURES		
Debt Service - Current	$	15,915,430
Total	$	15,915,430
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	$	586,134
FUND BALANCE, BEGINNING OF YEAR		16,028,353
FUND BALANCE END OF YEAR	$	16,614,487

ENTERPRISE FUNDS:
WATER AND SEWER FUNDS

	WATER AND SEWER OPERATING	WATER AND SEWER DEPRECIATION	WATER AND SEWER BOND	WATER AND SEWER CAP IMPROV PROJECTS	TOTAL
REVENUES					
Service Charge Fees	$ 61,890,770	$	$	$	$ 61,890,770
Interest	104492	0	0	552,445	656,937
Miscellaneous	61,900				61,900
Bond Proceeds					0
Transfers In			17,081,596		17,081,596
Total	$ 62,057,162	$ 0	$ 17,081,596	$ 552,445	$ 79,691,203
EXPENSES					
Operating	$ 60,320,584	$	$	$	$ 60,320,584
Capital Improvements				52,628,000	52,628,000
Debt Service:					0
Current			17,081,596		17,081,596
Total	$ 60,320,584	$ 0	$ 17,081,596	$ 52,628,000	$ 130,030,180
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	$ 1,736,578	$ 0	$ 0	$ -52,075,555	$ -50,338,977
WORKING CAPITAL, BEGINNING OF YEAR	12,770,105	1,400,000	0	651,684,435	665,854,540
WORKING CAPITAL, END OF YEAR	$ 14,506,683	$ 1,400,000	$ 0	$ 599,608,880	$ 615,515,562

ENTERPRISE FUNDS:
SANITATION FUNDS

	SANITATION OPERATING	CLEAN-UP/ DEMOLITION	SINKING/ CONSTRUCTION	TOTAL
REVENUES				
Taxes and Assessments	$	$	$	$ 0
Service Charges and Fees	15,633,900			15,633,900
Interest			25,000	25,000
Miscellaneous	108,200	0	0	108,200
Transfers In		560,000	2,900,000	3,460,000
Total	$ 15,742,100	$ 560,000	$ 2,925,000	$ 19,227,100
EXPENSES				
Operating	15,735,902			15,735,902
Capital Improvements		35,200	2,489,600	2,524,800
Debt Service:				0
Current				0
Other		697,760		697,760
Total	$ 15,735,902	$ 732,960	$ 2,489,600	$ 18,958,462
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	$ 6,198	$ -172,960	$ 435,400	$ 268,638
WORKING CAPITAL, BEGINNING OF YEAR	7,950,316	284,763	31,906,596	40,141,674
WORKING CAPITAL, END OF YEAR	$ 7,956,513	$ 111,803	$ 32,341,996	$ 40,410,312

PARKING AUTHORITY FUND

REVENUES		
Service Charges and Fees	$	185,000
Interest		900
Miscellaneous		
Transfers In		
Total	$	185,900
EXPENSES		
Capital Improvements		
Other:		
Meter Support		
Deck Support/Cleaning		316,680
Deck Support Personnel		
Total	$	316,680
Excess (Deficiency) Revenues Over Expenditures	$	-130,780
WORKING CAPITAL, BEGINNING OF YEAR		1,895,696
WORKING CAPITAL, END OF YEAR	$	1,764,916

INTERNAL SERVICE FUNDS

		WORKING CAPITAL	HEALTH INSURANCE	WORKERS' COMPENSATION	TOTAL
REVENUES					
Service Charges and Fees	$	777,100	$ 9,878,900	$ 671,307	$ 11,327,307
Interest			7,100	1,000	8,100
	Total $	777,100	$ 9,886,000	$ 672,307	$ 11,335,407
EXPENSES					
Health Insurance and Workers' Compensation Claims	$		$ 7,909,700	$ 671,307	$ 8,581,007
Other - Materials					0
Other - Materials and Supplies		747,200			747,200
	Total $	747,200	$ 7,909,700	$ 671,307	$ 9,328,207
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	$	29,900	$ 1,976,300	$ 1,000	$ 2,007,200
FUND BALANCE, BEGINNING OF YEAR		139,272	3,530,882	429,830	4,099,984
FUND BALANCE END OF YEAR	$	169,172	$ 5,507,182	$ 430,830	$ 6,107,184

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 FY18 Estimated to FY19 budget.

The Statement of Revenue Comparisons for the Operating Funds and individually for each fund compares revenues based on Actual FY17, Budget and Estimated FY18, and Budget FY19. Projections for FY20 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 FY17 and FY18.

City of Fort Smith
FY19
Budget Comparison Summary-Operating Funds

	Estimated FY18	Budget FY19	Increase (Decrease)	Projected FY20
Revenues				
Intergovernmental	$ 10,682,400	$ 12,266,000	$ 1,583,600	$ 12,266,000
Taxes and Assessments	33,537,875	33,686,825	148,950	33,686,825
Court Fines and Forfeitures	2,081,900	2,093,500	11,600	2,093,500
Licenses and Permits	2,079,820	2,088,900	9,080	2,088,900
Service Charges and Fees	75,690,475	78,097,060	2,406,585	78,097,060
Contributions	650,000	-	(650,000)	-
Miscellaneous	940,525	325,775	(614,750)	325,775
Transfers	2,779,000	2,235,000	(544,000)	2,235,000
Total	$ 128,441,995	$ 130,793,060	$ 2,351,065	$ 130,793,060
Expenditures/Expenses				
Policy and Administration Services	$ 3,392,603	$ 3,554,133	$ 161,530	$ 3,554,133
Management Services	7,808,203	7,312,870	(495,333)	7,312,870
Development Services	2,875,971	3,190,026	314,055	3,190,026
Police Services	17,165,578	16,049,710	(1,115,868)	16,049,710
Fire Services	11,061,578	11,241,767	180,189	11,241,767
Operation Services	69,893,065	79,004,718	9,111,653	79,004,718
Non-Departmental	13,429,550	9,004,970	(4,424,580)	9,004,970
Total	$ 125,626,549	$ 129,358,194	$ 3,731,645	$ 129,358,194
Excess (Deficiency) Revenues Over Expenditures/Expenses	$ 2,815,446	$ 1,434,866	$ (1,380,580)	$ 1,434,866
Fund Balance/Working Capital, Beginning of Year	$ 34,800,717	$ 37,616,163	$ 2,815,446	$ 39,051,029
Fund Balance/Working Capital, End of Year	37,616,163	39,051,029	1,434,866	40,485,895
Adjustment for CIP Transfers	-	-	-	
Adjusted Fund Balance/ Working Capital, End of Year	$ 37,616,163	$ 39,051,029	$ 1,434,866	$ 40,485,895
Contingency Reserve Percent	29.9%	30.2%		31.3%

City of Fort Smith
FY19
Budget Comparison Summary-General Fund

	Estimated FY18	Budget FY19	Increase (Decrease)	Projected FY20
Revenues				
Intergovernmental	$ 4,692,400	$ 6,236,000	$ 1,543,600	$ 4,338,000
Taxes and Assessments	31,195,375	31,344,325	148,950	31,552,325
Court Fines and Forfeitures	2,081,900	2,093,500	11,600	2,095,000
Licenses and Permits	1,879,820	1,888,900	9,080	1,896,050
Service Charges and Fees	548,340	572,390	24,050	577,390
Contributions	650,000	-	(650,000)	-
Miscellaneous	236,425	118,975	(117,450)	123,475
Transfers	2,779,000	2,235,000	(544,000)	2,325,000
Total	$ 44,063,260	$ 44,489,090	$ 425,830	$ 42,907,240
Expenditures				
Policy and Administration Services	$ 2,396,598	$ 2,468,195	$ 71,597	$ 2,468,195
Management Services	2,002,653	2,619,188	616,535	2,619,188
Development Services	2,560,535	2,830,632	270,097	2,830,632
Police Services	17,165,578	16,049,710	(1,115,868)	16,049,710
Fire Services	11,061,578	11,241,767	180,189	11,241,767
Operation Services	5,475,252	6,393,264	918,012	6,393,264
Non-Departmental	2,795,192	2,428,305	(366,887)	2,428,305
Total	$ 43,457,386	$ 44,031,060	$ 573,674	$ 44,031,060
Excess (Deficiency) Revenues Over Expenditures	$ 605,874	$ 458,030	$ (147,844)	$ (1,123,820)
Fund Balance, Beginning of Year	$ 12,392,572	$ 12,998,446	$	$ 13,456,476
Fund Balance, Reserved				
Unobligated	12,998,446	13,456,476	458,030	12,332,657
Fund Balance, End of Year	$ 12,998,446	$ 13,456,476	$ 458,030	$ 12,332,657
Contingency Reserve Percent	29.9%	30.6%		28.0%

City of Fort Smith
FY19
Budget Comparison Summary-Street Maintenance Fund

	Estimated FY18	Budget FY19	Increase (Decrease)	Projected FY20
Revenues				
Intergovernmental	$ 5,990,000	$ 6,030,000	$ 40,000	$ 6,030,000
Taxes and Assessments	2,342,500	2,342,500	-	2,354,000
Licenses and Permits	200,000	200,000	-	200,000
Miscellaneous	66,350	36,700	(29,650)	36,700
Total	$ 8,598,850	$ 8,609,200	$ 10,350	$ 8,620,700
Expenditures				
Policy and Administration Services	$ 201,895	$ 209,427	$ 7,532	$ 209,427
Management Services	635,175	692,364	57,189	692,364
Development Services	67,519	75,644	8,125	75,644
Operation Services	6,557,440	6,501,072	(56,368)	6,501,072
Non-Departmental	532,061	1,792,141	1,260,080	1,792,141
Total	$ 7,994,090	$ 9,270,648	$ 1,276,558	$ 9,270,648
Excess (Deficiency) Revenues Over Expenditures	$ 604,760	$ (661,448)	$ (1,266,208)	$ (649,948)
Fund Balance, Beginning of Year	$ 3,292,536	$ 3,897,296	$ 604,760	$ 3,235,849
One Time Fund Balance - Transfer to Sinking Fund				
Fund Balance, End of Year	$ 3,897,296	$ 3,235,849	$ (661,448)	$ 2,585,901
Contingency Reserve Percent	48.8%	34.9%		27.9%

City of Fort Smith
FY19
Budget Comparison Summary-Water and Sewer Operating Fund

	Estimated FY18	Budget FY19	Increase (Decrease)	Projected FY20
Revenues				
Services Charges and Fees	$ 59,919,435	$ 61,890,770	$ 1,971,335	$ 63,154,500
Miscellaneous	542,500	61,900	(480,600)	64,900
Total	$ 60,461,935	$ 61,952,670	$ 1,490,735	$ 63,219,400
Expenses				
Policy and Administration Services	468,546	525,828	57,282	525,828
Management Services	3,888,129	2,847,132	(1,040,997)	2,847,132
Development Services	247,917	283,751	35,834	283,751
Operation Services	48,041,588	55,301,367	7,259,779	55,301,367
Non-Departmental	5,741,380	1,362,506	(4,378,874)	1,362,506
Total	$ 58,387,560	$ 60,320,584	$ 1,933,024	$ 60,320,584
Excess (Deficiency) Revenues Over Expenditures	$ 2,074,375	$ 1,632,086	$ (442,289)	$ 2,898,816
Working Capital, Beginning of Year	10,695,730	12,770,105	2,074,375	14,402,191
Working Capital, End of Year	$ 12,770,105	$ 14,402,191	$ 1,632,086	$ 17,301,006
Adjustment for CIP Transfers	-	-	-	-
Working Capital, End of Year	$ 12,770,105	$ 14,402,191	$ 1,632,086	$ 17,301,006
Contingency Reserve Percent	21.9%	23.9%		28.7%

City of Fort Smith
FY19
Budget Comparison Summary-Sanitation Operating Fund

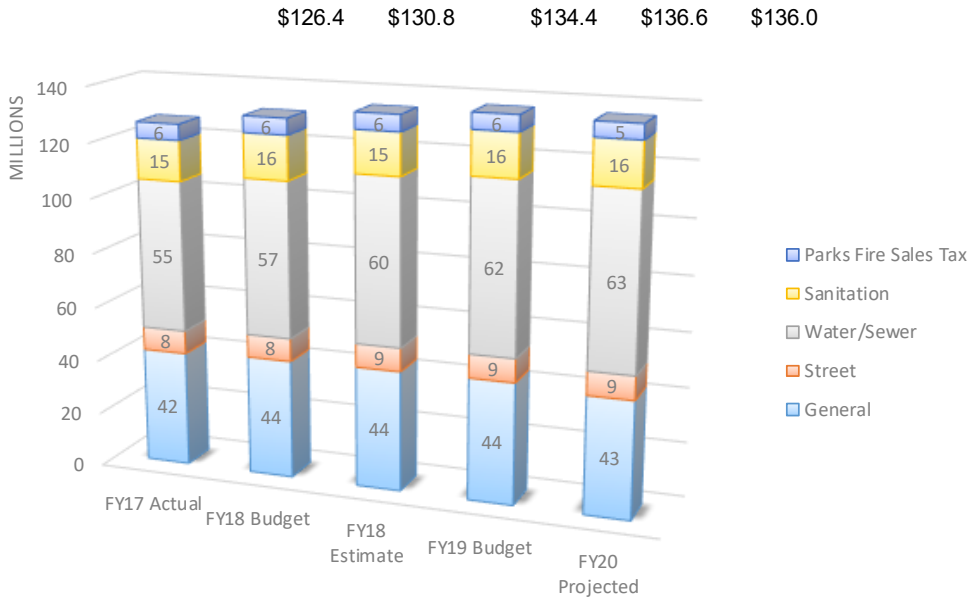
	Estimated FY18	Budget FY19	Increase (Decrease)	Projected FY20
Revenues				
Service Charges and Fees	$ 15,222,700	$ 15,633,900	$ 411,200	$ 15,793,000
Miscellaneous	95,250	108,200	12,950	18,200
Total	$ 15,317,950	$ 15,742,100	$ 424,150	$ 15,811,200
Expenses				
Policy and Administration Services	325,565	350,683	25,119	350,683
Management Services	1,282,246	1,154,186	(128,060)	1,154,186
Operation Services	9,818,785	10,809,015	990,230	10,809,015
Non-Departmental	4,360,917	3,422,018	(938,899)	3,422,018
Total	$ 15,787,513	$ 15,735,902	$ (51,611)	$ 15,735,902
Excess (Deficiency) Revenues Over Expenditures	$ (469,563)	$ 6,198	$ 475,761	$ 75,298
Working Capital, Beginning of Year	8,419,879	7,950,316	(469,563)	7,956,513
Working Capital, End of Year	$ 7,950,316	$ 7,956,513	$ 6,198	$ 8,031,811
Adjustment for CIP Transfers			-	
Adjusted Working Capital, End of Year	$ 7,950,316	$ 7,956,513	$ 6,198	$ 8,031,811
Contingency Reserve Percent	50.4%	50.6%		51.0%

Combined Operating Funds
Statement of Revenue Comparisons

	Actual FY17	Budget FY18	Estimated FY18	Budget FY19	Projected FY20
Intergovernmental	$ 10,038,583.67	$ 11,054,412	$ 10,682,400	$ 12,266,000	$ 10,368,000
Taxes and Assessments	38,164,144	37,934,402	38,841,995	39,016,825	39,167,325
Court Fines and Forfeitures	1,974,708	2,300,000	2,081,900	2,093,500	2,095,000
Licenses and Permits	1,830,347	2,317,325	2,079,820	2,088,900	2,096,050
Service Charges and Fees	70,062,931	73,285,500	75,690,475	78,097,060	79,620,390
Contributions	521,609	650,000	1,300,000	500,000	0
Miscellaneous	945,604	490,000	940,525	325,775	333,275
Transfers	2,822,615	2,766,419	2,779,000	2,235,000	2,325,000
Total	$ 126,360,542	$ 130,798,058	$ 134,396,115	$ 136,623,060	$ 136,005,040

Combined Operating Funds

Comparison of Total Revenue

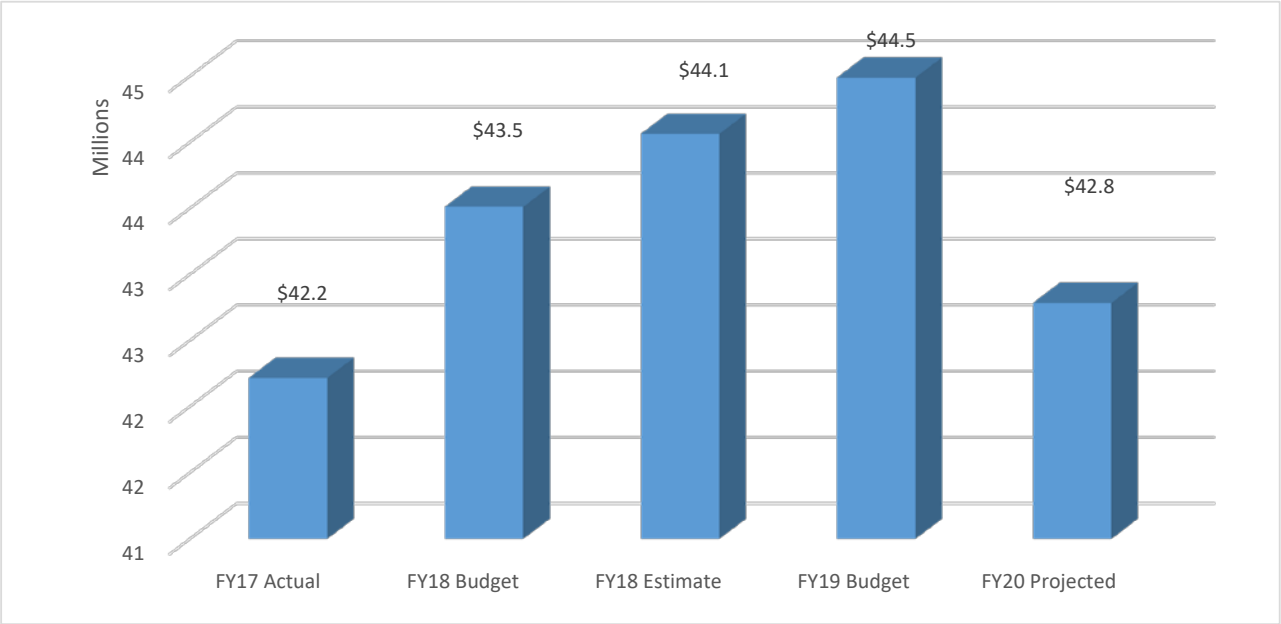


General Fund
Statement of Revenue Comparisons

	Actual FY17	Budget FY18	Estimated FY18	Budget FY19	Projected FY20
Intergovernmental					
State Turnback - General	$ 1,275,959	$ 1,277,000	$ 1,274,600	$ 1,275,000	$ 1,275,000
Transit Reimbursement	1,712,911	2,674,656	2,160,000	3,900,000	2,000,000
Airport Security Reimbursement	130,663	113,163	112,500	113,000	113,000
State Act 833 Fire Funds	106,537	90,000	100,000	90,000	90,000
Gasoline Tax Refund-Transit	11,709	12,000	11,800	12,000	12,000
FEMA Fire Grant	0	25,000	0	0	0
State Grant Revenue-Parks	0	0	200,000	0	0
Sebastian County Participation	491,432	480,000	478,000	490,000	490,000
Reimbursement from Enhanced 9-1-1 Fund	255,000	255,000	255,000	255,000	255,000
Reimbursement from FSPS for SRO Positions	121,062	120,000	100,500	101,000	103,000
	4,105,273	5,046,819	4,692,400	6,236,000	4,338,000
Taxes and Assessments					
Franchise	6,304,008	6,654,000	6,610,375	6,676,325	6,676,325
Property Taxes	7,631,784	7,087,000	7,800,000	7,800,000	7,720,000
County Sales Tax	16,691,854	16,791,000	16,785,000	16,868,000	17,033,000
1/4% City Sales Tax-Fire & Parks	0	0	0	0	0
	30,627,646	30,532,000	31,195,375	31,344,325	31,429,325
Court Fines and Forfeitures	1,974,708	2,300,000	2,081,900	2,093,500	2,095,000
Licenses and Permits					
Business License	11,206	371,225	360,900	364,000	365,000
Construction	857,536	1,013,000	855,850	855,850	862,000
Alcohol	650,668	640,000	603,880	607,050	607,050
Other	83,871	70,000	59,190	62,000	62,000
	1,603,281	2,094,225	1,879,820	1,888,900	1,896,050
Service Charges and Fees					
Community Center	29,768	25,000	29,000	29,000	29,000
Fire Protection Contracts	81,317	65,000	83,000	83,330	83,330
Parks & Aquatics	150,963	160,000	154,680	152,200	152,200
Oak Cemetery	92,627	85,000	65,000	75,000	75,000
Animal Control	285	500	50	200	200
False Alarm Fees	45,451	35,000	32,000	35,000	35,000
Mobile Data Support Fees	4,160	5,000	4,160	4,160	4,160
Transit System	198,425	216,000	180,450	193,500	198,500
	602,996	591,500	548,340	572,390	577,390
Contributions	27,648	0	650,000	0	0
Miscellaneous					
Interest Earned	51,867	80,000	55,000	50,000	55,000
Property Sales and Proceeds	47,358	0	15,000	500	0
Other	352,844	100,000	166,425	68,475	68,475
	452,069	180,000	236,425	118,975	123,475
Transfers					
Sales Tax Fund**	2,521,000	2,049,419	2,061,000	2,110,000	2,200,000
A&P Fund	25,613	24,000	25,000	25,000	25,000
Street Maintenance Fund	91,000	115,000	115,000	0	0
Water and Sewer Oper Fund	94,002	215,000	215,000	100,000	100,000
Sanitation Operating Fund	91,000	363,000	363,000	0	0
	591,500	2,766,419	2,779,000	2,235,000	2,325,000
Total	$ 39,985,120	$ 43,510,963	$ 44,063,260	$ 44,489,090	$ 42,784,240

General Fund

Comparison of Total Revenue



Revenue Comment

Total revenue of the General Fund FY19 Budget is estimated to increase by approximately $425,830 or 1% from FY18 Estimated. This is primarly due to an increase in federal Transit reimbursements.

The General Turnback from the state was $15.50 for FY17. The estimate for FY18 is $15.50, and is anticipated to be $15.50 per capita for FY19 and FY20.

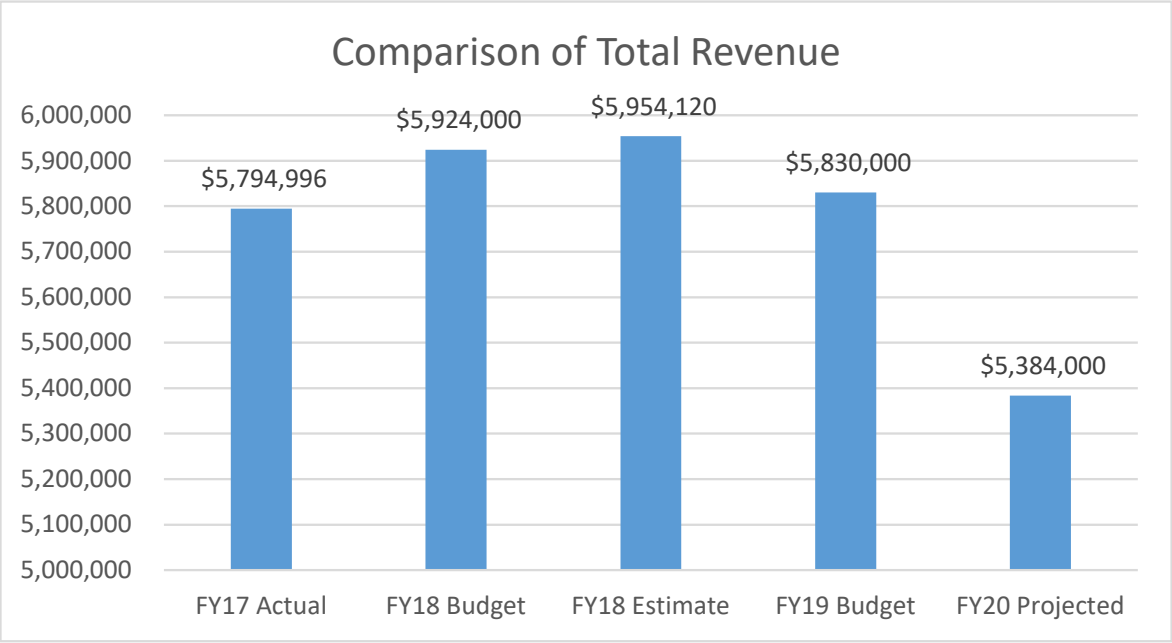
The Franchise Fee, beginning FY18, has been increased to 4.25% for utility companies and increased to 5% for cable companies. The Franchise Fee was 4% for utilities and cable in FY16 and FY17. This is the maximum allowed by state statute. Franchise Fees are assessed upon gross sales of franchised utilities within the corporate city limits. Franchise fee revenue is expected to increase 1% in FY19.

