City of Fort Smith Finance

MEMORANDUM

TO: Jeff Dingman, City Administrator

CC: Maggie Rice, Deputy City Administrator

FROM: Andrew Richards, Chief Financial Officer

DATE: November 24, 2026

SUBJECT: 2027 Operating Budget

SUMMARY

The Board will hold a public hearing and consider the ordinance to approve the FY2027 operating budget on file with the City Clerk at the December 1, 2026 regular meeting. Across the four operating funds, proposed appropriations for FY2027 total $179,298,548, up $1,621,639 from what was shown at the November 13 hearing and up $955,696 from the October 13 proposal that was distributed.

The Board received the original proposal (hard copy and online) on October 13, 2026, and reviewed departmental requests at the November 13 budget hearing. In the revised fiscal year 2027 schedules, operating revenues exceed personnel and other operating expenditures in each of the four funds before capital outlay. This presents a structurally balanced operating budget in all four of the city's operating funds.

Changes to the FY2027 Budget

- **General Fund.** The General Fund operating budget is balanced for 2027. After the November 13 hearing, the budget added $28,933 for a one-time payment of 2.5% of base pay for 18 eligible police officers at or above the maximum for their grade or step. The payment provides an adjustment for officers with no available step increase. Changes to capital expenses were the main reason the result moved from a $201,321 surplus at the budget hearing to a $541,824 deficit after capital outlay.
- **Street Maintenance.** The November 13 hearing included $147,190 more in projected state gasoline tax turnback. The budget proposed for December 1 approval uses the same 7.31% property tax growth assumption as the General Fund to reflect the phased-in reappraisal, which increased Street Maintenance revenue by $139,590 to $3,071,305. The December 1 proposed budget also includes $1.12 million for vehicles and heavy equipment in the approved capital improvement program, up from $7,300 in capital outlay at the hearing. Whiel recurring budget operations are structurally balanced, the proposed deficit after capital expenses is $952,167.
- **Water & Sewer.** Appropriations were reduced by about $590,000 at the budget hearing, including revisions to the solar budget and lower Contract and Bond Services personnel costs. They have been further reduced by about $213,000 since the hearing, including

FY2026 Projected Results

Item 7 | Final FY2026 operating budget and FY2027 opening balances

The December ordinance would adopt the FY26 Projected column in the attached exhibit. The FY2026 ending balances, after the Water & Sewer CIP adjustment, carry into FY2027 as opening balances.

Fund / measure	Oct. 13 proposal	Nov. 13 hearing	Dec. 1 submission	Oct. to Nov. change	Nov. to Dec. change
General Fund					
Total revenue	60,723,207	60,723,209	60,970,824	2	247,615
Operating expenditures	52,803,193	52,244,085