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 FY19 will remain flat over FY18 Estimated.

The city's share of the county sales tax is allocated to the General Fund. The estimated revenue for FY19 is 1% above the estimated FY18 revenue. The FY20 projection also reflects a 1% increase in sales tax revenue.

The city's 1/4% sales tax allocated for fire and parks programs is anticipated to decrease by 2.1% for FY19 and by 7.7% in FY20.

Fire and Parks City Sales Tax (General Fund)



Revenue Comment

The City's 1/4% sales tax allocated for fire and parks programs is posted to the General Fund. In the 2019 Budget, this sales tax is presented separately from the General Fund for planning purposes only.

The sales tax revenue is anticipated to decrease by 2.1% for FY19. While slight decreases are expected for 2020, long term projections still hold the revenue at or near $5.4 mllion.

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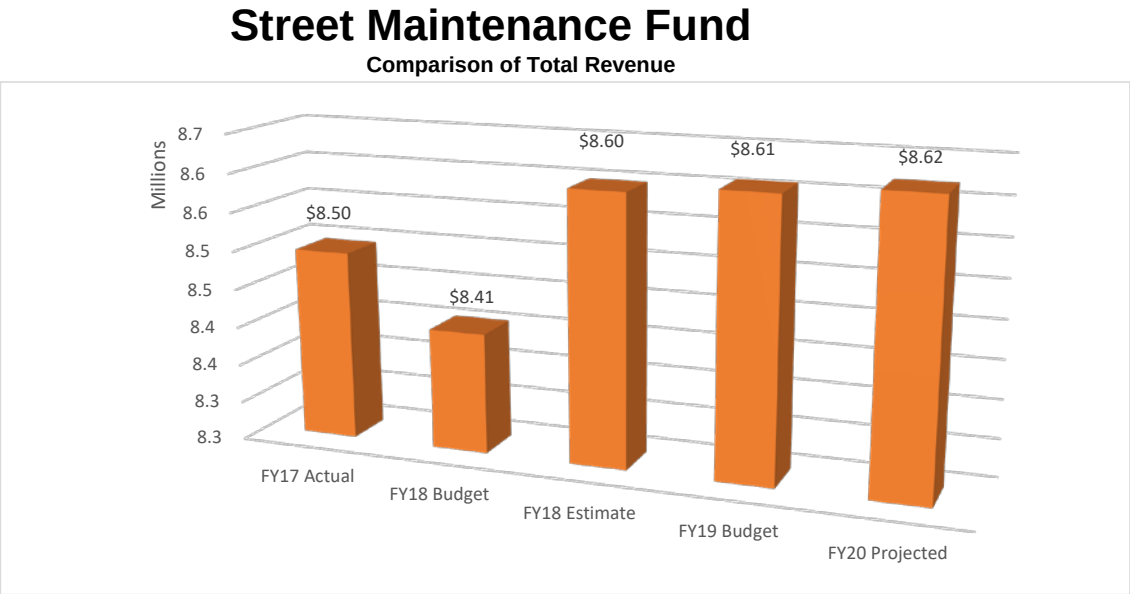
Street Maintenance Fund
Statement of Revenue Comparisons

	Actual FY17	Budget FY18	Estimated FY18	Budget FY19	Projected FY20
Intergovernmental					
State Turnback -					
Gasoline Tax	$ 4,071,061	$ 4,177,273	$ 4,050,000	$ 4,080,000	$ 4,080,000
Highway Sales Tax	1,862,250	1,830,320	1,940,000	1,950,000	1,950,000
Federal Grants	-		-		
Property Taxes	2,235,463	2,128,402	2,342,500	2,342,500	2,354,000
Licenses and Permits					
Sidewalk Permit Assessmer	227,067	223,100	200,000	200,000	200,000
Miscellaneous					
Interest Earned	9,041	12,000	5,200	5,500	5,500
Other	90,853	35,000	61,150	31,200	31,200
Transfers					
Transfers from Other Funds	-	-	-	-	-
Total	$ 8,495,734	$ 8,406,095	$ 8,598,850	$ 8,609,200	$ 8,620,700



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 $46.56 for FY17, and $46.32 for FY18 Estimated. The per capita for FY19 and FY20 is $46.66.

Beginning July 1, 2013, the city began receiving a share of the 1/2% state sales tax dedicated to highway improvements. The FY19 revenue is estimated at $1.9 million. This shared revenue is allocated on the basis of population that is currently 87,443 per the 2010 census. The per capita turnback for the highway sales tax is $22.19 for FY18 Estimated and $22.30 for FY19 and FY20. 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 2019. Sebastian County levies a 3.0 mill county road tax and remits one-half of the tax to the city per state statutes.

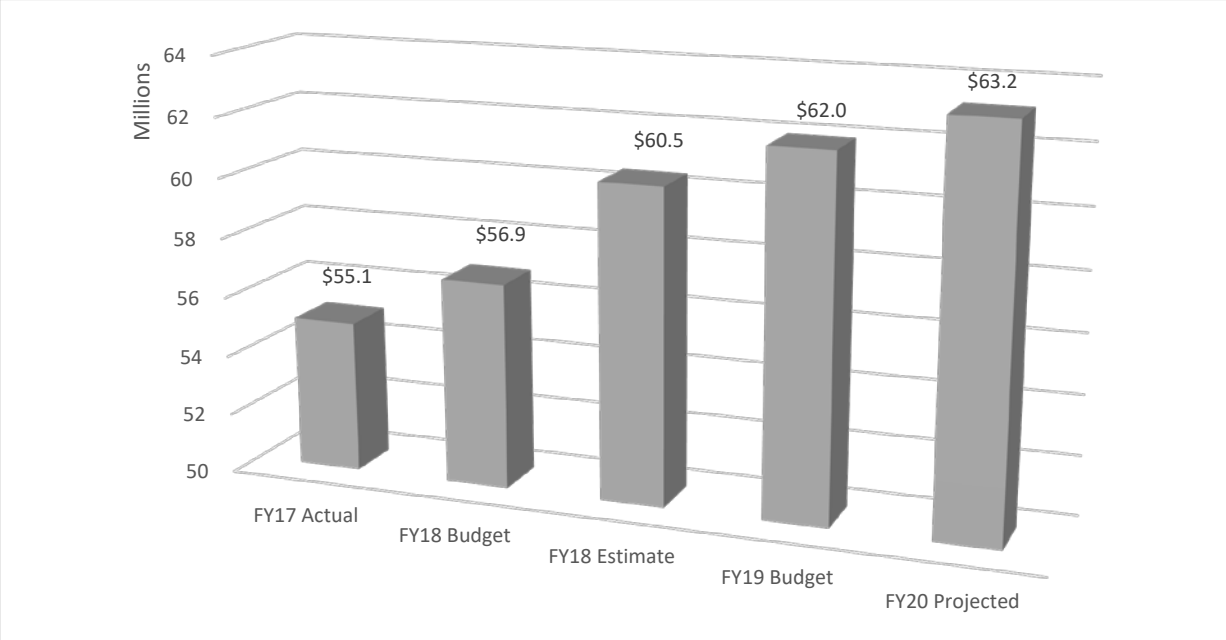
The permit assessment fees applied to building permits are accounted for in the Street Maintenance Fund. This revenue is expected to generate $200,000 in FY19 and FY20.

Water and Sewer Operating Fund
Statement of Revenue Comparisons

	Actual FY17	Budget FY18	Estimated FY18	Budget FY19	Projected FY20
Service Charges and Fees					
Water Sales	$ 17,489,019	$ 19,023,000	$ 19,205,210	$ 20,056,300	$ 20,288,300
Monthly Customer Charges	733,427	752,000	740,125	762,200	762,200
Contract Water Sales	6,663,898	6,778,000	6,500,000	6,695,000	6,700,000
Fire Protection	53,404	53,000	54,000	54,000	54,500
Installations - Water Service	278,860	294,000	249,000	254,270	259,500
Sewer Service Charges	29,459,409	29,589,000	33,025,000	33,925,000	34,945,000
Sewer Connection Charges	71,042	94,000	76,100	74,000	75,000
Industrial Waste Monitoring Fee	76,634	82,000	70,000	70,000	70,000
Miscellaneous					
Interest Earned	87,548	104,000	30,000	20,000	22,000
Other	149,233	91,000	512,500	41,900	42,900
Total	$ 55,062,474	$ 56,860,000	$ 60,461,935	$ 61,952,670	$ 63,219,400

Water and Sewer Operating Fund

Comparison of Total Revenue



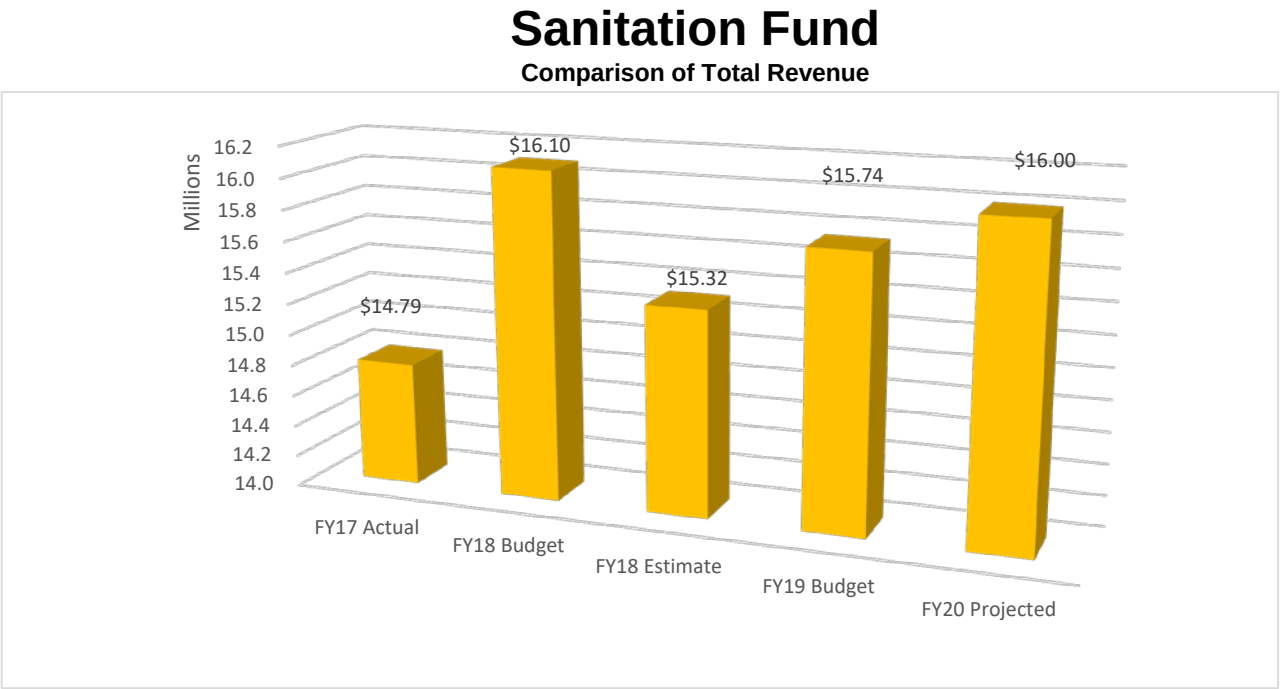
Service charges and fees account for more than 99% of total revenue for this fund. Total revenue of the fund in FY18 is anticipated to be $1,490,735, or 2.5% more than FY18. Consumption level is expected to increase in FY19

Water sales from residential, commercial, and industrial users is expected to remain flat FY18 and FY19. Water sales to Van Buren and the other contract users are also anticipated to remain flat. Sewer service charges for FY19 will remain flast as well in FY19.

Sanitation Operating Fund
Statement of Revenue Comparisons

	Actual FY17	Budget FY18	Estimated FY18	Budget FY19	Projected FY20
Service Charges and Fees					
Residential Collections	$ 4,752,672	$ 4,480,000	$ 4,900,000	$ 5,095,000	$ 5,196,000
Commercial Collections	2,102,644	2,028,000	2,260,000	2,260,000	2,282,500
Sanitary Landfill Operations	4,956,659	5,368,000	4,608,700	4,740,000	4,800,000
Roll-Off Collections	2,029,681	3,081,000	2,134,000	2,193,900	2,250,000
Sale of Methane Gas	696,448	918,000	1,300,000	1,325,000	1,340,000
Recycling Operations	96,138	154,000	20,000	20,000	20,000
Miscellaneous					
Interest Earned	29,551	36,000	13,000	15,000	15,000
Other	127,309	32,000	82,250	93,200	93,200
Total	$ 14,791,102	$ 16,097,000	$ 15,317,950	$ 15,742,100	$ 15,996,700

See page 198 for an explanation of each revenue source.



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.

Landfill operations are expected to remain flat betweet FY18 and FY19.

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Distribution of Appropriations to Other Funds

FY19 Budget

Division

Program Number and Title **Funding Source**

	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
Policy & Administrative Services					
4100 Mayor	135,940	54,376	6,797	46,220	12,235
4101 Board of Directors	123,510	34,583	9,881	45,699	22,232
4102 City Administrator	577,325	103,919	46,186	271,343	115,465
4201 District Court	1,524,718	1,524,718	-	-	-
4202 City Prosecutor	178,282	178,282	-	-	-
4203 Public Defender	92,500	92,500	-	-	-
4204 City Attorney	514,000	257,000	128,500	-	128,500
4206 District Court - State Division	46,598	46,598	-	-	-
4405 Internal Auditor	361,260	72,252	18,063	162,567	72,252
Total Policy and Administration Services Division	3,554,133	2,364,227	209,427	525,828	350,683
Management Services					
4104 Human Resources	685,010	239,754	68,501	239,754	102,752
4105 City Clerk	318,579	89,202	25,486	117,874	57,344
4301 Finance	1,627,825	293,009	162,783	683,687	244,174
4303 Collections	226,145	27,137	11,307	113,073	67,844
4304 Utility Billing/Customer Svc	688,810	13,776	34,441	516,608	117,098
4306 Purchasing	659,827	197,948	79,179	244,136	98,974
4401 Information & Technology Svcs	3,106,674	1,149,469	310,667	932,002	466,001
6912 Parking Deck - Personnel	-	-	-	-	-
6921 Public Parking Deck	316,680	-	-	-	-
Total Management Services Division	7,629,550	2,010,295	692,364	2,847,132	1,154,186
Development Services					
4103 Engineering	1,512,870	30,257	75,644	121,030	-
4106 Planning & Zoning	813,606	528,844	-	162,721	-
4107 Community Development	340,246	-	-	-	-
4108 Building Safety	863,550	863,550	-	-	-
6900 Neighborhood Services	732,960	-	-	-	-
Total Development Services Division	4,263,232	1,422,651	75,644	283,751	-
Police Services					
4701 Administration	2,884,290	2,884,290	-	-	-
4702 Support Services	3,468,630	3,468,630	-	-	-
4703 Investigations	2,335,068	2,335,068	-	-	-
4704 Patrol	7,151,710	7,151,710	-	-	-
4705 Radio Communications	-	-	-	-	-
4706 Airport Services	210,012	210,012	-	-	-
6911 Police Grant	41,430	-	-	-	-
6920 Parking Enforcement	98,600	-	-	-	-
Total Police Services Division	16,189,740	16,049,710	-	-	-
Fire Services					
4801 Administration, Training, Prevention	850,622	850,622	-	-	-
4802 Suppression	10,074,645	10,074,645	-	-	-
4803 1/8% Sales Tax Operations	-	-	-	-	-
4804 Training	316,500	316,500	-	-	-
Total Fire Services Division	11,241,767	11,241,767	-	-	-

Distribution of Appropriations to Other Funds

FY19 Budget

Division Program Number and Title	Funding Source				
	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
Operation Services					
Streets & Traffic Control					
5101 Administration	576,004	-	576,004	-	-
5302 Street Construction	712,178	-	712,178	-	-
5303 Street Drainage	1,034,826	-	1,034,826	-	-
5304 Street Maintenance	893,450	-	893,450	-	-
5305 Sidewalk Construction	995,780	-	995,780	-	-
5401 Traffic Control	1,082,075	-	1,082,075	-	-
5403 Street Lighting	1,000,000	-	1,000,000	-	-
Total Streets and Traffic Control	6,294,313	-	6,294,313	-	-
Operation Services					
Water & Sewer					
5501 Utility Administration	1,047,458	-	-	1,047,458	-
5521 Business & Finance	1,205,848	-	-	1,205,848	-
5522 Communications & Training	774,746	-	-	774,746	-
5523 Engineering & Technology	2,860,537	-	-	2,860,537	-
5590 Non-Capital Projects	3,212,000	-	-	3,212,000	-
5603 Sewer Treatment	4,344,883	-	-	4,344,883	-
5604 Water Treatment	5,701,220	-	-	5,701,220	-
5610 Water Line Maintenance	10,145,071	-	-	10,145,071	-
5611 Sewer Line Maintenance	3,154,630	-	-	3,154,630	-
5612 Sewer Line Construction	-	-	-	-	-
5618 Debt Service	17,081,596	-	-	17,081,596	-
5625 Environmental Quality	1,952,153	-	-	1,952,153	-
5626 Fleet, Bldg, Environ Maintenance	3,821,225	-	-	3,821,225	-
5627 Water System Construction	-	-	-	-	-
Total Water and Sewer	55,301,367	-	-	55,301,367	-
Operation Services					
Parks & Recreation					
6201 Parks Maint (Operating)	1,378,395	1,171,636	206,759	-	-
6201 Parks Maint (Capital Outlay)	-	-	-	-	-
6202 Oak Cemetery	173,615	173,615	-	-	-
6204 Community Centers	155,625	155,625	-	-	-
6205 Aquatics	169,150	169,150	-	-	-
6206 Riverfront/Downtown Maintenance	316,540	316,540	-	-	-
6207 The Park at West End	30,790	30,790	-	-	-
6208 1/8% Sales Tax Operations	-	-	-	-	-
Total Parks and Community Services	2,224,115	2,017,356	206,759	-	-

Distribution of Appropriations to Other Funds

FY19 Budget

Division Program Number and Title	Funding Source				
	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
Operation Services					
Sanitation					
6301 Administration	772,551	-	-	-	772,551
6302 Residential Collections	2,081,623	-	-	-	2,081,623
6303 Commercial Collections	1,023,826	-	-	-	1,023,826
6304 Fleet & Grounds Maintenance	1,082,947	-	-	-	1,082,947
6305 Sanitary Landfill	4,255,568	-	-	-	4,255,568
6307 Industrial Collections	1,057,800	-	-	-	1,057,800
6308 Waste Reduction	534,700	-	-	-	534,700
Total Sanitation	10,809,015	-	-	-	10,809,015
Operation Services Division					
Public Transit					
6550 Transit	4,232,473	4,232,473	-	-	-
Operation Services Division - Health					
6101 Health	143,435	143,435	-	-	-
Non-Departmental					
6870 Convention & Visitors Bureau	947,133	-	-	-	-
6600 Non-Departmental	9,004,970	2,428,305	1,792,141	1,362,506	3,422,018
Total Non-Departmental	9,952,103	2,428,305	1,792,141	1,362,506	3,422,018
Total	**131,835,243**	**41,910,220**	**9,270,648**	**60,320,584**	**15,735,902**

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Distribution of Appropriations to Other Funds

FY20 Budget

Division Program Number and Title	Funding Source				
	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
Policy & Administrative Services					
4100 Mayor	135,940	54,376	6,797	46,220	12,235
4101 Board of Directors	123,510	34,583	9,881	45,699	22,232
4102 City Administrator	577,325	103,919	46,186	271,343	115,465
4201 District Court	1,524,718	1,524,718	-	-	-
4202 City Prosecutor	178,282	178,282	-	-	-
4203 Public Defender	92,500	92,500	-	-	-
4204 City Attorney	514,000	257,000	128,500	-	128,500
4206 District Court - State Division	46,598	46,598	-	-	-
4405 Internal Auditor	361,260	72,252	18,063	162,567	72,252
Total Policy and Administration Services Division	3,554,133	2,364,227	209,427	525,828	350,683
Management Services					
4104 Human Resources	685,010	239,754	68,501	239,754	102,752
4105 City Clerk	318,579	89,202	25,486	117,874	57,344
4301 Finance	1,627,825	293,009	162,783	683,687	244,174
4303 Collections	226,145	27,137	11,307	113,073	67,844
4304 Utility Billing/Customer Svc	688,810	13,776	34,441	516,608	117,098
4306 Purchasing	659,827	197,948	79,179	244,136	98,974
4401 Information & Technology Svcs	3,106,674	1,149,469	310,667	932,002	466,001
6912 Parking Deck - Personnel	-	-	-	-	-
6921 Public Parking Deck	316,680	-	-	-	-
Total Management Services Division	7,629,550	2,010,295	692,364	2,847,132	1,154,186
Development Services					
4103 Engineering	1,512,870	30,257	75,644	121,030	-
4106 Planning & Zoning	813,606	528,844	-	162,721	-
4107 Community Development	340,246	-	-	-	-
4108 Building Safety	863,550	863,550	-	-	-
6900 Neighborhood Services	732,960	-	-	-	-
Total Development Services Division	4,263,232	1,422,651	75,644	283,751	-
Police Services					
4701 Administration	2,884,290	2,884,290	-	-	-
4702 Support Services	3,468,630	3,468,630	-	-	-
4703 Investigations	2,335,068	2,335,068	-	-	-
4704 Patrol	7,151,710	7,151,710	-	-	-
4705 Radio Communications	-	-	-	-	-
4706 Airport Services	210,012	210,012	-	-	-
6911 Police Grant	41,430	-	-	-	-
6920 Parking Enforcement	98,600	-	-	-	-
Total Police Services Division	16,189,740	16,049,710	-	-	-
Fire Services					
4801 Administration, Training, Prevention	850,622	850,622	-	-	-
4802 Suppression	10,074,645	10,074,645	-	-	-
4803 1/8% Sales Tax Operations	-	-	-	-	-
4804 Training	316,500	316,500	-	-	-
Total Fire Services Division	11,241,767	11,241,767	-	-	-

Distribution of Appropriations to Other Funds

FY20 Budget

Division Program Number and Title	Funding Source				
	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
Operation Services					
Streets & Traffic Control					
5101 Administration	576,004	-	576,004	-	-
5302 Street Construction	712,178	-	712,178	-	-
5303 Street Drainage	1,034,826	-	1,034,826	-	-
5304 Street Maintenance	893,450	-	893,450	-	-
5305 Sidewalk Construction	995,780	-	995,780	-	-
5401 Traffic Control	1,082,075	-	1,082,075	-	-
5403 Street Lighting	1,000,000	-	1,000,000	-	-
Total Streets and Traffic Control	6,294,313	-	6,294,313	-	-
Operation Services					
Water & Sewer					
5501 Utility Administration	1,047,458	-	-	1,047,458	-
5521 Business & Finance	1,205,848	-	-	1,205,848	-
5522 Communications & Training	774,746	-	-	774,746	-
5523 Engineering & Technology	2,860,537	-	-	2,860,537	-
5590 Non-Capital Projects	3,212,000	-	-	3,212,000	-
5603 Sewer Treatment	4,344,883	-	-	4,344,883	-
5604 Water Treatment	5,701,220	-	-	5,701,220	-
5610 Water Line Maintenance	10,145,071	-	-	10,145,071	-
5611 Sewer Line Maintenance	3,154,630	-	-	3,154,630	-
5612 Sewer Line Construction	-	-	-	-	-
5618 Debt Service	17,081,596	-	-	17,081,596	-
5625 Environmental Quality	1,952,153	-	-	1,952,153	-
5626 Fleet, Bldg, Environ Maintenance	3,821,225	-	-	3,821,225	-
5627 Water System Construction	-	-	-	-	-
Total Water and Sewer	55,301,367	-	-	55,301,367	-
Operation Services					
Parks & Recreation					
6201 Parks Maint (Operating)	1,378,395	1,171,636	206,759	-	-
6201 Parks Maint (Capital Outlay)	-	-	-	-	-
6202 Oak Cemetery	173,615	173,615	-	-	-
6204 Community Centers	155,625	155,625	-	-	-
6205 Aquatics	169,150	169,150	-	-	-
6206 Riverfront/Downtown Maintenance	316,540	316,540	-	-	-
6207 The Park at West End	30,790	30,790	-	-	-
6208 1/8% Sales Tax Operations	-	-	-	-	-
Total Parks and Community Services	2,224,115	2,017,356	206,759	-	-

Distribution of Appropriations to Other Funds

FY20 Budget

Division Program Number and Title	Funding Source				
	Total Funds	General Fund	Street Maintenance Fund	Water & Sewer Operating Fund	Sanitation Operating Fund
Operation Services					
Sanitation					
6301 Administration	772,551	-	-	-	772,551
6302 Residential Collections	2,081,623	-	-	-	2,081,623
6303 Commercial Collections	1,023,826	-	-	-	1,023,826
6304 Fleet & Grounds Maintenance	1,082,947	-	-	-	1,082,947
6305 Sanitary Landfill	4,255,568	-	-	-	4,255,568
6307 Industrial Collections	1,057,800	-	-	-	1,057,800
6308 Waste Reduction	534,700	-	-	-	534,700
Total Sanitation	10,809,015	-	-	-	10,809,015
Operation Services Division					
Public Transit					
6550 Transit	4,232,473	4,232,473	-	-	-
Operation Services Division - Health					
6101 Health	143,435	143,435	-	-	-
Non-Departmental					
6870 Convention & Visitors Bureau	947,133	-	-	-	-
6600 Non-Departmental	9,004,970	2,428,305	1,792,141	1,362,506	3,422,018
Total Non-Departmental	9,952,103	2,428,305	1,792,141	1,362,506	3,422,018
Total	**131,835,243**	**41,910,220**	**9,270,648**	**60,320,584**	**15,735,902**

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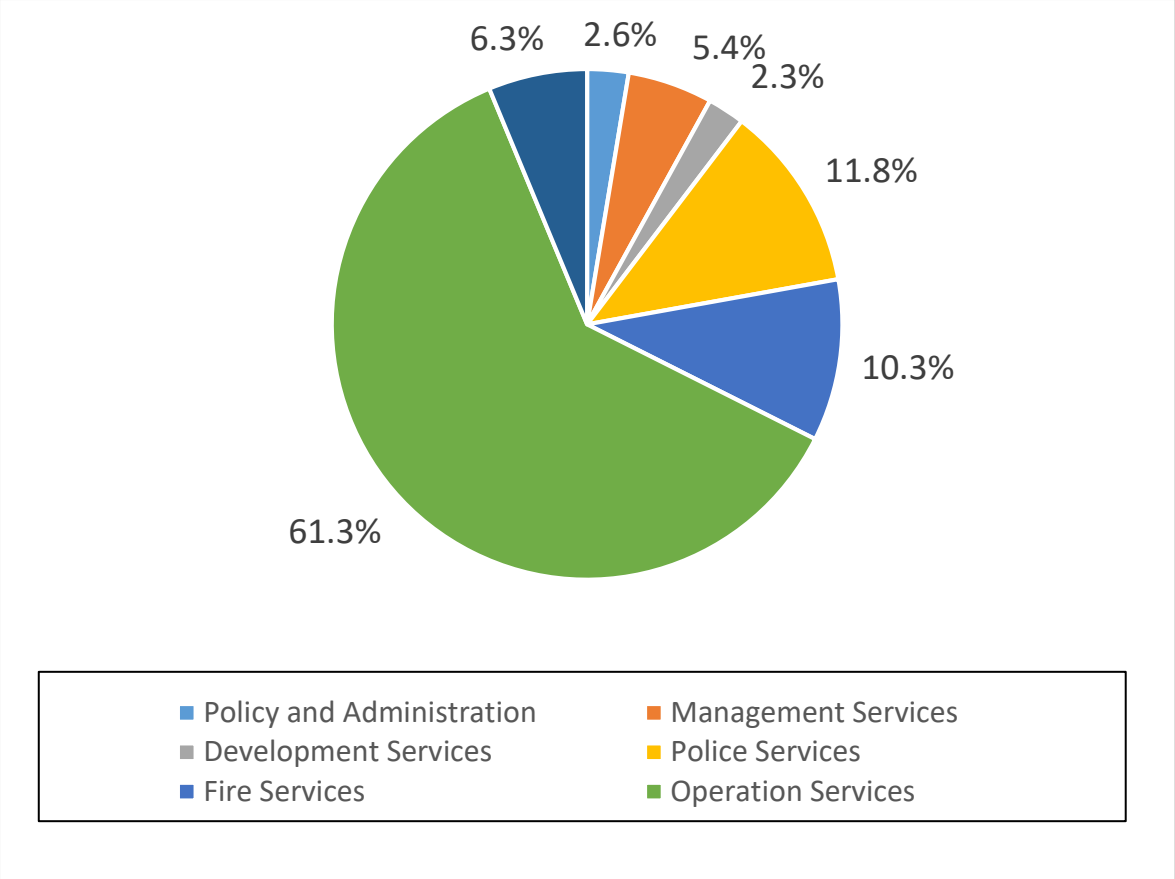
Combined Division Summary
Operating Funds

	Estimated FY18	Budget FY19	Projected FY20
By Division Classification			
Policy and Administration Services	$ 3,392,603	$ 3,554,133	$ 3,554,133
Management Services	7,808,205	7,312,870	7,312,870
Development Services	2,875,971	3,190,026	3,190,026
Police Services	17,165,579	16,049,710	16,049,710
Fire Services	13,637,558	13,925,247	13,925,247
Operation Services	73,715,909	83,279,992	83,279,992
Non-Departmental	13,729,550	8,504,970	8,504,970
Budget Appropriations	**$ 132,325,375**	**$ 135,816,948**	**$ 135,816,948**

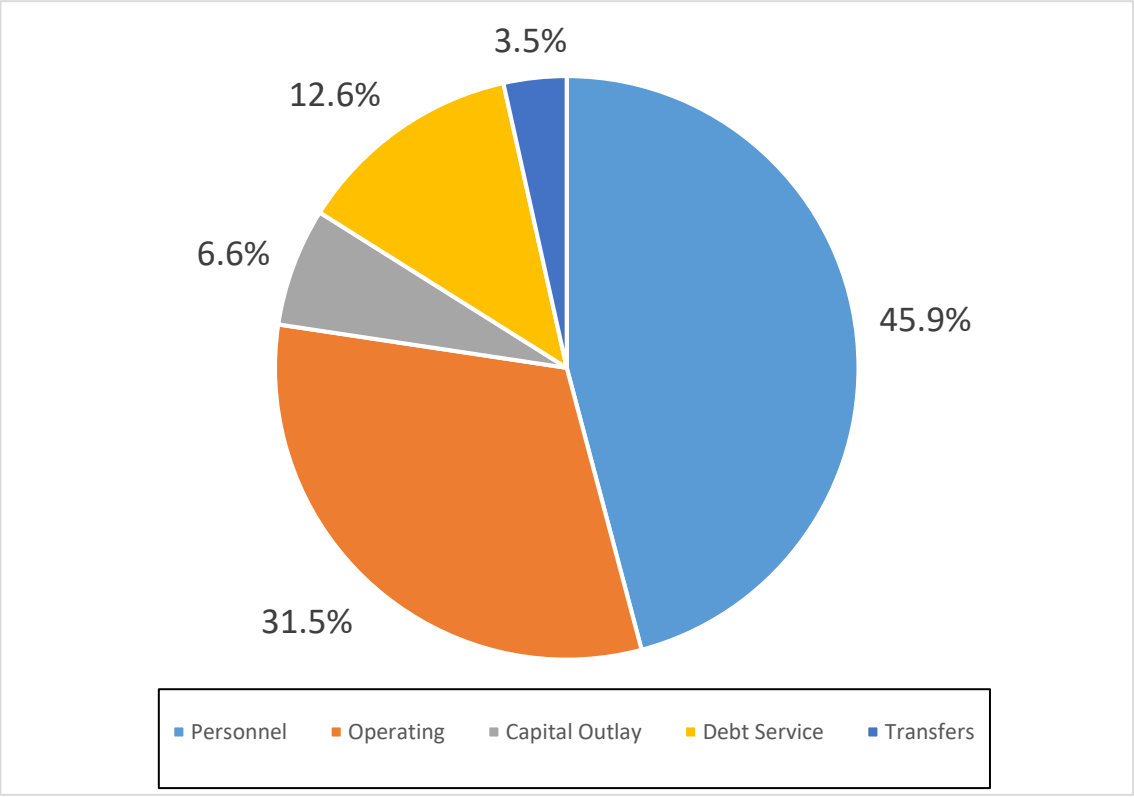
2019 Operating Budget
Appropriations by Division Classification
$135,816,948



Combined Division Summary
Operating Funds

	Estimated FY18	Budget FY19	Projected FY20
By Expenditure/Expense Classification			
Personnel	$ 56,729,509	$ 62,296,480	$ 62,296,480
Operating	39,270,400	42,794,674	42,794,674
Operating Budget	$ 95,999,909	$ 105,091,154	$ 105,091,154
Capital Outlay	9,887,507	8,907,198	8,907,198
Debt Service	15,550,040	17,081,596	17,081,596
Transfers	10,887,917	4,737,000	4,737,000
Budget Appropriations	**$ 132,325,375**	**$ 135,816,948**	**$ 135,816,948**

2019 Operating Budget
Appropriations by Expenditure/Expense Class
$135,816,948



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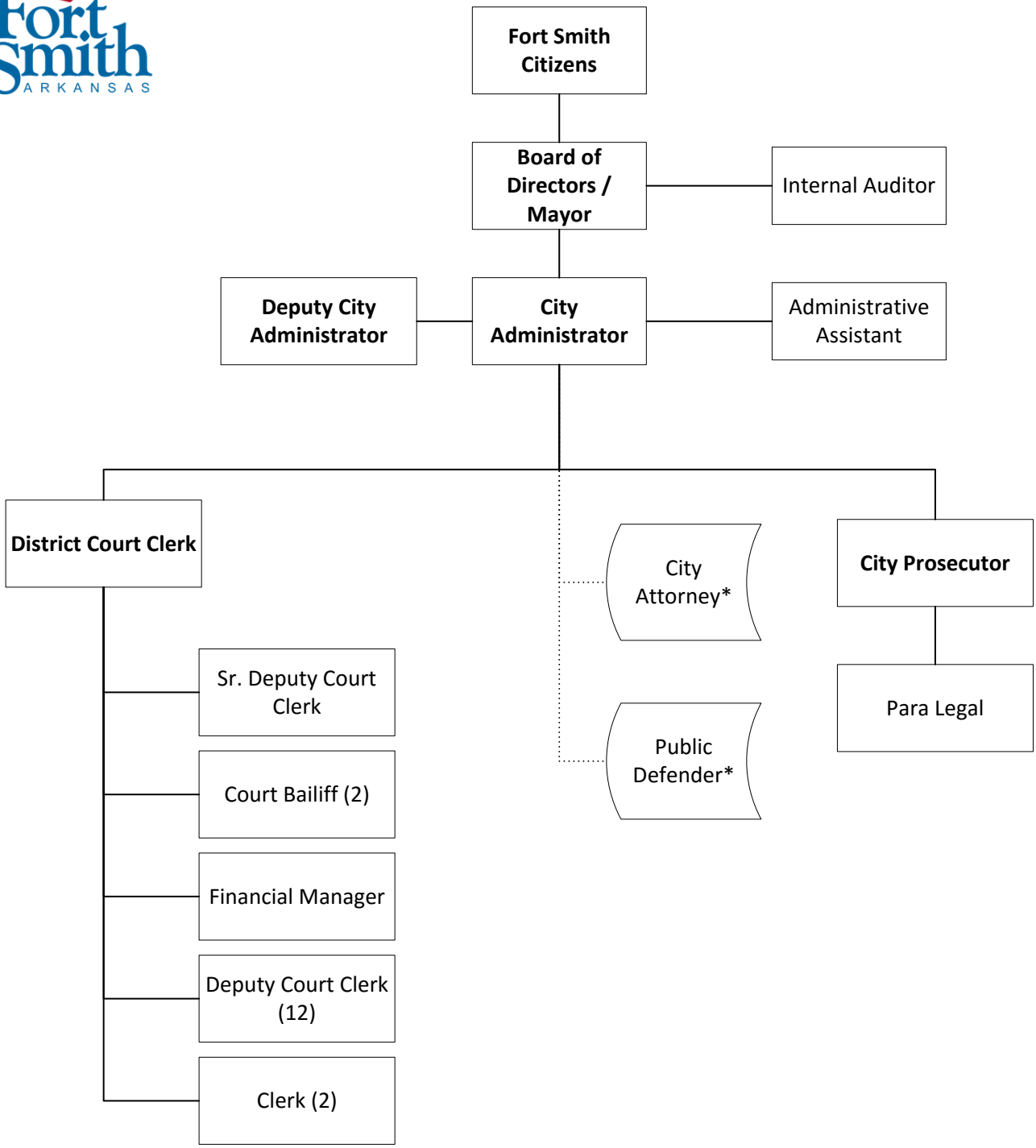
DIVISION SUMMARIES

This section provides position and budget summaries for all divisions of the City. The position summaries are based on January 1 authorizations with the exception of Estimated FY18 which is based on August 31, 2018 authorizations. The dollar summaries reflect Actual FY17, Budget FY18, Estimated FY18, Budget FY19 and projected Budget FY20.

Also, provided is a narrative of each division which reflects the purpose, overview, 2019 service objectives. 2018 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 FY19 Budget Supplement, a separate document.

Policy and Administration Services



*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 FY19 Budget is $6,309, or .75% less than the FY18 Budget. Decrease is due from a reduction in Operating costs. Priorities continuing in 2019 follow the Future Fort Smith Comprehensive Plan, highlighted as follows; implement the comprehensive plan update; provide additional recreational opportunities; continue economic growth strategies; develop and improve citizen engagement and outreach initiatives; support riverfront development; enhance neighborhood vitality; support economic development; compliance with the federal consent decree; educate stakeholders regarding funding for police and fire pensions, and continue converting some fleet to alternatively fueled vehicles as budget allows.

Total Policy/Administration Department personnel is consistent with FY18.

POLICY & ADMINISTRATION	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 447,833	$ 541,874	$ 514,985	$ 551,915	$ 551,915
Operating Expenditures	182,622	301,210	286,160	284,860	284,860
Operating Budget	$ 630,454	$ 843,084	$ 801,145	$ 836,775	$ 836,775
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 630,454	$ 843,084	$ 801,145	$ 836,775	$ 836,775
Authorized Positions	11.00	12.00	12.00	12.00	12.00

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

Policy/Administration 2019 Service Objectives

Mayor:

1. Engage with state leaders on issues and matters of importance to Fort Smith.
2. Place a priority on Public Safety and Public Health needs.
3. Maintain an outstanding relationship with the military to ensure an ongoing and dynamic presence in Fort Smith.
4. Strengthen ties with State Agencies and work to encourage the opening of more local agency branch offices.
5. Support and enhance existing city financial review processes.
6. Create a citizen-led Oversight Committee to make sure that Fort Smith is the most open, honest, and accountable city in Arkansas.
7. Utilize a business mindset to highlight positive attributes and shine a light on areas requiring increased efficiency.
8. Initiate a review process to ensure that all major city contracts achieve the best possible result for the people of Fort Smith.

9. Be a strong champion of our educational system including our public and private schools, as well as UAFS, ACHE, UAMS West, and Vista College.
10. Utilize extensive years – long federal relationships with the objective of securing relief from the Consent Decree and its effect on citizen water bills.

Board of Directors:

1. Incorporate implementation of the Future Fort Smith Comprehensive Plan and vision statement into the city's operating and capital budgets.
2. Provide additional recreation through use of Parks Capital Improvement Funds to continue improvements to Riverfront Drive properties 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, restoration and the revitalization of downtown into a prominent multipurpose center of activity. (FFS Goals FLU-2; FLU-3)
5. Preserve, protect, and revitalize the City's neighborhoods with continued proactive code enforcement, community beautification, public sidewalk improvements, and planting parkway trees. (FFS 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. Continue compliance with the Consent Decree for wet weather sanitary sewer system improvements in order to alleviate the occurrence of backups and overflows. (FFS Goal TI-5)
8. Educate and inform the community, legislators, and other stakeholders on the funding obligations for Police and Fire pensions.
9. Continue converting portions of the city's fleet to alternatively-fueled vehicles. (FFS Goal NCR-2)
10. Supporting sustainable tourism initiatives in the City of Fort Smith by partnering with local organizations as tourism partners. (FFS Goals FLU-2; FLU-3; NCR-3)
11. Build, establish, and maintain a communication strategy to educate citizens and increase community awareness of programs, activities, projects and accomplishments. This strategy will add prompt communication within challenges, issues and concerns. (FFS Goal PFS-2)
12. Evaluate the following areas for improvement in 2019:
    a. Personnel Reductions / Job Evaluations – positions vacant more than one year
    b. Contract Compliance and Administrative Services
    c. City Hall location and cost evaluations
    d. Add language to fiscal policies to address LOPFI funding parameters
    e. Add langue to fiscal policies to address capital purchases and include analysis of replenishment/maintenance costs with new requests.

Administration:

1. *Improve transparent communication with the Board of Directors and the public on all matters, especially regarding the status of ongoing projects or initiatives.* Through the Communications Manager, Administration will be better equipped to support all city departments in evaluating the messages the City pushes and improving the information the City provides to its citizens. Affirmative outreach and responsiveness via traditional media and social media outlets is a vital service objective.
2. *Continue reporting on the status of implementation of the Future Fort Smith comprehensive plan, and actively participate in efforts to expand the details of such plan*. The FFS plan remains at the forefront in providing

guidance to decision-making. Annual reporting from city departments/agencies will continue, as will the annual status reporting to the Board of Directors. City Administration recognizes the role it plays in keeping the FFS plan (and the Propelling Downtown Forward plan) in front of city departments, outside agencies, and the local elected officials and maintaining the document's relevance to the entire community.

3. *Continue to identify efficiency of city service delivery and facilities management.* Administration plans to establish a one-stop shop of service delivery related to utility billing, human resources, and initial development services/licensing to the 801 Carnall Avenue building, effectively addressing at least some of the shuffling of public service points that exists in the Stephens building. While a one-stop shop for customer service in a city-owned building is the objective, several city offices will have to remain in the Stephens building for the foreseeable future. Administration will continue to evaluate options for a proper city-owned City Hall building.
4. *Continue efforts to refine, redraft, and modify the Consent Decree, particularly in terms of time frame and affordability.* Administration will continue efforts to modify the Consent Decree so that projects can be pursued in a more logical and efficient manner, and so the city has more time to accomplish the needed improvements. An extended timeframe will be critically important to making the entire program fit the affordability parameters of our community without further adjustments to the sewer rate.
5. *Improve administrative and reporting efficiency within the entire organization by making use of the reporting abilities within the new ERP system.* The new ERP system will reach full implementation in 2019, and Administration will insist that all departments learn its capabilities, adapt service delivery processes, and make full use of the system's capacity for providing streamlined budgeting and performance data reporting to the public. This project has been a tremendous investment of both money and staff resources, so all departments will have to embrace the changes in service delivery processes to take full advantage of that investment.
6. *Improve and strengthen relationships between city administration and local agencies, businesses, organizations and political representation to ensure that the City of Fort Smith provides appropriate support to all who strive to improve our region and community.* The outreach and involvement of city administration in community efforts, both large and small, to advance and promote Fort Smith will continue to be a primary focus of the City Administrator's office in 2019.

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 2018 Budget represents the City's share of costs for the year.

The FY19 Budget is $73,068 or 3.2% more than the FY18 Budget for these programs due to a slight increase in operating costs.

Total Legal Department personnel is consistent with FY18.

LEGAL DEPARTMENT	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 1,377,294	$ 1,446,950	$ 1,459,765	$ 1,469,688	$ 1,469,688
Operating Expenditures	988,721.24	836,080.00	862,845	886,410	886,410
Operating Budget	$ 2,366,015	$ 2,283,030	$ 2,322,610	$ 2,356,098	$ 2,356,098
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 2,366,015	$ 2,283,030	$ 2,322,610	$ 2,356,098	$ 2,356,098
Authorized Positions	21.63	21.63	21.63	21.88	21.88

Legal Department 2019 Service Objectives

District Court:

1. Cross training of the court's support personnel to ensure efficient and high quality service to the patrons of the court. The Court will continue to emphasize education and the development of its personnel in areas of procedure, professional skills and statutory basis for the Court's operations.
2. Increase court revenues by utilizing all resources available to the Court to reduce expenditures and through aggressive collection procedure/programs.
3. Review and update the Court's Procedural Manual to implement legislative changes and the implementation of a new case management software program.
4. Increase technology and automation through implementation of new processes with emphasis on paperless procedures within the court's management software program.
5. Continue to identify further measures to improve court services and performance by implementing the following measures: 1) Establish data collection methods and reporting of the court's administrative functions to clarify performance measures. 2) Case processing clearance rate - % of cases set for trial 3) Contempt warrant clearance rate - % of warrant for failing to pay fines 4) Accounts receivable clearance rate - assess how much is owed to the court and what % is past due.

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY2018 Actual**	**FY 2019 Target**
4201 (District Court) 4206	**Employees Cross-Trained** Trained in all positions of grade level	55%	65%	60% turn over	25% new software
4201 (District Court) 4206	**Clerks Certified** Education/Training/3yrs service	77%	83%	83%	89%
4201 (District Court)	**Caseload Clearance/Efficiency**				
	Filings vs. Cases Disposed	82%	87%	97%	90%
4201 (District Court)	**Warrant Clearance/Efficiency**				
	Issued vs. Resolved	86%	90%	84%	85%
	Resolved by Court-Non-Arrest/Jail	45%	50%	52%	50%
4201 (District Court)	**Revenues**				
	% Derived from Special programs	34%	35%	37%	35%
	Assessed vs. Collected	87%	85%	88%	86%
	Budget Expenditures of Revenues	34%	30%	30%	32%

City Prosecutor:

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

Internal Audit Overview:

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

The FY19 Budget is $31,699 or 9.6% more than the FY18 Budget, which is attributable to the addition of one 1 FTE Administrative Coordinator and the reduction of one .75 FTE Intern.

Total Internal Audit personnel is 2FTE more than FY18 due to Staff Internal Auditor and Administrative Coordinator.

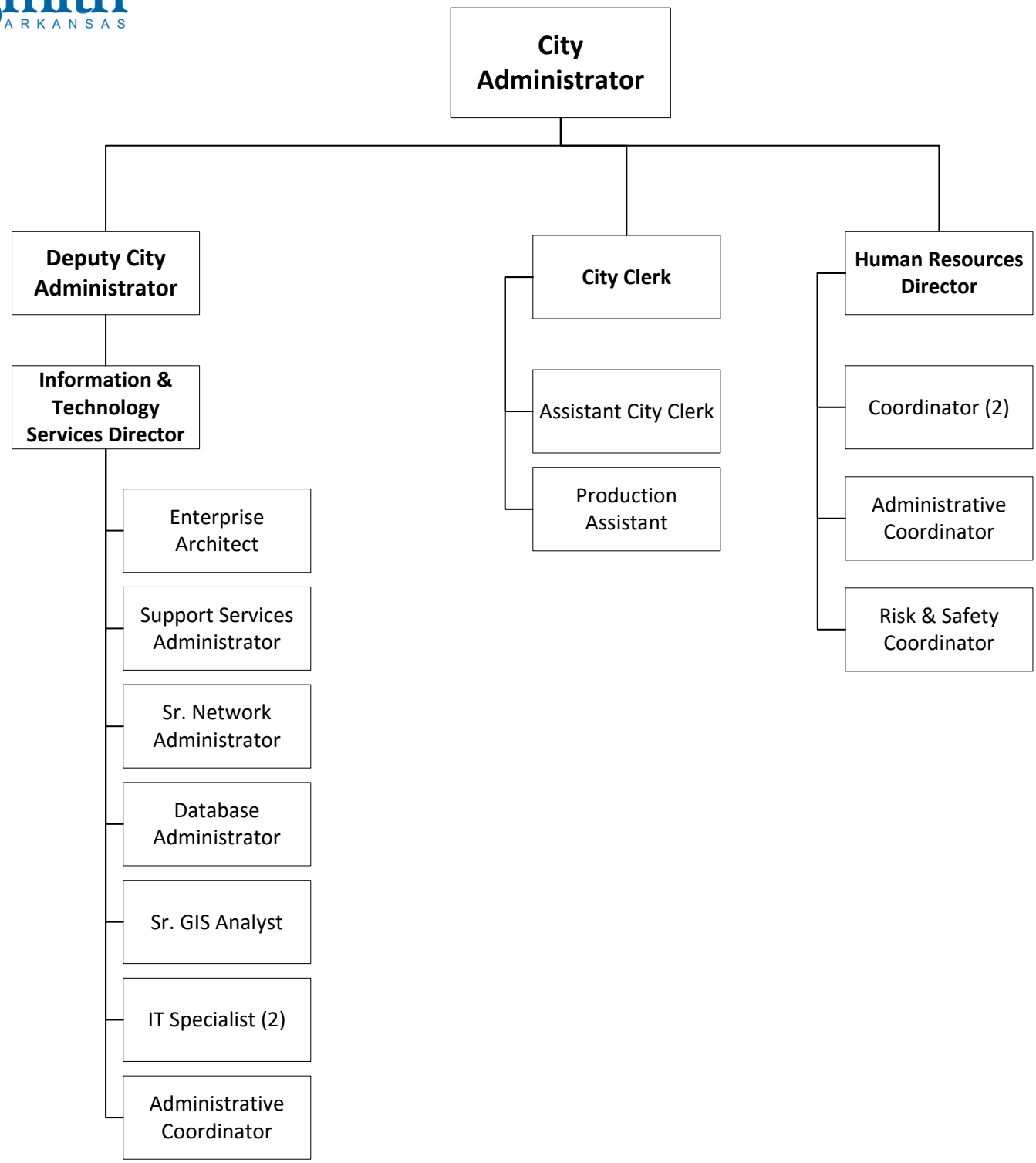
INTERNAL AUDIT	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 127,880	$ 198,861	$ 171,068	$ 232,280	$ 232,280
Operating Expenditures	39,003.64	130,700.00	97,780	128,980	128,980
Operating Budget	$ 166,884	$ 329,561	$ 268,848	$ 361,260	$ 361,260
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 166,884	$ 329,561	$ 268,848	$ 361,260	$ 361,260
Authorized Positions	1.75	1.75	1.75	3.00	3.00

Internal Audit 2019 Service Objectives

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

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Mid-Year**	**FY 2019 Target**
4405	Audits (**#** and ***** see below for further information).	10% **#**	100%	20% *****	100%
4405	FWA Reporting - Helpline	10	N/A	5	N/A

Management Services



Purpose: To provide and exercise the administrative expertise necessary to support the service delivery and decision making activities for the 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 FY19 Budget decrease of $19,654 or 2.8% from FY18 is primarily due to the reduction of Unemployment costs.

Total Legal Department personnel is consistent with FY18.

HUMAN RESOURCES	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 402,019	$ 561,723	$ 451,917	$ 550,080	$ 550,080
Operating Expenditures	170,796.78	142,941.22	118,140	134,930	134,930
Operating Budget	$ 572,815	$ 704,664	$ 570,057	$ 685,010	$ 685,010
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 572,815	$ 704,664	$ 570,057	$ 685,010	$ 685,010
Authorized Positions	5.00	6.00	6.00	6.00	6.00

Human Resources Department 2019 Service Objectives

1. Configure, enable and train employees on Employee Self-Service (ESS) on the Tyler Munis ERP system to improve the effectiveness and efficiency of the department by providing a means for employees to access personal data at their convenience thus allowing HR department personnel more time to focus on value-added work.
2. Develop and implement a formal on-boarding process for new hires.
3. Train HR department staff on a pertinent human resources related topic quarterly.
4. Post open positions on average within 2 business days of receipt of approved requisition and send qualified applications to hiring manager on average within 7 business days of the closing of the posting.

Key Performance Indicators					
Program	**Performance Measure**	**FY 2018 Actual**	**FY 2019 Target**	**FY 2019 Actual**	**FY 2020 Target**
4104 (Human Resources)	Employee Self Service in operation and employees trained		Completed by 6/30/2019		
4104 (Human Resources)	On-boarding process developed and implemented.		Completed by 3/31/2019		
4104 (Human Resources)	Topics identified and HR staff trained.		No later than end of each quarter		
4104 (Human Resources)	Positions posted and applications sent to hiring manager within specified time.		Avg. 2 business days to post and 7 business days to send applications		

City Clerk Department Overview:

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

The FY19 Budget decreased $94,367 or 22.8% from FY18, due from a combination of cost reduction in Health Insurance and Code of Ordinances.

Authorized positions for this program for FY19 are 3FTE which is consistent with FY18.

CITY CLERK	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 211,175	$ 222,713	$ 219,300	$ 216,679	$ 216,679
Operating Expenditures	104,727.60	190,233.00	189,980	101,900	101,900
Operating Budget	$ 315,902	$ 412,946	$ 409,280	$ 318,579	$ 318,579
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 315,902	$ 412,946	$ 409,280	$ 318,579	$ 318,579
Authorized Positions	3.00	3.00	3.00	3.00	3.00

City Clerk 2019 Service Objectives

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

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Actual ***	**FY 2019 Target**
Program #4105 City Clerk	Board meetings attended (voting sessions) / Sets of Board minutes	26	28	**13**	28
Program #4105 City Clerk	Agenda's prepared	54	55	**26**	55
Program #4105 City Clerk	Ordinances & Resolutions adopted	276	300	**153**	300
Program #4105 City Clerk	Oak Cemetery Interments / Inurnments	77	70	**21**	70
Program #4105 City Clerk	Oak Cemetery deeds issued	49	65	**14**	65
Program #4105 City Clerk	Average Government Access Channel advertisements	264	275	**264**	275

*as of June 30, 2018

Finance Department Overview:

The Finance Department contains five programs: 4301 Finance Administration, 4303 Collections, 4304 Utility Billing/ Customer Service, 4306 Purchasing, 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 FY19 Budget is $1,931,714 or 35.4% less than FY18 Budget. This decrease is due from the move of positions to other Departments as well as their associated operating costs.

Total FY19 Finance Department personnel is 30FTE which is 9FTE less than FY18. This if from 1 FTE reduction and 8FTE reassignments.

FINANCE	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 2,169,687	$ 2,472,582	$ 2,286,920	$ 2,053,432	$ 2,053,432
Operating Expenditures	3,089,078.76	2,978,418.53	3,026,730	1,465,855	1,465,855
Operating Budget	$ 5,258,766	$ 5,451,001	$ 5,313,650	$ 3,519,287	$ 3,519,287
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 5,258,766	$ 5,451,001	$ 5,313,650	$ 3,519,287	$ 3,519,287
Authorized Positions	38.00	39.00	39.00	30.00	30.00

Finance Department 2019 Service Objectives

1. Support the City's Technology Plan by driving the Enterprise Resource Planning (ERP) system project final implementation and follow-up activities. Finance will strive to implement all financial modules On-Time and On-budget. (Comprehensive Plan: Goal CCD-3.1)
2. Analyze and improve budget management process for all departments. Finance department will streamline the budget planning process in 2019 and look for ways to improve transparency in the budget process with Directors and Citizens. (Comprehensive Plan: Goal CCD-3)
3. Enhance accessibility of financial data for all city management, citizens, vendors and customers. (Comprehensive Plan: Goal CCD-3.1)
4. Enhance accountability across all departments by refining and communicating financial and administrative policies to all employees. Finance department will strive to clearly document business processes and policies and ensure the documentation is readily available to all employees in a timely manner via electronic methods. (Comprehensive Plan: Goal CCD-3)
5. Build bench strength in finance and accounting positions at the analyst and manager level through recruiting, continuing education and cross-training.

6. Improve the accountability and performance of the Finance Department by better defining Key Performance Indicators in 2019 as improved data becomes available via new accounting systems.
7. Create a supported transition of Customer Service and Collections Department to a newly created Citizen Service Center in 2019. Implementation of phone monitoring services, specialized customer service training and transition planning will assist in the transition to a new team that can better service citizens.

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Actual**	**FY 2019 Target**
4301 (Finance)	Number of days to close the year/month. Target: 13th day of month; Feb 5 year end.	83%	100%	75%	100%
4301 (Finance)	Requisition Approvals: Average time	---	48 hrs	20 hrs	36 hrs
4301 (Finance)	Bond Rating	A-	A	A	A
4301 (Finance)	A/P Days Outstanding – 30 days or less	93%	100%	90%	100%
4301 (Finance)	Quick Ratio (~cash / liabilities) Target: 85% liquidity	Total 1106%	100%	---	100%

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 FY19 Budget is $1,226,290 or 65.2% more than the FY18 Budget. The increase is attributable to 1 new FTE and 2 FTE moving from other programs along with their associated operating costs.

The ITS Department has 15 FTE for FY19, two more than FY18. One new position of Cyber Security Administrator has been added and while there was 1 FTE reduction, 2 FTEs have been moved from other programs.

INFORMATION & TECHNOLOGIES/GIS	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 814,146	$ 1,037,589	$ 919,046	$ 1,219,684	$ 1,219,684
Operating Expenditures	700,676	842,795	857,880	1,886,990	1,886,990
Operating Budget	$ 1,514,822	$ 1,880,384	$ 1,776,926	$ 3,106,674	$ 3,106,674
Capital Outlay	0	0	0	0	0
Budget Appropriation	$ 1,514,822	$ 1,880,384	$ 1,776,926	$ 3,106,674	$ 3,106,674
Authorized Positions	13.00	13.00	13.00	15.00	15.00

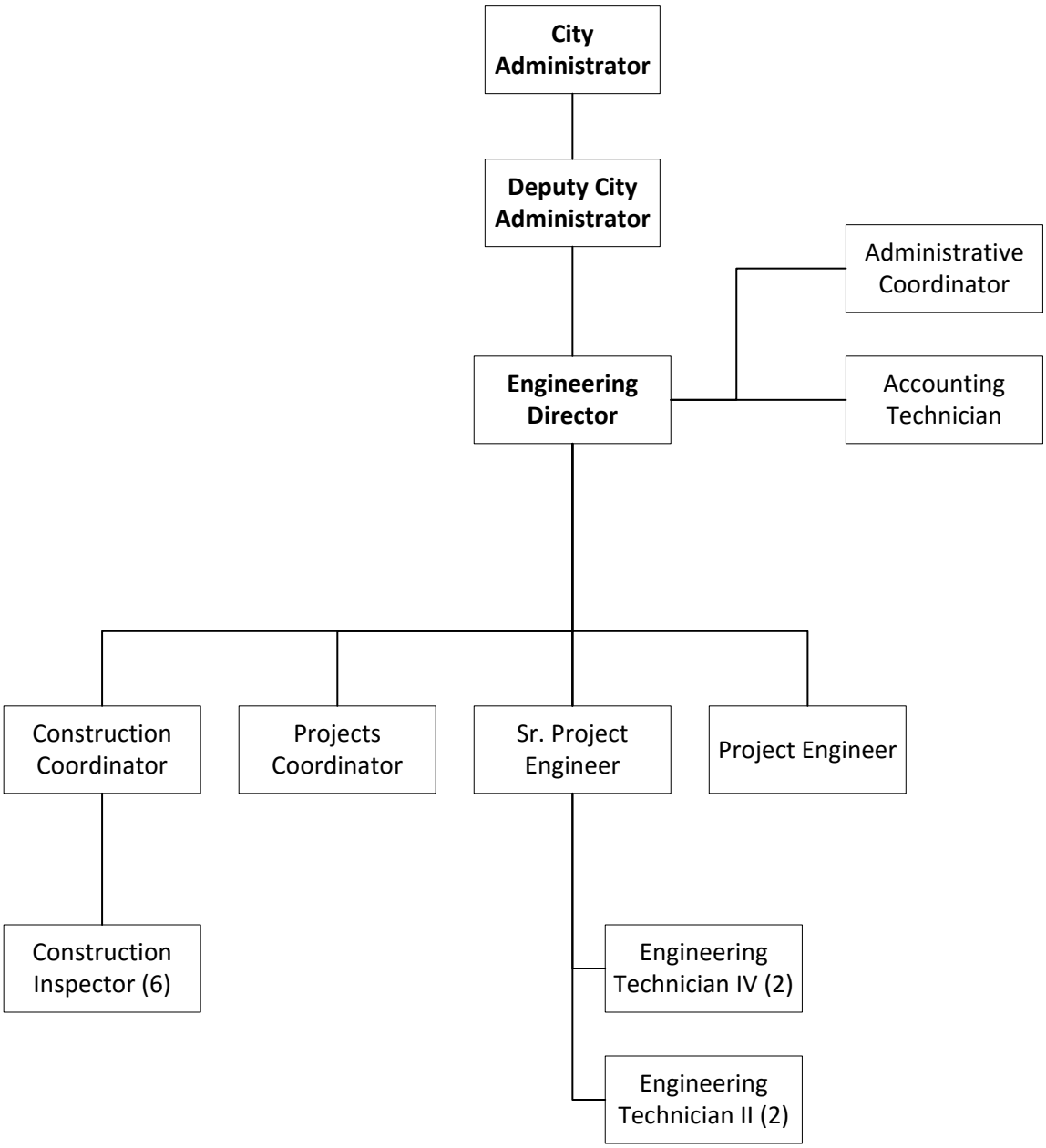
Information & Technology Department 2019 Service Objectives

1. Provide technical assistance, leadership, and when requested, project management services to those departments, wishing to implement new or improve existing technologies and processes to enhance their business processes. Anticipated enterprise projects may include, but not limited to: Integration of disparate vehicle fueling systems into a centralized, enterprise system; Vehicle Tracking and Route Optimization; Assisting HR with development of onboarding protocol and related technologies for new City staff; Continue migration of City's SCADA network to Ignition software and relocation of the SCADA network communications to the ITS backbone; Complete deployment of new helpdesk software and user self-service portal; Complete consolidation and standardization of City employee ID/badges in support of the centralized time/attendance and access control systems; and analysis and upgrade of the public safety (PD and Fire) mobile data terminals (MDTs) to more progressive and innovative technologies.
2. Continue implementation of the Strategic Technology Plan and IT Governance Policy. Pursuant to direction from the Board of Directors, ITS will continue in 2019 to audit and evaluate the deployment of software technology and services, throughout each department in an effort to ensure the most efficient and beneficial use of technology and identify potential cost savings.
3. Continue to provide project management leadership for the ongoing ERP project through 2019. As in 2017 and 2018, ITS will play a critical role in aligning each department's respective business processes to the various applications within the ERP for 2019 and ensure availability of the related technical infrastructure for the production systems.
4. Create a Cybersecurity Administrator position within the ITS Department to focus on desktop, mobile, and network security and maintain the City's comprehensive enterprise security infrastructure.

5. Continue to develop and refine a City-wide Continuity of Operations Plan (COOP). 2018 will see the development and adoption of a Basic COOP to address continuity of operations related to city government as a whole. In 2019, ITS lead the development of department-specific COOPs to define specific actions and processes related to the individual needs of the respective City department.
6. Continue to work with the Internal Auditor to implement and expand comprehensive asset tracking for technology equipment and perform quarterly and yearly audits throughout each City department.
7. 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.
8. 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.
9. Work with the City's Communications Manager to develop policies, guidelines and electronic communications plan to promote and expand how the City communications via social media and other forms of digital media.
10. Continue to consolidate the technology ecosystems of City of Fort Smith ITS and the Fort Smith Police Department. This consolidation will include the combination of licensing and service agreements and cross-training internal staff to ensure availability and diversity of technical expertise.
11. Continue to work with the Utilities Department and associated contractors to assist with fulfillment of the Wastewater Consent Decree program. This work will include ensuring availability of critical network, web and data storage services, providing access to the City's enterprise GIS, developing and maintaining GIS web services for project management, developing focused web-based GIS applications, and providing focused end-user support for technology devices and peripherals.
12. Continue to provide GIS support to the Fort Chaffee Redevelopment Authority (FCRA) and Fort Smith Regional Chamber of Commerce. This support will enhance the FCRA's and Chamber's ability to pursue their economic development and management goals using GIS and mapping technology. This goal includes the continued maintenance and support of the online Chaffee Crossing GIS Portal and preparation of maps and information for site selectors representing potential business development with the region.
13. Continue to utilize Amazon Cloud Services to expand the use of cloud-based technologies within the core ITS mission and GIS in an effort to off-load system demand and take advantage of new software development tools for rapid deployment of applications for both mobile and desktop devices.
14. Complete the analysis of migration/upgrade options for the Computer-Aided Dispatch (CAD) system in use by the Fort Smith Police and Fire Departments. Every effort will be given to ensure interoperability with the City's new ERP.
15. Continue to expand the wireless network coverage to include more public sites. This will provide users conducting business with the City seamless access to business services in a variety of locations from a variety of devices. Other internal ITS projects include: Continue to convert numerous site links to wireless backhaul technology that will be managed internally; Continue to consolidate virtual infrastructure and upgrade the City's SAN infrastructure to support over 100 servers.

Key Performance Indicators						
Program	**Performance Measure**	**FY 2017 Target**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Actual**	**FY 2019 Target**
4401 - ITS	Average number of days to resolve a help desk request (non-critical; non-infrastructure)	2	3.9	2	2.2	2
4401 - ITS	End user customer satisfaction survey (1 – 5)	NA	NA	5	4.6	5

Development Services



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

Engineering Department Overview:

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

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

Both FY19 Budget and FTEs are consistent with FY18 Budget and FTE count.

ENGINEERING	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 1,210,845	$ 1,449,745	$ 1,300,628	$ 1,449,780	$ 1,449,780
Operating Expenditures	42,836	63,000	49,744	63,090	63,090
Operating Budget	$ 1,253,681	$ 1,512,745	$ 1,350,372	$ 1,512,870	$ 1,512,870
Capital Outlay	19,985	0	0	0	0
Budget Appropriation	$ 1,273,666	$ 1,512,745	$ 1,350,372	$ 1,512,870	$ 1,512,870
Authorized Positions	19.00	19.00	19.00	19.00	19.00

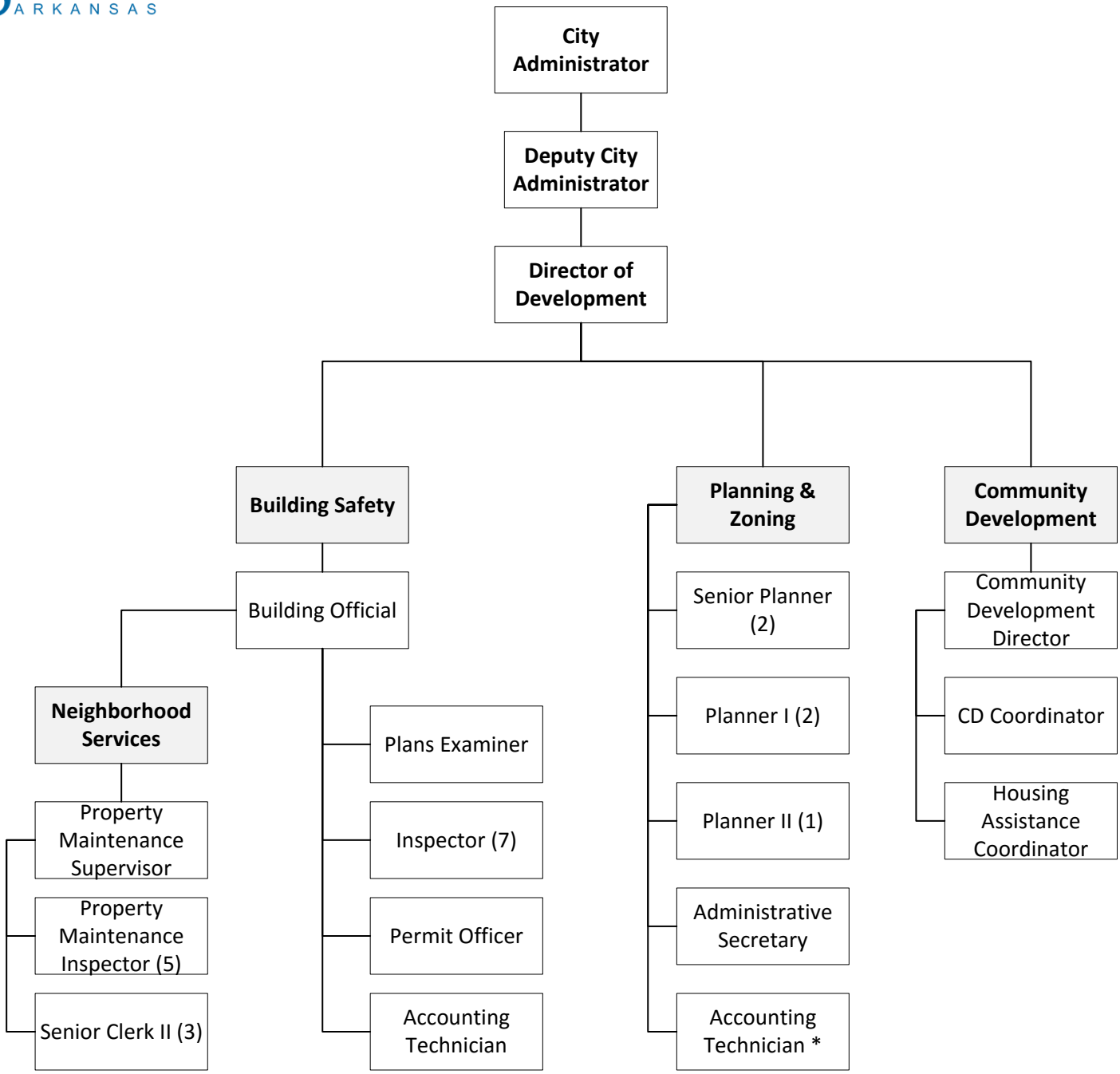
Engineering Department 2019 Service Objectives

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 2018 Capital Improvement Program. (City-wide Goals #2 & #5), (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)
2. Implement special projects which evolve during the year. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)
3. Implement key performance indicators as outlined below. (Comprehensive Plan: FLU-1.4, TI-5.1, TI-5.2 and NCR-2.6)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Actual**	**FY 2019 Target**
Program # 4103 Engineering	Prepare annual Street and Drainage Capital Improvement Program and present to the Board of Directors for approval by October 31.	10/20/17	10/31/18	10/18/18	10/31/19
Program # 4103 Engineering	Prepare annual Municipal Separate Storm Sewer System Report and submit to the Arkansas Department of Environmental Quality by June 1.	05/26/17	05/31/18	05/26/18	06/01/19

Program # 4103 Engineering	Manage construction contracts to maintain change orders to within 10 percent of the original contract amount.	100%	100%	100%	100%
Program # 4103 Engineering	Complete development permit reviews (building permit site plans, subdivision plats, construction plans, grading permits and floodplain development permits) within scheduled allotted time.	100%	100%	100%	100%

Development Services



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

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.

The FY19 Budget is $322,980 or 13.3% more than the FY18 Budget which is attributable to additional FTEs, higher operating costs and capital outlay requests.

This Department has 33FTE positions for FY19, an increase of 2.55FTE is due from the transfer of one position and approval of one Long Range Planner.

DEVELOPMENT DEPARTMENT	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 1,764,612	$ 2,162,517	$ 2,113,814	$ 2,232,702	$ 2,232,702
Operating Expenditures	284,581	264,865	466,918	447,260	447,260
Operating Budget	$ 2,049,193	$ 2,427,382	$ 2,580,732	$ 2,679,962	$ 2,679,962
Capital Outlay	0	0	0	70,400	0
Budget Appropriation	$ 2,049,193	$ 2,427,382	$ 2,580,732	$ 2,750,362	$ 2,679,962
Authorized Positions	30.45	30.45	31.00	33.00	33.00

Development Department 2019 Service Objectives

1. Continue implementation of the goals identified for the development services department through the Future Fort Smith Comprehensive Plan.
2. Initiate the implementation of the Form Based Code for the Central Business Improvement District. The Form Based Code was a recommendation from the Propelling Downtown Forward plan. (FLU 1.6, FLU 3, FLU 3.2.3)
3. Continue to review, edit, incorporate, and revise portions of the development maps and codes such as the Unified Development Ordinance, zoning map, ETJ, planning area, annexation plans and other development maps. (FLU 1.1.3, FLU 1.6, ED 1.1, ED 1.3, ED 5.2, HN 1.5, HN 1.5.1, PFS 1.1.2)
4. Protect and improve existing neighborhoods by continuing the implementation of the CDBG, HOME, and other housing programs and creating a more proactive program in the neighborhood services division. The staff is implementing the Housing Assistance Program which was CDBG funded for $260,844.00 for PY 2018 and HOME funds in the amount of $294,000.00 for new affordable housing on infill lots with designs sensitive to the surrounding neighborhoods. The CDBG and HOME budgets were increased for PY 2018. The staff is anticipating that the CDBG and HOME Programs funding will remain level for PY 2019. (HN 3.3.1, HN 2.4.1, HN 3.1.1, HN 2.2.1, HN 1.6, ED 7.2)
5. Collaborate with IT to improve the department's presence online by updating the Development Services website and the implementation of the ERP/EnerGov software in order to make the experience more user friendly for the customer. (PFS 1, PFS 2)
6. Assume responsibility for the management of the business license process including the issuance of all business and alcohol licenses. Work on the municipal code to clarify the language regarding business licenses and educate the public on changes to the program.

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 FY18 Budget is $1,153,790 or 6.6% less than the FY18 Budget. This decrease is largely due to capital outlay items being purchased in FY18 rather than FY19.

The total personnel of the Police Department is 219FTE for FY19, one less the FY18.

POLICE	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 11,130,220	$ 12,703,131	$ 11,562,050	$ 12,469,970	$ 12,469,970
Operating Expenditures	2,825,409	3,660,443	3,303,586	3,719,770	3,719,770
Operating Budget	$ 13,955,629	$ 16,363,574	$ 14,865,635	$ 16,189,740	$ 16,189,740
Capital Outlay	66,976	979,956	2,419,943	0	0
Budget Appropriation	$ 14,022,606	$ 17,343,530	$ 17,285,579	$ 16,189,740	$ 16,189,740
Authorized Positions	208.00	220.00	222.00	219.00	219.00

Police Department 2019 Service Objectives

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

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

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

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

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

7. The department's Motorola radio components are scheduled to be ineligible for repair at the end of 2018. Command staff will work toward the implementation of new radios with cooperation with other relevant city departments.

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

9. The Criminal Investigation Division (4703) will increase customer service and availability to the community through the improvement and development of detectives.

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

Fire Department Overview:

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

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

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

The FY19 Budget is $283,088 or 2.6% more than the FY18 Budget. Increase is due from one new FTE, replacement of outdated small equipment, and vehicle replacement. For purposes of presentation, Program 4803 1/8% Sales Tax was removed from Budget FY18 summary numbers.

The total personnel of the Fire Department is 153 FTE for FY19 which is one more then FY18 Budget. New positon of Emergency Vehicle Technician was approved.

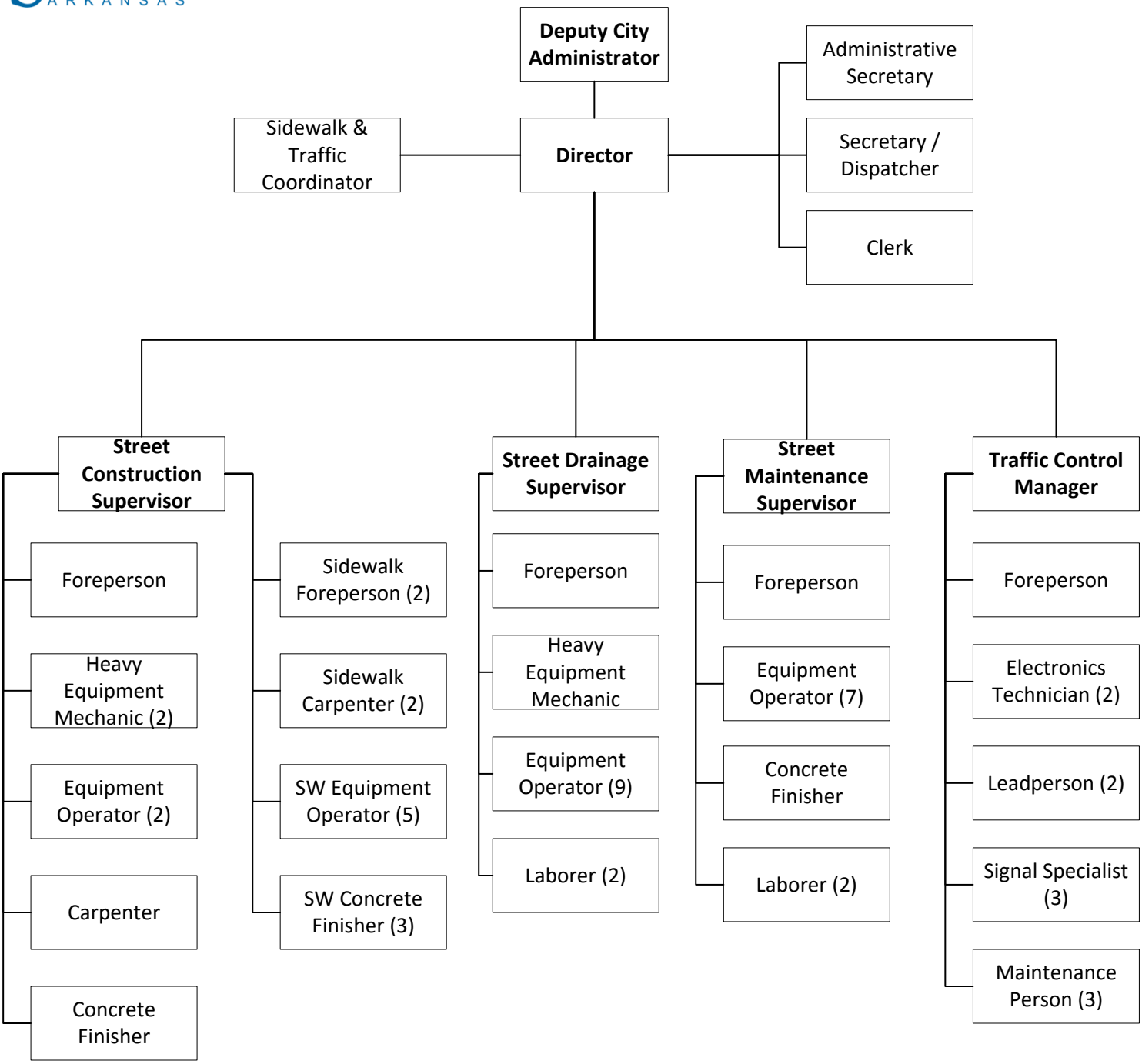
FIRE DEPARTMENT	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 10,874,046	$ 9,638,999	$ 9,807,290	$ 9,851,037	$ 9,851,037
Operating Expenditures	1,097,542	1,294,912	1,231,368	1,348,730	1,348,730
Operating Budget	$ 11,971,588	$ 10,933,911	$ 11,038,658	$ 11,199,767	$ 11,199,767
Capital Outlay	130,036	24,768	22,920	42,000	0
Budget Appropriation	$ 12,101,624	$ 10,958,679	$ 11,061,578	$ 11,241,767	$ 11,199,767
Authorized Positions	132.00	132.00	132.00	133.00	133.00

Fire Department 2019 Service Objectives

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

Key Performance Indicators					
Program	Performance Measure	FY 2017 Actual	FY 2018 Target	FY 2018 Actual Thru June	FY 2019 Target
Program # 4801-4804 Fire Department	To keep casualties and property loss from fire as low as possible through education and inspections	Reached 7190 children and 4511 adults through fire education programs and fire drills.	To educate Children, Senior Citizens, and higher risk occupancies on fire prevention	As of June 30th, the Fire Department has reached 1732 children and 951 adults	To educate Children, Senior Citizens, and higher risk occupancies on fire prevention
Program # 4801 Fire Department	To keep property fire insurance rates as low as possible by maintaining an ISO PPC-1	Public Protection Classification of 1/1X effective March 1st.	To maintain an ISO Public Protection Class 1	Maintaining all areas required by ISO for PPC-1	To maintain an ISO Public Protection Class 1
Program # 4802 & 4803 Fire Department	To strive to keep property loss from fires or other incidents to a minimum / To keep property loss to less than 10%	Value of property responded to: **$97.13 Million** Total Percent Lost: **1.60%** Total Percent Saved: **98.40%**	To keep property loss to less than 10%	Value of property responded to: $107.3 Million Total Percent Lost: 2.40% Total Percent Saved: 97.60%	To keep property loss to less than 10%
Program # 4802 & 4803 Fire Department	To meet NFPA and ISO Response Time Standards / To be on scene in 4 minutes or less after receipt of alarm	Average response time city wide for all call types is 3 minutes 38 seconds	To be on scene in 4 minutes or less after receipt of alarm	As of June 30th, 5773 alarms have been responded to with an average of 3:35 response time.	To be on scene in 4 minutes or less after receipt of alarm.
Program # 4804 Fire Department	To increase safety and efficiency through training / Achieve 30,066 total training hours for individual and company training	53,186 combined hours of Fire, EMS, Rescue, Hazmat, Bomb Squad training	Achieve a minimum of 30,066 total training hours for individual and company training	3,561 training scenarios totaling 10,381 hours.	Achieve a minimum of 30,066 total training hours for individual and company training

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 2019 is to continue to provide the highest level of safety for the City's street, drainage and traffic control systems. The Department immediately responds to hazardous situations so that dangerous consequences are eliminated.

The FY19 budget is $230,799 or 3.5% less than the FY18 budget, decrease is in capital additions.

Total personnel for the Department in FY19 is consistent with FY18.

STREETS AND TRAFFIC CONTROL	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 3,253,898	$ 3,570,577	$ 3,391,733	$ 3,506,128	$ 3,506,128
Operating Expenditures	2,592,122	2,726,535	2,646,791	2,788,185	2,788,185
Operating Budget	$ 5,846,020	$ 6,297,112	$ 6,038,524	$ 6,294,313	$ 6,294,313
Capital Outlay	518,946	228,000	228,000	0	0
Budget Appropriation	$ 6,364,966	$ 6,525,112	$ 6,266,524	$ 6,294,313	$ 6,294,313
Authorized Positions	72.86	72.86	72.86	72.86	72.86

Streets and Traffic Control Department 2019 Service Objectives

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

KEY PERFORMANCE INDICATORS (Updated through July 23, 2018)							
DEPARTMENT	PERFORMANCE MEASURE	FY 2016 Actual	FY 2017 Target	FY 2017 Actual	FY 2018 Target	FY 2018 Actual	FY 2019 Target
Traffic Control (5401 and 5405)	% of traffic light repairs completed within 4 hours	98%	100%	100%	100%	100%	100%
Street Maintenance (5304)	% of repairs (utility cuts, driveway cuts and sidewalks) completed within 4 days	94%	100%	95%	95%	90%	100%
Drainage Department (5303)	Re-grade major creeks (12 locations) annually	75%	100%	20%	20%*	50%	100%
Street Construction (5302)	Complete construction of drainage projects and street overlays	90%	100%	71%	71%	100%	100%
Sidewalk Construction (5305)	Complete 6 miles of sidewalk repair	110%	100%	47%	47%	72%	100%
Street Maintenance (5304) Street Construction (5302) Drainage Department (5303)	Equip trucks with snow plows. Implement liquid deicing program.	100%	100%	100%	100%	100%	N/A
Street Maintenance (5304) Street Construction (5302) Drainage Department (5303)	Accurately identify each approaching storm and begin response preparations within 24 hours of storm impact.						100%

Water and Sewer Department Overview:

The Water and Sewer Department is comprised of 12 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 FY19 Budget is $1.8 Million or 5.5% more than the FY18 Budget. The increase in attributable to six Customer Services Representatives position being transferred from Management Services Department, 2 additional approved hires, as well as the additional small equipment and materials needed for daily their use.

Total positions for the Department are 294FTE for FY19, an increase of 8.5FTE over FY18. The increase is attributable to reorganization of department.

WATER AND SEWER DEPARTMENT	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 13,192,767	$ 15,452,460	$ 13,954,970	$ 16,496,808	$ 16,496,808
Operating Expenditures	8,752,936	11,581,235	10,019,782	12,585,185	12,585,185
Operating Budget	$ 21,945,703	$ 27,033,695	$ 23,974,752	$ 29,081,993	$ 29,081,993
Capital Outlay	1,230,861	6,164,272	5,250,796	5,925,778	0
Budget Appropriation	$ 23,176,564	$ 33,197,966	$ 29,225,548	$ 35,007,771	$ 29,081,993
Authorized Positions	257.00	285.50	283.50	294	294.00

Water and Sewer Department 2019 Service Objectives

1. Embrace innovation, process improvement and technology to ensure cost effective utilization of resources.
    - Fully implement planning, design and construction practices to assure reliable operations in the most cost effective manner.
    - Engage subject matter specialists to leverage knowledge and enhance efforts through continuous process improvement.
    - Continue developing and integrating strategic planning and benchmarking.
    - Provide electronic as-built drawings for use by crews in the field.
    - Work with IT and other invested departments to fully implement Lucity.
    - Fully implement LIGO.
    - Develop and implement SCADA replacement with Ignition.
    - Complete integration of sanitary sewer and water systems into GIS and full implement.
    - Use GIS and water modeling software to plot and analyze locations of water leaks and improve predictability and target repair efforts in the most effective manner possible.

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

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

Note: All CD related mandates and requirements are subject to review, validation and redesign, as needed, once the anticipated CD modification is finalized and implemented.

3. Improve water and wastewater systems to support continued growth and provide timely, cost effective service to the customers.
    - Complete design and execute of Phase 2 of the 48-inch water transmission line from the Lake Fort Smith water treatment plant.
    - Develop cost effective projects to improve water service to the city, upgrade fire protection, and replace waterlines in older residential neighborhoods.
    - Continue water meter change out program to reduce unaccounted water loss and improved customer billing accuracy.
    - Comply with state and federal drinking water and wastewater standards and regulations.
    - Develop and execute projects to eliminate the backlog of water leaks.
    - Continue to implement the water shed management program.
    - Develop a 10-year CIP. This plan will be modified to include changes resulting from the CD modification effort.
    - Update expired water use agreements.

4. Strengthen customer service.
    - Increase the number of contacts with the public at town-halls, mailings and workshops.
    - Establish a centralized customer service center (at Carnall) to create a one-stop-shop for all Utility related questions and service calls.
    - Consolidate the collections, billing and meter function, currently part of Finance, into the new call center.
    - Implement regularly scheduled customer service training for the staff.

5. Staff development.

- Send new staff to the water and wastewater 1 classes to learn more about the Utility department operations.
- Establish performance plans for all staff.
- Establish appraisals for all supervisors and staff.
- Define efforts to be taken to reduce turn-over.
- Finalize training plans for all staff.
- Establish management training for all new managers.
- Develop an effective secession plan to department staff.

Utility Department

Performance Measures

Performance Measure
Plan Reviews: Complete within 5 days of receipt
Sewer Line Cleaning: Clean 125,000 LF per year
Replace all meters within 24 months
Sewer Lines TV Inspected: Inspect 60,000 LF per year
Eliminate water leak backlog within 24 months
Emergency Water System Work Order: Complete within 48 hours
Emergency Sewer System Work Order: Complete within 48 hours
Increase public contacts by 10%
Routine Water System Work Orders: Complete within 14 days
Routine Sewer System Work Orders: Complete within 14 days

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 one wading pool. In addition the Department manages the River Park trail and facilities, Garrison Avenue Streetscape, and Downtown parking areas.

The FY19 Budget is $770,858 less than FY18 budget. The decrease is primarily due to completion of the Riverfront Drive Skate and Bike Park of which donations were received in FY18. For purposes of presentation, Program 6208 1/8% Sales Tax was removed from Budget FY18 summary numbers.

The total positions for the Department are 35FTE for FY19 which is consistent with FY18.

PARKS & RECREATION	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 1,294,027	$ 1,436,030	$ 1,349,801	$ 1,392,250	$ 1,392,250
Operating Expenditures	661,940	1,458,201	1,342,370	801,865	801,865
Operating Budget	$ 1,955,967	$ 2,894,231	$ 2,692,171	$ 2,194,115	$ 2,194,115
Capital Outlay	70,986	100,743	90,055	30,000	30,000
Budget Appropriation	$ 2,026,953	$ 2,994,973	$ 2,782,226	$ 2,224,115	$ 2,224,115
Authorized Positions	36.25	35.00	35.00	35.00	35.00

Parks and Recreation Department Goals

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

Parks and Recreation Department 2019 Service Objectives

1. Continue to meet the goals of the Capital Improvement Plan through dedicated funding of the sales and use tax. (Comprehensive Plan: NCR-1)
2. Continue to develop a continuous and connective trail system throughout the community. (Comprehensive Plan: FLU-3.2.3)
3. Increase the number of recreation programs and events offered by the Parks and Recreation Department (Comprehensive Plan: NCR-4)

4. Maintain open communication between the City, the CBID, the Parks Commission, and residents through participation in public programs. (Comprehensive Plan: PFS-2.2)
5. Improve accountability and performance measurement of our budget by including key performance indicators for the Parks Department as outlined below. (Comprehensive Plan: Goal PFS-2)

Program	Performance Measure	FY 2017 Actual	FY 2018 Target	FY 2018 Mid-Year	FY 2019 Target
6201 Parks Maintenance	Mow each park on a seven-day turnaround during the mowing season (approx. 24 weeks).	17	17	11	17
6202 Oak Cemetery	Mow the cemetery weekly during the mowing season (approx. 24 weeks).	22	24	17	24
6204 Community Centers	Maintain the same number of hours reserved.	4,176 Hours	5,084 Hours	2,140 Hours	4,500 Hours
6205 Aquatics	Maintain the same revenue to expense ratio.	40%	45%	59%	45%
6206 Riverfront/Downtown	Increase the number of hours reserved by 3%.	3,442 Hours	4,184 Hours	1,595 Hours	3,550 Hours
6207 The Park at West End	Maintain the same level of revenue.	13,962	15,000	4,762	13,000

Convention Center Overview:

The Convention Center, Program 0101-6550, 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 FY19 Budget is less than the FY18 Budget. FY18 had come addition capital requests compared to FY19, causing this decrease. The City General Fund will provide a transfer of $777,000 to the Convention Center in FY19 as it did in FY18.

The Convention Center has 13.50FTE positions for FY19 which is consistent with FY18.

CONVENTION CENTER	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 823,037	$ 867,638	$ 868,725	$ 861,485	$ 861,485
Operating Expenditures	611,952	748,368	702,530	691,455	691,455
Operating Budget	$ 1,434,990	$ 1,616,006	$ 1,571,255	$ 1,552,940	$ 1,552,940
Capital Outlay	24,568	101,500	101,500	67,500	67,500
Budget Appropriation	$ 1,459,558	$ 1,717,506	$ 1,672,755	$ 1,620,440	$ 1,620,440
Authorized Positions	13.50	13.50	13.50	13.50	13.50

Convention Center 2019 Service Objectives

1. Attract new clients and retain the current client base by emphasizing excellent customer service. The Center team will continually seek opportunities to ensure that our customers receive the best value and service for their money.
   - Make 40 contacts per week with local, state, regional or national organizations. Prospect at least 15 new organizations per week to qualify potential future meetings and events business.
   - Conduct a minimum of 22 site tours each month.
   - Hold a pre and post conference meetings with all key client meeting planners to determine customer satisfaction and to maintain current client base.
2. Next to customer service, operational efficiencies will be a top priority for every member of the staff. Each team member will establish ongoing programs in their areas of responsibility to ensure maximum operational efficiencies throughout the Center.
   - Follow an annually revised/updated ongoing facility and equipment maintenance procedures manual.
   - Completing all critical facility repairs within 12 hours and all other repairs within 72 hours.
   - Resolve all facility cleanliness issues immediately when possible or within 24 hours.
3. Continue to capitalize on working relationship with the Convention and Visitors Bureau with regards to integrated marketing of the Convention Center. The partnership allows The Fort Smith Convention Center to be better poised to achieve brand recognition, credibility and greater market share. We will continue to emphasize this partnership in our marketing strategies to maximize our customers' understanding of the benefits and opportunities this partnership creates.

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

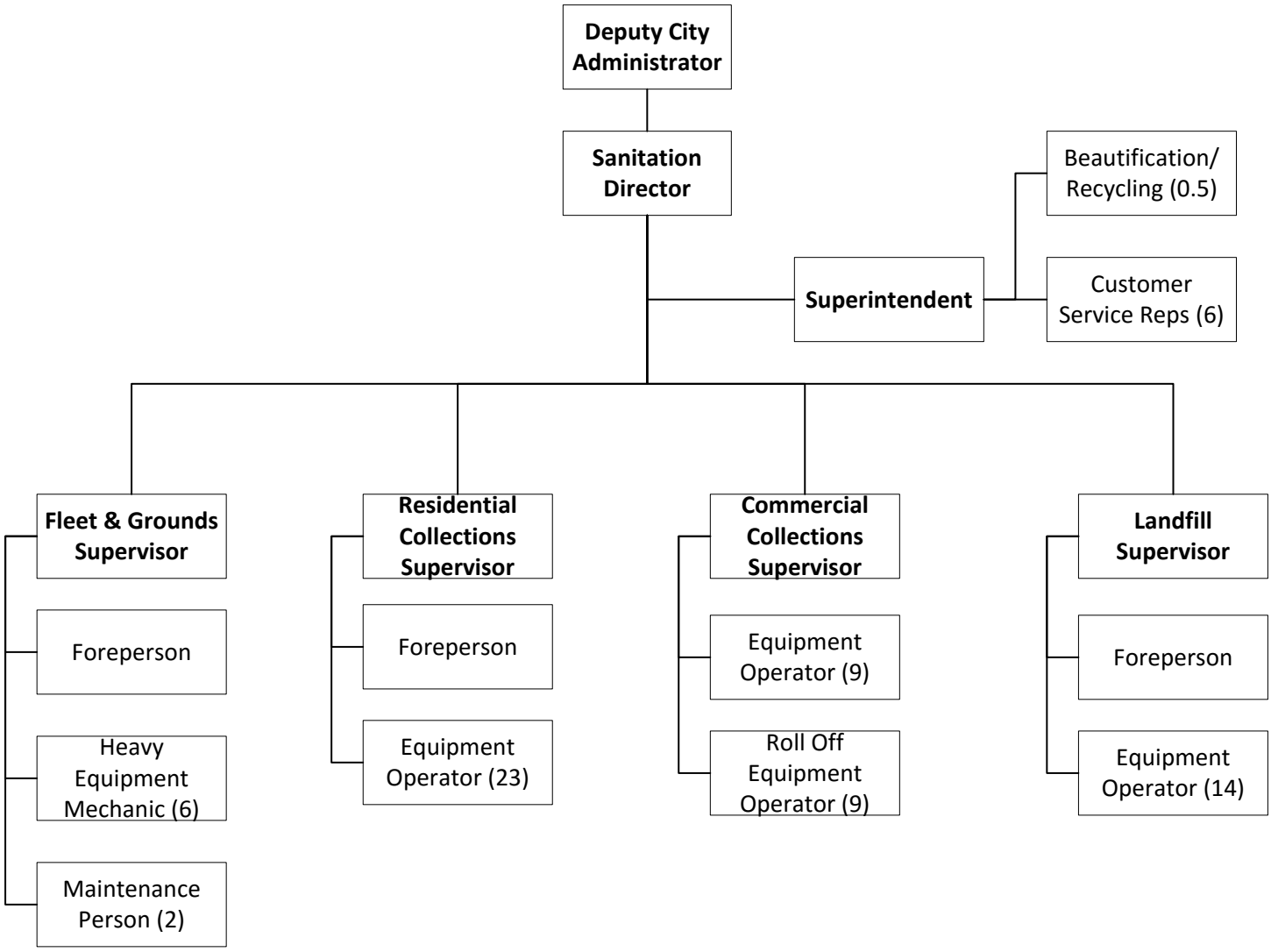
4. The Fort Smith Convention Center will create a positive economic impact on the community by providing quality public assembly, exhibit, theatrical performance and meeting facilities. The result will be thousands of meeting/event attendee, spending their money in our immediate area. A thriving Convention Center increases business for the local hospitality service and restaurant sectors capturing revenue that would not be there otherwise.
5. The Fort Smith Convention Center will maximize revenue to allow for future growth by controlling costs, adding additional services, increasing utilization and creating a price schedule that properly reflects market and economic realities to maximize bookings and regain customers who might have chosen an alternate venue based upon affordability.
   - Continue to offer promotional, reusable spill resistant/proof souvenir cups through concessions and beverage operations at public events to encourage beverage revenue growth and to promote the Convention Center.
6. Continue administering the client survey 'report card' program designed to gather feedback about Convention Center service levels and quality of facilities from our clients. Achieve minimally a 25% client response rate; meaning that we receive a report card completed by the client for at least 25% of our events. Maintain an overall score showing that the Convention Center 'meets or exceeds' expectations 95% of the time in all areas of the sales & planning process and operations areas.
7. In conjunction with the CVB staff, the Convention Center Sales staff will populate the Event Impact Calculator with appropriate event details within three months following the event's conclusion. This objective will ensure the A and P Commission's goal of producing/publishing measurable local/regional economic impact data in a timely fashion, periodically annually.

REVENUE GOALS FOR 2019

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

36	Large Center Programs/Concerts	$130,000.000
14	Exhibits and/or Tradeshows	$97,000.00
9	State Conventions/Meetings/Events	$53,000.00
9	Regional/National/Conventions/Meetings/Events	$48,000.00
75	Local Events	$155,500
57	Theater Events	$134,500.00
200	Events	$618,000
	Catering/Concessions/Vending/Beverages	$80,000.00
	Total	**$698,000.00**

Sanitation Department



Sanitation Department Overview:

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

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

The FY19 Budget is consistent with the FY18 Budget.

Sanitation has 90.75FTE, 4FTE more than FY18. Increase is due from one additional Accounting Tech, two Equipment Operators, and new Container Tech position.

SANITATION	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 4,468,219	$ 4,585,398	$ 4,379,407	$ 4,669,240	$ 4,669,240
Operating Expenditures	3,228,557	5,330,042	5,139,378	6,006,855	6,006,855
Operating Budget	$ 7,696,776	$ 9,915,440	$ 9,518,785	$ 10,676,095	$ 10,676,095
Capital Outlay	496,784	530,536	300,000	132,920	132,920
Budget Appropriation	$ 8,193,561	$ 10,445,976	$ 9,818,785	$ 10,809,015	$ 10,809,015
Authorized Positions	88.00	86.75	87.75	90.75	90.75

Sanitation Department 2019 Service Objectives

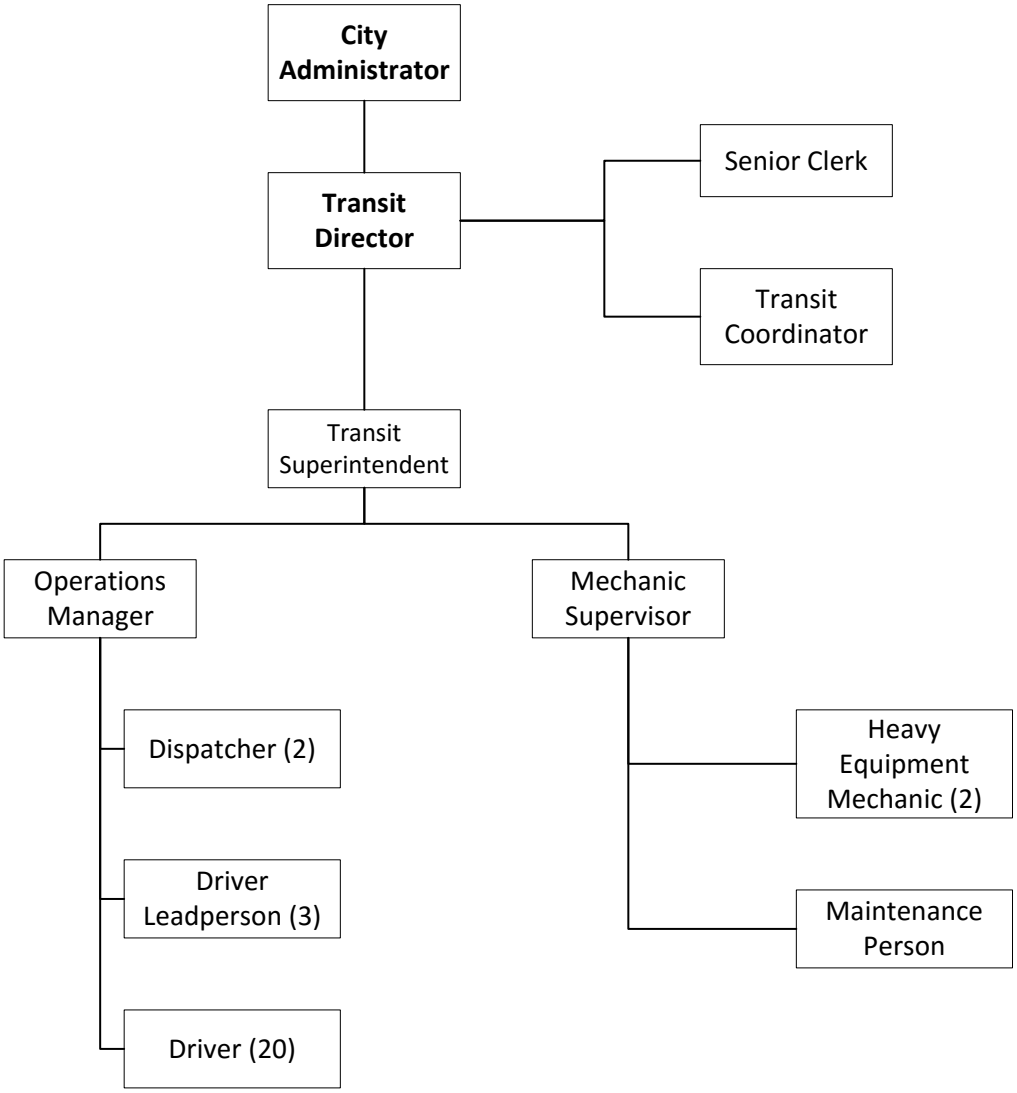
1. Begin an education and outreach program. Since we are the service provider for Fort Smith schools, I would like to start an outreach campaign for school aged children. Go into the school and talk about recycling in their homes and at school. If the school is interested, maybe even starting a classroom recycling initiative. The thought is that the kids would then take the information home and apply it at home. We need to start making the rounds to various HOA meetings, church meetings, etc. to talk about the state of recycling (given the history). This will help change public perception of the department if we get out in the community and they can put a face to the department. We as a community need to start talking about the other two sides of the recycling equation, reduce and reuse.
2. Increase the customer base/market share of the Industrial/Commercial collections divisions. The department could provide some loss leaders, OCC or single stream (op go), for free to gain business. The OCC revenue would go against our cost to process curbside recyclables and the increase in the Op Go would support our service objective to increase recycling participation and the Op Go program. Pick a couple days out of the month and go door to door with business card and program flyer to increase business. Create a panel to go on the side of our commercial Front-End Loader and Rear-End Loaders advertising our business.
3. Initiate citywide recycling ordinance for city facilities. Provide single stream carts and OCC dumpsters, where applicable, and provide recycling service to all city facilities and departments.

4. Evaluate Dial-a-truck and cart delivery and maintenance. At first glance, I see some efficiencies I think the department can realize with a few routing adjustments. We will evaluate data, work orders, etc. to see if this is a feasible option. If so, we **MIGHT,** be able to expand the scope of services provided by Dial-a-truck at no additional cost to residents.
5. Free recycling drop off at the landfill. Residents living in multi-family complexes may or may not have access to recycling. I would like to offer a free option here at the landfill for Fort Smith residents to come and bring their clean recyclables to the citizen's convenience center. Our staff would scan the load to make sure it was all excepted materials in the recycling stream. Once full, our Industrial division would haul the doghouse container to Third Rock Recycling.

Key Performance Indicators					
Program	**Performance Measure**	**FY 2018 Target**	**FY 2018 Actual**	**FY 2019 Target**	**FY 2019 Actual**
6302	Tons of curbside recycling Collected & Diverted	3600 tons		3708	
6302	Tons of Residential yard waste collected & diverted	2500 tons		2500	
6302	Residential Collections Serviced by the Trouble Shooter per day	25/day		20/day	
6302	Request for Dial-A-Truck	3500		3500	
6302	Tons of residential refuse collected per year	15,000		15450	
6302	Residential Accounts	28500			
6302	Stops per hour for Dial-a-truck service			3.5	
6302	Residential stops per hour			80 per hour	
6302	Residential stops per route			1051	
6303	Commercial tons collected per year	12500 tons		12875	
6303	Tons of Commercial Recycling collected & diverted from the landfill (OCC, OpGo)	1000 tons of OCC/SOP		1030	
6303	Commercial tons collected per week	350 tons			
6303	Commercial Lifts/Hour			10/hr	
6303	Tons of OCC Collected & Diverted			960 tons	
6303	Commercial customer base			1800	
6304	Percentage of the fleet to have a PM every 300 miles or 3 months (which ever comes quicker)			90%	
6305	Tons of Refuse disposed at the Landfill per year	65,000 tons			
6305	Tons of yard waste diverted from landfill	3000 tons			
6305	Tons diverted from Landfill working face (brick and metal)			100 tons	
6305	Tons of yard waste diverted from Landfill working face (minus residential)			500 tons	

6305	Compaction Rate			1300 lbs/c.y	
6307	Industrial Roll-off tons collected/year	30,000 tons			
6307	Industrial Roll-off tons collected/week	700 tons			
6307	Industrial Customer Base			200	
6307	Roll-off miles per haul			20 miles/haul	
6308	Number of Schools/Events presented to			12	
6302,6303,6307	Gallons of diesel fuel consumed per 1,000 customers (Residential, Commercial, Industrial)	4250 gallons per 1000 customers			

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

The FY19 Budget is $422,392 or 11.08% more than the FY18 Budget. The increase is attributable to additional capital requests.

Total personnel in the Department is 34 FTE for FY19 which is consistent with FY18.

TRANSIT	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 1,629,996	$ 1,749,251	$ 1,735,182	$ 1,750,723	$ 1,750,723
Operating Expenditures	577,549	482,270	489,870	558,350	558,350
Operating Budget	$ 2,207,545	$ 2,231,521	$ 2,225,052	$ 2,309,073	$ 2,309,073
Capital Outlay	251,444	1,578,560	610,000	1,923,400	1,923,400
Budget Appropriation	$ 2,458,989	$ 3,810,081	$ 2,835,052	$ 4,232,473	$ 4,232,473
Authorized Positions	33.00	34.00	34.00	34.00	34.00

Transit Department 2019 Service Objectives

1. Implementation of a federally required Transit Asset Management Plan which serves as a business model to prioritize the condition of transit assets in order to maintain transit facilities and equipment in a state of good repair. (Comprehensive Plan: Goal FLU – 1.4)
2. Contract with a transportation management specialist to perform a thorough grant management compliance assessment which would assure adherence with changes in FTA requirements and policies. (Comprehensive Plan: Goal T1-4.2, PFS – 2 and PFS - 4)
3. Enhance transit security by upgrading and replacing the outdated bus security camera systems. (Comprehensive Plan: Goal T1-4.2)
4. Improve the accountability and performance measurement of the department's budget by including key performance indicators as outlined below. (Comprehensive Plan: Goal PFS-2)

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Actual Jan-Jun**	**FY 2019 Target**
6550 - Transit	Total Ridership	191,124	205,000	102,432	205,000
6550 – Transit	Cost Per Passenger	10.06	10.42	9.69	10.25
6550 – Transit	Cost Per Hour	65.62	68.93	63.58	65.50
6550 – Transit	Demand Response on Time Performance - Appointments	99.69	100.00	99.79	100.00
6550 – Transit	Demand Response on Time Performance – Non Appt. (Late only)	96.06	100.00	94.54	100.00

Non-Departmental

NON-DEPARTMENTAL	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 0	$ 0	$ 0	$ 0	$ 0
Operating Expenditures	4,403,802	4,450,575	4,779,303	4,554,970	4,554,970
Operating Budget	$ 4,403,802	$ 4,450,575	$ 4,779,303	$ 4,554,970	$ 4,554,970
Capital Outlay	1,546,599	3,322,633	3,120,247	0	0
Budget Appropriation	$ 5,950,401	$ 7,773,208	$ 7,899,550	$ 4,554,970	$ 4,554,970
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			
Trsf Out to Cleanup/Demo Fund	90,000		
Trsf Out to Conv Center Fund	777,000		
APERS - Ct Clerk Retirement	18,200		
Pension Paid Monthly - Court	9,500		
Property Insurance	5,200		
Non-Departmental Program Expen	106,337		
Ft Smith Museum of History	20,000		
SRCA	175,000		
Area Agency on Aging	50,000		
Project Compassion	7,500		
Good Neighbors Day Housing	5,503		
FCRA - Graphic Packaging	0		
FCRA - Mars Petcare	99,200		
FCRA - Umarex	31,535		
West Ark Reg Intermodal Author	21,250		
Fort Smith Public Library - 6% County Tax Allocation	1,012,080		
Sub-Total		2,428,305	
STREET MAINTENANCE FUND			
Program Expense	42,141		
Sub-Total		42,141	
WATER AND SEWER OPERATING FUND			
Franchise Fee	100,000		
Non-Departmental Program Expen	171,401		
James Fork (SSWUA)	91,105		
Transfer Out to Workers Comp Fund	1,000,000		
Sub-Total		1,362,506	
SANITATION OPERATING FUND			
Trsf Out to Cleanup/Demo Fund	470,000		
Trsf Out to San Sink Fund Clos	200,000		
Non-Departmental Program Expen	52,018		
Sub-Total		722,018	
			4,554,970

Convention and Visitors Bureau Overview:

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

The FY19 Budget is $131,088 or 12.1% less than the FY18 Budget. Decrease is largely due to FY19 not having Capital Outlay requests, as requests were made and approved during FY18 by the A&P Commission.

The FY19 positions for the Department is 5FTE, consistent with FY18.

CONVENTION & VISITORS BUREAU	ACTUAL FY 17	BUDGET FY 18	ESTIMATED FY 18	BUDGET FY 19	BUDGET FY 20
Personnel Expenditures	$ 355,071	$ 370,050	$ 376,662	$ 366,020	$ 366,020
Operating Expenditures	398,127	554,711	473,094	581,113	581,113
Operating Budget	$ 753,199	$ 924,761	$ 849,755	$ 947,133	$ 947,133
Capital Outlay	0	153,460	153,460	0	0
Budget Appropriation	$ 753,199	$ 1,078,221	$ 1,003,215	$ 947,133	$ 947,133
Authorized Positions	5.00	5.00	5.00	5.00	5.00

Convention and Visitors Bureau 2019 Service Objectives

1. Continue to maximize transient guest tax receipts through aggressively marketing the Fort Smith area's hospitality, facilities and attractions to convention/event, corporate and leisure travel markets.
2. Continue to develop and maintain a database of planners in the convention and corporate markets whose business will positively impact the Fort Smith area economy and enhance the local tax base and thus quality of life for area citizens.
3. Continue to build upon cooperative relationships with all Fort Smith area businesses, especially those business partners critical to the area's hospitality industry.
4. Ensure a positive guest experience by connecting the guest with quality products or services provided by our Fort Smith area business partners.
5. Take a leading role in the Fort Smith economic development efforts through interface with those involved in development efforts, particularly on a regional level in surrounding counties in both Arkansas and Oklahoma.
6. Educate local and area business leaders and state/regional event planners as to the Fort Smith Bureau's role in assisting with attracting and servicing events in Fort Smith.
7. Take an active role in "destination development" efforts to add tourist attractions to the Fort Smith area. Our primary tourism element will place major emphasis of the US Marshals Service Museum. Adjust our marketing efforts to feature all primary attractions as they develop.
8. Ongoing refinement of the communications program to maximize Fort Smith's exposure to all target audiences through standard marketing practices in print and relying more heavily on digital media.
9. Place top priority on responding 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 a role in guaranteeing the continued availability of quality meeting and exhibit space and service at the Fort Smith Convention Center, the Kay Rodgers Park facility, Temple Live and any other quality function space that may be developed.
11. Place a primary emphasis on the rebooking of successful events, particularly those that comprise a two state region of attendees of Arkansas and Oklahoma memberships, taking full advantage of our geographic location as a "border" destination.
12. Capture, on a regular basis, post event statistics for use in the Event Impact Calculator to maximize our knowledge of the economic value of hosted events.
13. Continue to expand our direct sales methods to sell to the sporting events market now that expanded facilities are available.
14. Continue to reach into the Dallas market, which is our #2 "feeder city."

Key Performance Indicators					
Program	**Performance Measure**	**FY 2017 Actual**	**FY 2018 Target**	**FY 2018 Actual***	**FY 2019 Target**
1113	Increase sales leads to hospitality community by 10%.	217	238	160 (Jan-June)	261
1113	Contribute to increase in hotel bac through more convention/guest guests.	$888,735	$877,733	$352,433 (Jan. through May)	$900,000
1113	Increase convention/event proposals by 10%	30	33	39 (Jan-June)	50
1113	Increase number of tour groups to Fort Smith by 10%.	47	50	17 (Jan-June)	55
1113	Increase the number of guests to the Fort Smith Visitor Center by 3%.	12,685	13,035	11,370 (Jan-June)	13,426
1113	Influence increases in digital traffic as follows: (Jan-June shown)* Sessions Facebook Fans Page Views	 172,351 8,673 824,580	 180,000 9,000 865,580	 188,873 8,952 372,001	 375,000 9,450 908,000

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CAPITAL IMPROVEMENT PROGRAM

This section includes highlights of the City's FY19 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 FY19. The Parks CIP schedule, the sinking fund activity for the Street Maintenance Fund and the Sanitation Operating Fund, and the impact of capital spending on the operating budget are also included in this section.

Capital Improvement Program

Introduction

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

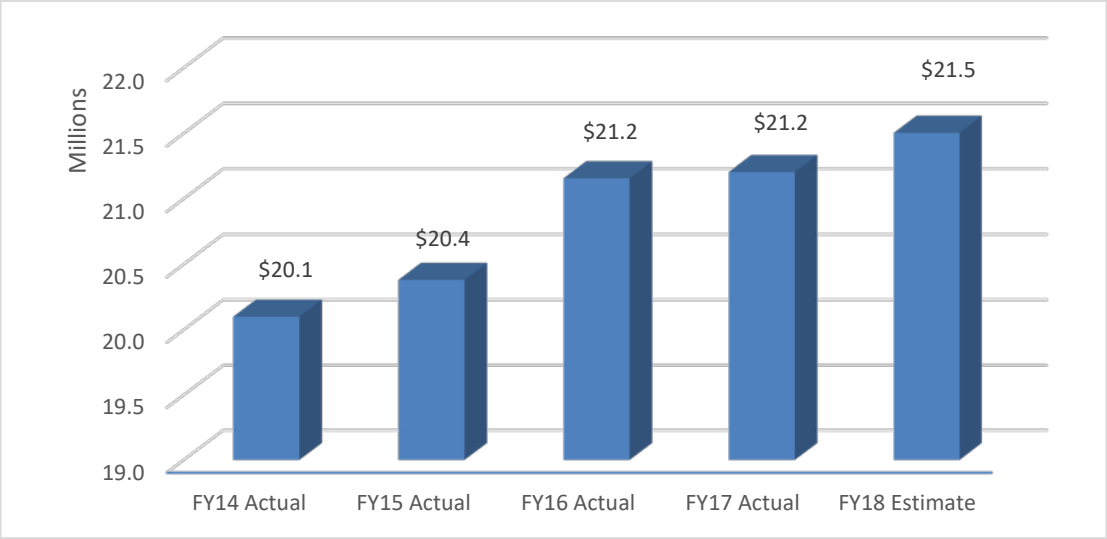
Sales Tax Fund

The Board of Directors approved the five year Capital Improvement Program (CIP) for the Sales Tax Fund November 6, 2018. The FY18 CIP for the sales tax street program was included in the approval document Resolution No. R-161-18.

Funding for the program is provided by a one cent local sales tax which was approved by voters in September 1985 and became effective November 1, 1985. The tax was reaffirmed on October 10, 1995 and May 10, 2005 for an additional ten years. The citizens voted to extend the tax for an additional ten (10) years in May 2015. The purpose of the program is to repair, maintain and improve the City's streets, bridges, and associated drainage. The tax is restricted for these uses.

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

Sales Tax Revenues



The estimated sales tax revenue for 2019 is $21.5 million which represents a 1% increase over the estimated 2018 sales tax revenue. Interest earnings and other revenue for 2019 are estimated at $140,000 and the beginning fund balance is estimated to be $31.5 million. Therefore, total resources available for 2019 are $53.1 million. Of this amount, $23.2 million is estimated as the ending fund balance at December 31, 2018 which represents funds available for contingency and for future years' projects. Total project funds available are $23.8 million and will be used for the 2019 program allocated as follows:

FY19 Program:	(in millions)
Neighborhood Overlays and Reconstruction	$ 6.4
Neighborhood Drainage Improvements	8.0
Intersection Signal Improvements	2.7
Multi-Year and/or Major Projects	8.8
Special Projects	1.4
Administrative Costs	2.5
Overlays by Street Department	0.4
	$ 30.2

The 2019 neighborhood overlays and reconstruction projects are as follows:

Street	**From**	**To**	**Length (linear feet)**	**Cost**
31ST ST.	WILLOW ST.	SPRING ST.	655	$ 111,350
SPRING ST.	31ST. ST.	MUSSETT RD.	1339	227,630
FORT LN.	NEWLON RD.	END OF ROAD	1185	156,683
CLARENDON AVE.	ALBERT PIKE	5OTH ST.	2720	565,156
VIRGINIA AVE.	46TH ST.	50TH ST.	1320	224,400
N 48TH ST.	SPRADLING AVE.	HIGH ST.	1375	259,722
N 6TH ST.	N H ST.	DIVISION ST.	3670	970,511
POPLAR ST.	N 50TH ST.	N 55TH ST.	1680	269,733
ELM ST.	50TH ST.	55TH ST.	1680	317,333
PLUM ST.	50TH ST.	54TH ST.	1340	253,111
HIGH ST.	N 23RD ST.	END OF ROAD	1225	196,681
SPEAKER ST.	54TH ST.	END OF ROAD	1270	179,917
KOLLER ST.	SPEAKER ST.	END OF ROAD	800	181,333
N 62ND ST.	KELLEY HWY	FIRST WM ENTRA	810	382,500
BOSTON ST.	TOWNSON AVE.	JENNY LIND RD.	2660	502,444
BLUFF AVE.	DALLAS ST.	BOSTON ST.	675	133,875
ATLANTA ST.	21ST ST.	BOSTON ST.	481	122,655
48TH CT.	SOUTH U ST.	END OF ROAD	160	37,778
WALDRON RD.	COUNTRY CLUB A	SOUTH U ST.	1900	597,550
COUNTRY CLUB AVE.	WALDRON RD.	CLIFF DR.	1390	288,811
LUCY LN.	END OF ROAD	GARY ST.	425	108,375
RALEIGHT ST.	16TH TER.	18TH TER.	481	122,655
18TH TER.	SAVANNAH DR.	QUINCY ST.	633	161,415
QUINCY ST.	16TH TER.	18TH TER,	389	99,195
16TH TER.	RALEIGH ST.	QUINCY ST.	399	101,745
SOUTH HILLSIDE DR.	7TH ST.	TEXAS RD.	1992	428,944
NORTH HILLSIDE DR.	7TH ST.	HWY 271	1920	413,440
7TH ST.	SOUTH HILLSIDE	NORTH HILLSIDE	380	81,827
8TH ST.	SOUTH HILLSIDE	NORTH HILLSIDE	698	118,660
9TH ST.	SOUTH HILLSIDE	NORTH HILLSIDE	617	104,890
10TH ST.	SOUTH HILLSIDE	NORTH HILLSIDE	503	85,510
SOUTHVIEW DR.	OLD GREENWOOI	S 36 DR.	1890	464,100
INGERSOLL CR.	END OF ROAD	US HWY 71	695	223,172

92ND ST.	ROSEWOOD DR.	MOODY RD.	946	241,230
TIMBERLYN WAY	90TH ST.	92ND ST.	893	227,715
SKY PARK DR.	ROSEWOOD DR.	90TH ST.	1615	411,825
93RD CR.	URBAN VIEW DR.	END OF ROAD	495	126,225
ROSEWOOD DR.	ROSEWOOD DR.	END OF ROAD	405	103,275
URBAN VIEW DR.	ROSEWOOD DR.	90TH ST.	601	153,255
ERIN OAKS	ERIN OAKS CT.	BRYN MAWR CR.	492	125,460
ERIN OAKS CT.	END OF ROAD	END OF ROAD	395	100,725
RYE HILL RD. SOUTH	HOWARD HILL RD	600' NORTH	600	141,667

	$ 10,124,478
	(9,000,000)
	5,290,354
Total 2019 Street Overlay/Reconstruction Program	$ 6,414,832

There is $5.3 million of prior year projects to be completed during FY19. The FY18 project is identified as follows:

Multi-year and major projects FY18 are described as follows:

May Branch Drainage Project -
This project is to mitigate flooding along the May Branch and Town Branch drainage basins. The proposed design by the Corps of Engineers (COE) consisted of constructing a drainage channel to replace the existing undersized concrete storm drain pipe. The intent was to construct the most downstream section fo the project (from approximately N. 7th Street to the river) entirely with City funds, with an agreement that the City's cost would be credited towards the future cost sharing on the prpject when federal funds became available. However, the COE indicated that their revised cost estimate for this lower reach is over $32 million and does not have a benefit to cost ration greater than one, meaning the COE cannot reimburse any construction costs. The COE also noted that extrapolating this lower reach cost estimate to the overall projecgt cost ressults in a total revised estimated cost of $65 million which is more than double the $30.85 million authorized for the project. We are currently reviewing the costs of purchasing flooding properties in the May Branch basin to allow for possible regional storm water detention basins. The proposed CIP still contains funding for this project in the amount of approximately $13 million. Once the evaluation is completed it will provide guidance on how to proceed.

FCRA (Fort Chaffee Redevelopment Authority) Development -
This work includes construction fo two additional lanes on Massard Road, completing approximately 5,600 feet of the four lane boulevard section south of Zero Street. The project also includes the installation of a traffic signal at the intersection of Massard Road and McClure Drive. The construction is estimated to start in early 2019.

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 90% complete. Right of Way acquisition and utility relocations are scheduled to begin in 2019 with completion in 2020. Construction is scheduled to being in 2021.

Geren Road Reconstruction -
This project is for the reconstruction and widening of Geren Road between Highway 45 and 58th Street. Plans are complete and right of way acquisition is ongoing. The project has significant utility adjustments which include a major electric transmission lines along the south side, a high pressure gas line along the north side and fiber optic lines throughout the corridor. Relocation of the gas facilities are complete. Relocation of the remaining franchise utilities and the street construction are scheduled to begin in 2019 and extend into 2020.

Zero Street (Highway 255) at Massard Road -
This ArDOT project includes widening and realignment of Zero Street (Highway 255) from just West of Massard Road to its new alignment with Frontier Road. The project is being cost shared with the ArDOT, the City of Barling, the Fort Chaffee Redevelopment Authority and the City of Fort Smith. The City's share is $4.8 million. ArDOT expects construction to begin in 2020.

Highway 45 Widening-Zero Street (Highway 255) to Highway 71 -
This ArDOT project is for the widening of Highway 45 between Highway 255 (Zero Street) and Highway 71. The project also includes the installation of a traffic signal at the intersection of Highway 45 and Planters Road. This project is a collaboration between the Arkansas Department of Transportation (ArDOT), the City of Fort Smith and Sebastian County. ArDot's cost estimate for the total project is $16 million. The City and Sebastian County are providing funding in total amounts not to exceed $4 million and $1.1 million, respectively. ArDOT estimates the construction to begin in 2020.

Intersection and Signal Improvements total $2.7 million for FY19, which includes remaining work for ongoing traffic signal projects. These improvements include the replacement of two intersections; Albert Pike Avenue at North O Street and the intersection of Jenny Lind Road at Dodson Avenue, at an estimated cost of $440,000. This item also includes updated traffic signal timing plans for the following corridors: Waldron Road, Rogers Avenue, Hwy 71 South and Zero Street. These corridors include a total of 43 signalized intersections.

Special projects are various street related improvements and studies and include the following for FY17:

Traffic Studies	$	100,000
Railroad Crossing Panels		225,000
Asphault Surface Treatments		750,000
Contingency		350,000
	$	1,425,000

Administrative- costs for in-house engineering services and administration services total $2,474,500.

Overlays to be provided by the Street Maintenance department will total $350,000 for 2019.

The following schedule reflects the proposed current year projects for the sales tax program for the years 2019 through 2023 (in millions):

Improvements	2019	2020	2021	2022	2023
Neighborhood Overlays . and Reconstruction	$ 6.7	$ 10.0	$ 10.0	$ 10.0	$ 10.0
Neighborhood Drainage Improvements	8.0	4.0	4.0	4.0	4.0
Intersection and Signal Improvements	2.7	0.4	0.4	0.4	0.4
Kelley Highway Extension to Riverfront Drive	0.5	0.6	2.0	9.0	2.5
Geren Road Construction	3.3	3.0	-	-	-
Zero Street (Highway 255)	0.4	4.4	0.0	0.0	-
May Branch Drainage	0.5	3.0	3.0	3.0	3.0
FCRA Development	3.7	0.5	0.5	0.5	0.5
Highway 245 Widening South of Zero	0.4	3.6	0.0	0.0	0.0
Railroad Crossing Panels	0.2	0.2	0.2	0.2	0.2
Overlays by Street Department	0.4	0.4	0.4	0.4	0.4
Asphault Surface Treatments	0.7	0.0	0.0	0.0	0.0
Engineering & Other Departments	2.5	2.8	3.9	2.5	2.6
Contingency	0.3	0.3	0.3	0.3	0.3
Total	$ 30.2	$ 33.1	$ 24.7	$ 30.3	$ 23.9

Impact on 2019 Operating Budget:

The street sales tax program projects have no significant impact upon the current year budget. The program reimbursed the General Fund for engineering and administrative services totaling $2.5 million in FY18. The program also reimbursed the Street Maintenance Fund approximately $350,000 for its assistance for various project. For FY19, $100,000 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 2019 through 2023 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 (6505)	2019	2020	2021	2022	2023
Water Line Leak Repair	$ 2,000,000	$ -	$ -	$ -	$ -
On Call Contract Water	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Lee Creek Lagoon	3,000,000	-	-	-	-
Water Master Plan	500,000	-	-	-	-
Lee Creek Recirculation Pumps Rebuild 7 pumps	80,000	-	-	-	-
North 6th Street - 17 in. Water Line Replacement	400,000	400,000	-	-	-
2018 Service Line and Meter Box Replacement	2,000,000	-	-	-	-
Soccer Field Water Line Extention	250,000	250,000	-	-	-
Neighborhood Water System Improvements	1,500,000	1,500,000	1,500,000	1,500,000	- 1,500,000
Lee Creek Chlorine System Improvement	-	50,000	-	-	-
Annual Water Plant and Supply Improvements	250,000	250,000	250,000	250,000	250,000
Groto Valve Replacement	500,000	-	-	-	-
Downtown Pressure Reducing Station (Design and Construction)	-	100,000	1,000,000	-	-
Cedar Flat Stream Bank Restoration Lee Creek Watershed	200,000	-	-	-	-
Replace approx 300 fire hydrants	-	2,000,000	-	-	-
Water Tank Painting Luce Reservoir	-	2,000,000	-	-	-
Water Tank Painting Wildcat Mountain-Standpipe	-	500,000	-	-	-
Water Tank Painting Crowe Hill Tank	-	500,000	-	-	-
LFS 48 transmission line Ph 2 Construction	11,000,000	11,000,000	11,000,000		
LFS 48 transmission line Ph 3 Design and Construction	1,150,000	- 1,150,000	- 9,200,000	- 9,200,000	-
LFS 48 transmission line Ph 4 Design and Construction	425,000	425,000	-	-	7,500,000
Lake Fort Smith and Lee Creek Optimization Study	-	500,000	1,500,000	-	-
Frog Bayou/Stream Bank Restora	300,000	-	-	-	-
LFS 48 transmission line Ph 5 Design and Construction	-	850,000	-	4,000,000	4,000,000
Water Tank Painting (Country Club Tank)	-	-	500,000	-	-

Howard Hill Ground Storage and				-	-
Transmission Line Ext					
(Design and Construction)	-	-	800,000	5,350,000	5,350,000
Mt Fork/Brown Stream Restoratio	-	-	200,000	-	-
Water Tank Painting					
(The Woods Elv Tank)	-	-	-	500,000	-
Water Tank Painting					
(Pense Tank)	-	-	-	500,000	-
Frog Bayou/Stream Bank Restoration					
Frog Bayou Watershed					
(Upper Pense Property)	-	-	-	300,000	-
Water Tank Painting					
(Wildcat Mountain Reservoir)	-	-	-	-	2,000,000
Increas Treatment Plant Capacity 40 to 50 MGD					
(Design and Construction)	-	-	-	-	1,500,000
Total Water Projects	24,555,000	22,475,000	26,950,000	22,600,000	23,100,000

Wastewater Projects (6505)

On-Call Contract Sewer	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Massard Rpl Study, Conceptual Design	1,100,000	-	-	-	-
Annual Sewer Plant	250,000	250,000	250,000	250,000	250,000
P Street Fines and Scum	750,000	-	-	-	-
Massard Plant Paracetic Acid Project (OG&E inc)	500,000	-	-	-	-
P Street Plant Paracetic Acid Project	500,000	-	-	-	-
P Street Plant Blower (OG&E Incentive)	1,000,000	-	-	-	-
P Street Grit System Rebuild and Upgrade	1,500,000	1,500,000	-	-	-
P Street Post Aeration Defuser Upgrade (OG&E Incentive)	8,000	-	-	-	-
LED Lighting Upgrade (P Street & Massard) (OG&E Incentive)	40,000	-	-	-	-
P Street Plant Optimization	-	2,000,000	-	-	-
Massard Conveyer for Sand at Sunnymede	-	15,000	-	-	-
P Street Mechanical Mixer for Bioselectors	-	100,000	-	-	-
P Street Stabilization Basin 2 Diffuser Replacement	-	60,000	-	-	-
P Street Tractor Shed	-	24,000	-	-	-
Laboratory HVAC & Make-up Air Replacement	-	130,000	-	-	-
P Street Air Conditioner Repl Operations Building	-	70,000	-	-	-
Massard Operations Building Roof & Door Replacement	-	350,000	-	-	-
Massard Wastewater Treatment Plant (Design & Construction)	-	-	5,000,000	5,000,000	33,333,000
Totals	6,648,000	5,499,000	6,250,000	6,250,000	34,583,000
Total Water and Wastewater CIP	$31,203,000	$27,974,000	$33,200,000	$28,850,000	$57,683,000

Impact on 2019 Operating Budget:
There is no direct impact on the current year budget from the projects listed for 2019.

Sanitation Sinking/Landfill Construction Fund

The Sanitation Sinking/Landfill Construction Fund is reserved for Capital Improvements and Equipment purchases. Planned purchases for 2019 total $2,489,600. Total capital transfers into the sinking fund total $2,254,738.

Impact on 2019 Operating Budget:

The FY19 capital projects will not impact the FY19 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 2019 for improvements or equipment total $25,581. These funds will be used for future years' capital needs.

Parking Authority Fund

Maintenance and operation of the parking facilities are estimated at approximately $317,000 for FY19.

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 2019-2023. Funding will be provided by the Parks 1/8% local sales tax.

	2019	2020	2021	2022	2023
Carol Ann Cross Park Improvements	$ -	$ -	$ -	$ -	$ 550,000
Chaffee Crossing Trail System	1,210,300	736,800	2,277,300	-	-
Creekmore Park Inclusive Playground	-	-	700,000	-	-
Creekmore Park Parking Lot Resu Resurface	110,000	0	150,000	220,000	-
Creekmore Park Pool Bathhouse	-	-	-	500,000	500,000
Park Inclusion Improvements	-	82,500	110,000	-	215,000
Matching Funds	-	250,000	250,000	100,000	-
Maybranch Trail	150,000	550,000	550,000	700,000	783,000
Neighborhood Parks	-	-	250,000	175,000	330,000
Parrot Island Water Park	650,000	-	-	-	-
Riverpark Glass Pavilian A/C Improvements	160,000	-	-	-	-
River Valley Sports Complex	143,995	-	-	-	-
Riverfront Dr Sports Fields (51 acres)	905,300	600,000	500,000	750,000	-
Riverfront Dr Sports Fields Maintenance Building	69,949	-	-	-	-
Riverfront Dr Sports Fields Water Line	275,000	-	-	-	-
Stagecoach Park	-	-	200,000	-	-
Tennis Court Resurfacing	-	275,000	-	-	-
Stagecoach Park	-	-	-	-	-
Wilson Park Inclusion Improvements	220,000	-	-	-	-
Total	$ 3,894,544	$ 2,494,300	$ 4,987,300	$ 2,445,000	$ 2,378,000

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 FY19:

Building/Infrastructure Improvements -		
Theatre Leg & Border Replacement (CC)	4,500	
Carpet (Phase 2)(CC)	30,000	
Theatre Lighting Instruments (CC)	8,000	
Theatre Backup Power Replacement Generator(CC)	25,000	
Columbariam (6202)	30,000	
		$ 97,500
3/4 Ton Crew Cab 4wd Upfitted (4804)	42,000	
Biosolids Belt Filter Press (5603) (Replacement)	360,000	
Aeration Basin Blower (5603)(Replacement)	50,000	
WTP Tractor (5604)(Replacement)	61,200	
2 One Ton Single Cab Diesel with Utility Bed and Tow Package (5610)(New)	110,000	
Excavator (5610)(New)	65,000	
30,000 Lb (GVWR) Equipment Trailer (5610)(New)	21,000	
Total Heavy Equipment		$ 709,200
Water & Wastewater Plant & Systems		
Forklift (5603)(Replacement)	$ 50,000	
No Lead Compliance Brass parts for new metering installations (5610)	1,000,000	
Advanced Metering Infrastructure (5610)	700,000	
Replacement Water Meters (5610)	907,980	
20,000 Open Wave Riva Water Modules and Through Lid Mount Kit (5610)	1,472,790	
Water Meters to convert Sebastian County from Gallon meters to CCF meters (5610)	173,160	
Infosense SL-RAT (5611)	25,585	
Six-shooter - attachment for CAT skid steer (5611)	24,433	
Total Water & Wastewater Plant & Systems		$ 4,353,948
City Fleet-		
2 Ram Trucks (4108)(Replacement)	35,200	
2 Ram Trucks (6900)	35,200	
Route Bus (6550)(Replacement)	10,200	
3 Demand Response Buses (6550)(Replacement)	31,200	
Maintenance Vehicle (6550)(Replacement)	30,000	
Trolley (6550)(Replacement)	165,000	
CNG Conversion for (4) Buses -(6550)	100,000	
Total City Fleet		$ 406,800

Miscellaneous Capital Outlay-

Voice Recorder System (5522)	22,000	
Openway Operations Itron Analytics Software (5610)	94,280	
ION Chromatograph (5625)	128,350	
SCADA Software Upgrade (5626)	660,000	
Scale House Paradigm Software to CW6 (6301)	132,920	
Bus Camera System (6550)(Replacement)	80,000	
CNG Fueling Station (6550) (Addition)	1,507,000	
		$ 2,624,550
		$ 8,191,998

Reconciliation of Total Capital Outlay:

Capital Outlay -	
Operating Funds (see page 100)	8,089,298
Convention Center (see page 69)	67,500
Neighborhood Services (see page 119)	35,200
	$ 8,191,998

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 2019 are as follows:

Streets and Traffic Control:

2019 Depreciation	$ 0
Planned Fleet Purchases in 2019:	
	0
Total	$ 0

Sanitation:

2019 Depreciation	$ 2,254,738
Planned Fleet Purchases in 2018:	
Rear-end Loader for unit #173 (6302)	250,000
Automated Side Loaders for truck #128 (6302)	270,000
Replace asset #141 - 28 YD. Automated Truck (6302)	270,000
Front-end Loader for asset #96 (6303)	250,000
Front-end Loader for asset #247 (6303)	250,000
Replace asset #4 - One Ton Flat Bed Truck (6303)	26,100
2016 Caterpillar (6305)	300,000
Replace asset #80 Excavator (6305)	467,000
Replace asset #11 - Heavy Duty Dump Truck(6307)	190,000
Replace asset #612 - Heavy Duty Dump Truck (6307)	190,000
Computer for Equipment Maintenance program (6307)	26,500
Total	$ 2,489,600

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 53-54. Each fund's budget is presented on pages 58-66 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	40%	5%	34%	9%	12%	
4101 Board of Directors	28%	8%	37%	18%	9%	
4102 City Administrator	18%	8%	47%	20%	7%	
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	20%	5%	45%	20%	10%	
Management Services						
4104 Human Resources	35%	10%	35%	15%	5%	
4105 City Clerk	28%	8%	37%	18%	9%	
4301 Finance	18%	10%	42%	15%	15%	
4303 Collections	12%	5%	50%	30%	3%	
4304 Utility Billing/Customer Service	2%	5%	75%	17%	1%	
4306 Purchasing	30%	12%	37%	15%	6%	
4401 Information & Technology Svcs	37%	10%	30%	15%	8%	
6912 Parking Deck - Personnel	100%	-	-	-	-	
6921 Public Parking Deck	-	-	-	-	-	100% Parking Authority Fund
Development Services						
4103 Engineering	2%	5%	8%	-	85%	
4106 Planning & Zoning	65%	-	20%	-	15%	
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 reappropriated in the following fiscal year's budget ordinance.

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

Accounting System Control

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

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

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

Classification of Revenue Sources-Operating Funds

GENERAL FUND

Intergovernmental

State Turnback-General

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

Transit Reimbursement

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

Airport Security Reimbursement

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

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 infra-structure 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	FY19 Principal and Interest	Principal Outstanding	Year of Retirement	Original Issue
Water and Sewer Revenue Refunding Bonds-Series 2011	1,809,310	8,120,000	2023	18,920,000
Water and Sewer Revenue Refunding Bonds-Series 2012	2,148,800	2,070,000	2019	13,250,000
Sales & Use Tax Bonds Series 2012	8,511,825	53,215,000	2027	110,660,000
Sales & Use Tax Bonds Series 2014	1,916,650	18,450,000	2029	34,295,000
Water and Sewer Refunding and Construction Revenue Bonds- Series 2015	2,327,150	32,340,000	2040	35,000,000
Water and Sewer Revenue Refunding Bonds-Series 2016	4,249,850	53,945,000	2032	56,955,000
Water and Sewer Revenue Refunding Bonds-Series 2018	6,293,070	130,680,000		130,680,000
Total	**$ 27,256,655**	**$ 298,820,000**		$ **399,760,000**

Note: The 2008 Water and Sewer Revenue Bonds were refunded with the issue of the 2018 Water and Sewer Revenue and Refunding Bonds Series 2018.
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. Rates generated by the water and sewer system are expected to cover the required debt service payments in 2019.

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 2011 water and sewer bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2019.

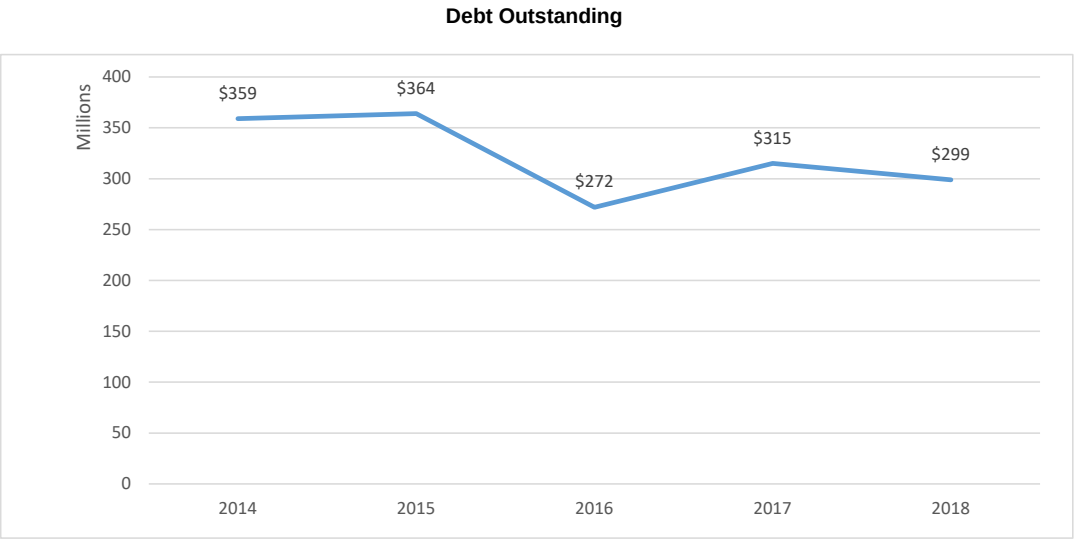
The Sales and Use Tax Bonds, Series 2012 and 2014 are collateralized by a three-quarter (3/4%) local sales tax that was approved by voters on March 13, 2012. This sales tax authorization is an extension of the one percent (1%) sales tax that supported the 2006, 2008, 2009 and 2010 sales and use tax bonds. 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 2019.

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 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 2019.

In October 2018, the city issued $130.7 million in water and sewer refunding and construction revenue bonds to refund the remaining portion of 2008 Water and Sewer Revenue Bonds. The refunding provided a cost savings in interest of approximately $9.8 million over the term of the bonds. The pledge of the water and sewer system revenues for the 2018 Series bonds are on parity with the Series 2011, 2012, 2015 and 2016 Series Bonds. Rates generated by the water and sewer system are expected to cover the debt service payments in 2019.

The following graph reflects the debt outstanding at December 31, 2014 through 2018.



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, 2018, is:

Assessed Property Value	$	1,470,754,609
Debt Limit Per State Statute (25% of Assessed Property Value)	$	367,688,652
General Obligation Bonds Outstanding @ December 31, 2017		0
Legal Debt Margin	$	367,688,652

In addition to the legal debt margin for general obligation bonds, the City has established a Revenue Debt Policy (see page 25) whereby annual payments should not exceed 25% of total operating revenue. In 2019, the calculation is as follows:

		Water & Sewer Revenue Bonds
2019 Debt Service Payment	$	17,081,596
Operating Revenue (Service Charges & Fees)	$	61,890,770
Debt Service as a % of Operating Revenue		28%
Policy Limit		25%

The policy is expected to be met in FY20 for the water and sewer revenue bonds, due to expected increase in revenue from efficiencies in metering services.

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, 2018.

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5 Year Debt Maturity Disclosure

For the Fiscal Year Ended 12/31/18

Primary Government
Water and Sewer Revenue
Bonds

		2011 & 2012 Series		Note B		2015 Series		
Term		Principal	Interest	Total	Term	Principal	Interest	Total
2019	*	3,590,000	368,110	3,958,110	2019	900,000	1,427,150	2,327,150
2020		1,565,000	249,790	1,814,790	2020	940,000	1,391,150	2,331,150
2021		1,610,000	198,863	1,808,863	2021	975,000	1,353,550	2,328,550
2022		1,685,000	126,413	1,811,413	2022	1,025,000	1,304,800	2,329,800
2023-2027	**	1,740,000	67,500	1,807,500	2023-2027	5,760,000	5,887,600	11,647,600
2028-2032		-	-	-	2028-2032	7,160,000	4,485,750	11,645,750
					2033-2037	9,120,000	2,526,400	11,646,400
					2038-2040	6,460,000	523,400	6,983,400
Total		10,190,000	1,010,675	11,200,675		32,340,000	18,899,800	51,239,800

* The 2012 Series Bonds will be fully redeemed in 2019.
** The 2011 Series Bonds will be fully redeemed in 2023.

Primary Government
Water and Sewer Revenue
Bonds (continued)

	2016 Series				2018 Series			Total Water & Sewer Revenue Bonds		
Term	Principal	Interest	Total	Term	Principal	Interest	Total	Principal	Interest	Total
2019	1,870,000	2,379,850	4,249,850	2019	-	6,293,070	6,293,070	6,360,000	10,468,180	16,828,180
2020	2,765,000	2,323,750	5,088,750	2020	2,660,000	5,993,400	8,653,400	7,930,000	9,958,090	17,888,090
2021	2,850,000	2,240,800	5,090,800	2021	3,635,000	5,887,000	9,522,000	9,070,000	9,680,213	18,750,213
2022	2,965,000	2,126,800	5,091,800	2022	4,700,000	5,705,250	10,405,250	10,375,000	9,263,263	19,638,263
2023-2027	21,115,000	8,377,550	29,492,550	2023-2027	29,615,000	25,637,650	55,252,650	58,230,000	39,970,300	98,200,300
2028-2032	22,380,000	3,080,450	25,460,450	2028-2032	42,730,000	17,772,050	60,502,050	72,270,000	25,338,250	97,608,250
				2033-2037	47,340,000	4,586,000	51,926,000	56,460,000	7,112,400	63,572,400
				2038-2040				6,460,000	523,400	6,983,400
Total	53,945,000	20,529,200	74,474,200	Total	130,680,000	71,874,420	202,554,420	227,155,000	112,314,095	339,469,095

Note 1: The 2011 and 2012 Series Revenue Bonds are on parity with the 2016 Series.

5 Year Debt Maturity Disclosure
For the Fiscal Year Ended 12/31/18

Primary Government:

Sales & Use Tax Bonds	2012 Series			2014 Series			Total Sales & Use Tax Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	6,435,000	2,076,825	8,511,825	1,235,000	681,650	1,916,650	7,670,000	2,758,475	10,428,475
2020	6,685,000	1,821,925	8,506,925	1,275,000	637,625	1,912,625	7,960,000	2,459,550	10,419,550
2021	6,945,000	1,556,825	8,501,825	1,325,000	585,625	1,910,625	8,270,000	2,142,450	10,412,450
2022	7,215,000	1,281,125	8,496,125	1,375,000	531,625	1,906,625	8,590,000	1,812,750	10,402,750
2023-2027	* 25,935,000	1,790,738	27,725,738	11,675,000	1,649,228	13,324,228	37,610,000	3,439,966	41,049,966
2028				** 1,565,000	21,519	1,586,519	1,565,000	21,519	1,586,519
Total	53,215,000	8,527,438	61,742,438	18,450,000	4,107,272	22,557,272	71,665,000	12,634,709	84,299,709

* The 2012 SUT Bonds will be fully redeemed in 2026.
** 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 amountsare 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 theeffects of transactions or events should be recognized in financial statements.

Basis of Budgeting- The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Bond - A certificate of debt issued by an entity guaranteeing payment of the original investment plus interest by a specified future date.

Budget - A financial plan for a specified period of time, e.g. fiscal year, that presents all planned revenues and expenditures/expenses for various municipal services.

Budget Amendment - A legal procedure utilized by the board of Directors and the City Administrator to revise a budget appropriation.

Budget Calendar - A schedule of key dates which City officials follow in the preparation, adoption and administration of the budget.

Budget Message - The opening section of the budget which provides the Mayor, Board of Directors and the public with a general summary of the most important aspects of the annual operating budget, changes from the current and previous fiscal years, and the views and recommendations of the City Administrator.

Capital Assets - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a three year reporting period. The City's capitalization threshold is $20,000 for a single item with an estimated life of three years or more for all assets other than infrastructure which has a threshold of $250,000.

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

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

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

COLA - Cost of living adjustment.

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

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

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

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

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

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

CVB - Convention and Visitors Bureau

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

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

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

EDA - Economic Development Agency

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

Expenditure - Decrease in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlay.

Expense - Decrease in net total assets. Expenses represent the total cost of operation during a period regardless of the timing of related expenditures.

ETJ- Extraterritorial Jurisdiction- An area just outside the City limits which allows the City to legislate land use.

Fiscal Year - Any period of 12 consecutive months designated as the budget year. The City's fiscal year corresponds to the calendar year, i.e., January 1 through December 31.

FSHA - Fort Smith Housing Authority

FSPS - Fort Smith Public Schools

FTA - Federal Transit Administration

FTE - Full time equivalent which represents the positions authorized.

Fund - A fiscal and accounting entity with a self-balancing set of accounts established and maintained for a specific purpose or to attain a certain objective in accordance with legal or administrative restrictions.

Fund Balance - The fund equity of governmental and similar trust funds. The amount reflected for budget purposes is the total amount available for appropriation which includes the contingencies for such funds.

Funding Source - Revenue plus the prior year's unencumbered fund balance/working capital.

General Obligation Bonds - Bonds which are secured by the full faith and credit of a government and for which repayment is provided by a general tax.

Hotel/Motel Tax - A tax assessed upon hotel/motel establishments within the City based upon occupancy. The tax is presently three percent of room rates. Also known as the hospitality tax.

ICMA-RC - International City Management Association Retirement Corporation

IEC - Innovations and Entrepreneurship Center- an initiative among UAFS, the Fort Smith Chamber of Commerce, and the City of Fort Smith to assist with starting new businesses and support of existing concerns.

Intergovernmental Revenues - Revenues received from other governments including the Federal, state, and county governments.

IPMC - International Property Maintenance Code

KPI - Key performance indicators

Line-Item Budget - A budget that lists each expenditure/expense account code classifications for each program separately, along with the dollar amounts budgeted for each specific classification.

LMI - Low to Moderate Income - As defined by HUD to be a location of economic disadvantage.

Mission Statement - The basic purpose for the City's existence.

Modified Accrual - A governmental fund-type measurement focus whereby revenues and other financial resources are recognized when they become susceptible to accrual, i.e., when they become both measurable and available to finance expenditures of the current period. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred.

Net Assets - Assets less liabilities of a fund.

Non-Departmental - Expenditure/expense items of a particular fund which do not relate directly to an operating program.

Nonspendable Fund Balance - a fund balance classification for governmental funds where the amounts are not available for use, e.g. inventories.

OAF - Outside Agency Funding

OPEB - Other Post-Employment Benefits - The City provides health care benefits to retired persons until they attain the age eligible for Medicare.

Operating Budget - The financial plan for the fiscal year for funds which have legally adopted budgets. The funds are General Fund, Street Maintenance Fund, Water and Sewer Operating Fund and Sanitation Operating Fund.

Operating Funds - Refers to the four funds for which an appropriated budget is adopted. The four funds are the General Fund, Street Maintenance Fund, the Water and Sewer Operating Fund and the Sanitation Operating Fund.

Operating Expenditures/Expenses - Expenditures/Expenses of the four operating funds which are used as a basis for determining contingency reserve. Expenditures/Expenses which are excluded from this category are interfund transfers and capital costs.

Primary Government - A term used in connection with defining the financial reporting entity. The City of Fort Smith is a general purpose local government and it is a primary government.

Program - An operating unit within a division of the City organizational structure. Each program represents a specific type of activity within its division aimed at providing a service for which the City is responsible.

RITA - Regional intermodal transportation authority.

Restricted Fund Balance - a fund balance classification for governmental funds where amounts can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Revenue - Increases in net assets of a fund.

Revenue Bonds - Bonds which are secured by a pledge of revenues generated by the operation of the system for which the bonds were issued. The bonds do not constitute a charge against the general credit or taxing power of the government.

SAFER Grant - staffing for adequate fire emergency response (SAFER), a FEMA grant that provides funding for sworn personnel in the Fire Department.

Service Objective - A performance effort by departments to accomplish the goals established by the Board of Directors.

Sinking Account - An account established to reserve funds for purchase and replacement of fleet for City programs. An annual fleet depreciation amount is allocated to the account each year. Currently, the Street Maintenance and Sanitation Operating funds follow this process as well as the Fire Department.

SRO - School Resource Officer.

TEC - A traffic engineering consulting firm employed to prepare an updated master street plan as well as other engineering department documents.

Unassigned Fund Balance - a fund balance classification for governmental funds that accounts for the residual balance of a government's General Fund and includes all spendable amounts not contained in other classifications. In other governmental funds, unassigned fund balance should only be used for deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

UAFS - University of Arkansas at Fort Smith.

Unencumbered Balance - The amount of an appropriation which is neither expended nor encumbered and is available for future use.

Values Statement - The City's basic values for providing services.

Vision Statement - The City's views for what level services are provided and how those services are provided by its personnel.

Working Capital - A term used to describe current assets less current liabilities for the enterprise and internal service funds. The amount reflected for budget purposes includes all monies available for appropriation including contingencies of such funds.

Fort Smith Notes

Fort Smith is located in western Arkansas and the Arkansas River divides Fort Smith from the border of Oklahoma. On December 25, 1817, an army post under the command of Major William Bradford was established entitled "Camp Smith" after Thomas A. Smith who ordered its establishment. The site was at La Belle Point on the Arkansas River in what is now Fort Smith. Captain John Rogers, known as the founder of Fort Smith, arrived in 1822. In 1840, the town of Arkansas was organized. The first municipal election was conducted January 14, 1841 with Charles A. Birnie elected as mayor. On December 24, 1842, Fort Smith was incorporated as a town. Fort Smith is the county seat of Sebastian County. Fort Smith is 159 miles west of Little Rock and 145 miles southeast of Tulsa, Oklahoma. The City serves as the central focus for a six-county economic and trade region in the west central area of Arkansas and the east central area of Oklahoma. The City encompasses 68 square miles and has a population of approximately 88,570.

The City has seen significant industrial and residential development. Several major companies have longstanding and growing interests in the region, including 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 enrolled the first class of medical students 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 has turned the vacant Mitsubishi plant into a state-of-the-art production facility for air-laid paper products. The Chaffee Crossing facility will provide approximately 83 jobs and once operations begin in early 2018 - will be the world's largest producer of airlaid material.

Silgan Plastic Food Containers plans to invest approximately $38 million in a 100,000 plus square foot manufacturing facility which will create 150 new jobs to the area. The company purchased land located in the city and construction is currently underway.

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.

City of Fort Smith Arkansas

Miscellaneous Statistical Data

General Information:

Form of Government	City Administrator
Area	92.4 square miles
County	Sebastian
Time Zone	Central
Area Code	479
City Population	86,209 (2010 Census)
Date of Incorporation	December 24, 1842
Date Form of Government Adopted	March 28, 1967
Miles of Street	505 miles
Number of Street Lights	6,200
Number of Traffic Signals	154
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	29,182,000 gallons
Maximum Daily Consumption	39,341,000 gallons
Miles of Water Main	721.1 miles

Municipal Wastewater Department:

Number of Customers	30,732
Number of Contract Communities	1
Sanitary Sewers Miles	561.59 miles
Average Daily Sewer Flow	16.66 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	537
Trails and Greenways	4
Miles	7
Number of Swimming Pools	1
Number of Wading Pools	1
Number of Community Centers	5
Splashpad	4
Number of Libraries	4 (67,000 square foot main and three neighborhood branches)
Number of Volumes	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:	$37,340
Average price for an 1,800 square foot home:	$223,885
National average price for an 1,800 square-foot home:	$313,000

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

City of Fort Smith
Schedule of Building Permits Issued for New Construction
For the Fiscal Year Ended December 31, 2009 through
December 31, 2018

	Commercial Construction		Residential Construction	
Fiscal Year	Number of Units	Value	Number of Units	Value
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
2017	51	$52,229,857	410	$54,028,946
2018	55	$78,834,144	306	$51,257,256

Source: City of Fort Smith Building Safety Department

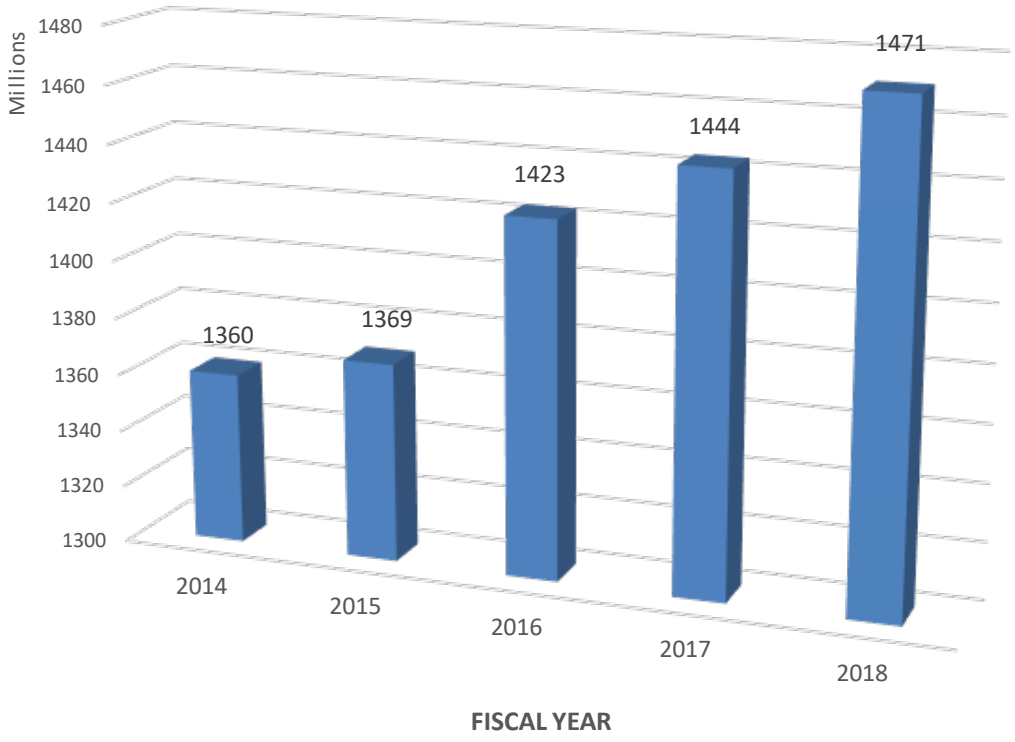
City of Fort Smith
Schedule of the Largest Employers

Company	**Product**
Baptist Health	Healthcare
O K Industries	Poultry Processor
ABB	Electric Motors & Grinders
Fort Smith Public Schools	School
Mercy Fort Smith	Healthcare
ArcBest Corporation	Trucking and Logistics
188th Air National Guard	Air Natinoal Guard
University of Arkansas FS	Higher Education
Rheem Manufacturing	HVAC Manufacturer

Source: Fort Smith Chamber of Commerce

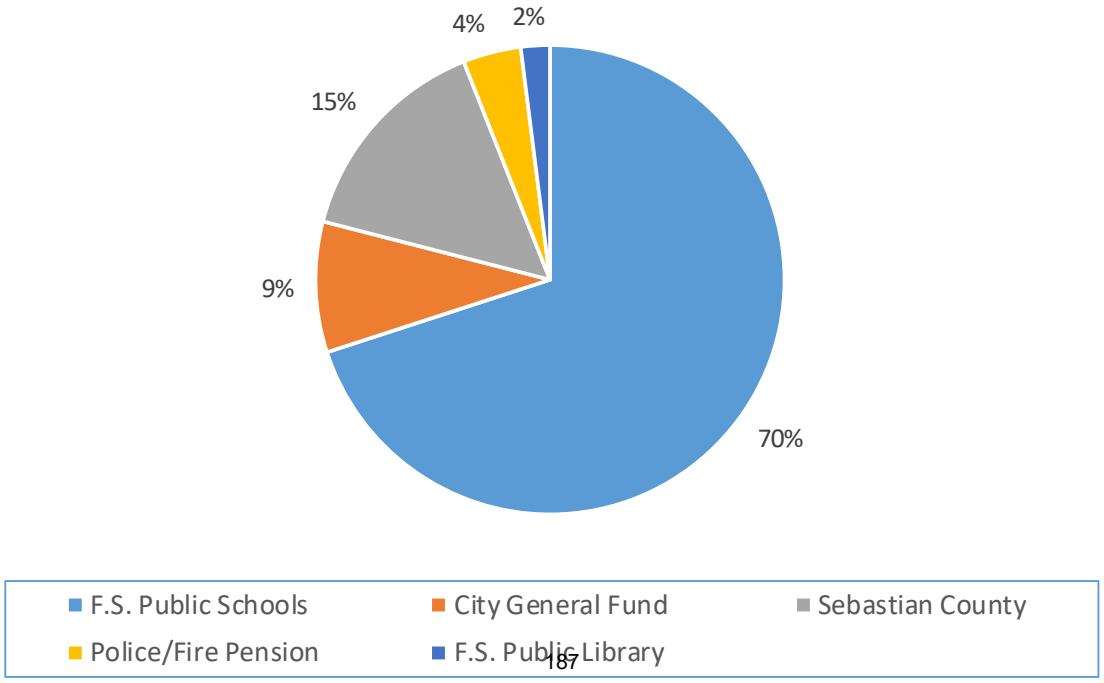
The following graphs indicate the assessed property values within the City limits for the past five years and the allocation of property taxes among the overlapping governments. The City's General Fund receives only 9% of the total real and personal property tax within the City Limits.

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

	2017 Actual	2018 Budget	2018 Estimated	2019 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	3.00	4.00	4.00	4.00
4201 District Court	18.63	18.63	18.63	18.88
4202 City Prosecutor	2.00	2.00	2.00	2.00
4206 District Court-State Division	1.00	1.00	1.00	1.00
4405 Internal Audit	1.75	1.75	1.75	3.00
Total Policy & Administration Services Division	34.38	35.38	35.38	36.88
Management Services Division:				
4104 Human Resources	5.00	6.00	6.00	6.00
4105 City Clerk	3.00	3.00	3.00	3.00
4301 Finance	16.00	16.00	16.00	16.00
4303 Collections	6.00	6.00	6.00	4.00
4304 Utilitiy Billing/Cust. Svc.	14.00	14.00	14.00	7.00
4306 Purchasing	2.00	3.00	3.00	3.00
4401 Information and Technology	13.00	13.00	13.00	15.00
6912 Public Parking Personnel	1.00	0.00	0.00	0.00
Total Management Services Division	60.00	61.00	61.00	54.00
Development Services Division				
4103 Engineering	19.00	19.00	19.00	19.00
4106 Planning and Zoning	7.20	7.20	7.20	9.20
4107 Community Development	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	49.45	49.45	50.00	52.00
Police Services Division				
4701 Administration	5.00	19.00	20.00	20.00
4702 Support Services	52.25	46.00	51.00	50.00
4703 Criminal Investigations	43.44	40.44	35.44	35.44
4704 Patrol Operations	99.75	107.00	108.00	108.00
4705 Radio Communications	2.00	2.00	2.00	0.00
4706 Airport Security	3.00	3.00	3.00	3.00
6911 Police Grant	0.56	0.56	0.56	0.56
6920 Parking Enforcement	2.00	2.00	2.00	2.00
Total Police Services Division	208.00	220.00	222.00	219.00

Personnel Count Comparison

	2017 Actual	2018 Budget	2018 Estimated	2019 Budget
Fire Services Division				
4801 Administration	7.00	7.00	7.00	8.00
4802 Suppression and 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	153.00
Operation Services Division-				
Streets & Traffic Control				
5101 Administration	5.00	5.00	5.00	5.00
5302 Street Construction	9.75	9.75	9.75	9.75
5303 Street Drainage	17.39	17.39	17.39	17.39
5304 Street Maintenance	15.00	15.00	15.00	15.00
5305 Sidewalk Construction	12.00	12.00	12.00	12.00
5401 Traffic Control Operations	13.72	13.72	13.72	13.72
5403 Street Lighting	0.00	0.00	0.00	0.00
Total Streets & Traffic Contol	72.86	72.86	72.86	72.86
Water & Sewer				
5501 Utilities Adminstation	8.00	10.00	10.00	10.00
5521 Business Operations and Logistics	19.00	19.00	19.00	19.60
5522 Communications & Training	18.00	17.00	17.00	9.00
5523 Engineering & Engineegin Technology	19.00	29.00	27.00	31.00
5590 Non-Capital Projects	0.00	0.00	0.00	0.00
5656 Sewer Treatment	30.50	30.50	30.50	30.50
5556 Water Treatment	22.00	22.00	22.00	22.00
5610 Water Line Maintenance	45.00	53.00	53.00	67.00
5611 Sewer Line Maintenance	30.00	47.00	46.00	46.00
5612 Sewer Line Construction	17.00	0.00	0.00	0.00
5618 Debt Service	0.00	0.00	0.00	0.00
5625 Environmental Quality	23.00	24.00	24.00	24.00
5626 Fleet, Building, & Environmental Maint.	38.50	34.00	35.00	35.00
5627 Water System Construction	4.00	0.00	0.00	0.00
Total Water & Sewer	274.00	285.50	283.50	294.10

Personnel Count Comparison

	2017 Actual	2018 Budget	2018 Estimated	2019 Budget
Parks & Community Services				
6201 Parks Maintenance	18.50	19.25	19.25	19.25
6202 Oak Cemetery	3.00	3.00	3.00	3.00
6204 Commnity Centers	3.50	3.50	3.50	3.50
6205 Aquatics	3.45	3.45	3.45	3.45
6206 Riverfront/Dowtown Maintenance	5.00	5.00	5.00	5.00
6207 The Park At West End	0.80	0.80	0.80	0.80
6208 1/8% Sales and Use Tax	4.00	3.00	2.00	2.00
Total Parks & Community Services	38.25	38.00	37.00	37.00
Convention Center				
1115	13.50	13.50	13.50	13.50
Sanitation				
6301 Administration	7.00	7.00	8.00	8.00
6302 Residential Collection	27.25	27.00	27.00	29.00
6303 Commercial Collection	11.00	11.00	11.00	11.00
6304 Fleet and Grounds Maintenance	13.75	13.75	13.75	13.75
6305 Sanitary Landfill	18.00	18.00	18.00	18.00
6307 Industrial Collection	11.00	10.00	10.00	11.00
6308 Waste Reduction	0.00	0.00	0.00	0.00
Total Sanitation	88.00	86.75	87.75	90.75
Transit				
6550 Public Transit	33.00	34.00	34.00	34.00
Total Operation Services Division	519.61	530.61	528.61	542.21
Non-Departmental				
1113 Convention & Visitors Bureau	5.00	5.00	5.00	5.00
Total FTE Personnel	1028.44	1053.44	1053.99	1062.09

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

Program 4100 Mayor & 4101 Board of Director	(8.00)	(8.00)	(8.00)	(8.00)
Program 4206 District Court Seb. County	(1.00)	(1.00)	(1.00)	(1.00)
Adusted Total FTE Personnel	1019.44	1044.44	1044.99	1053.09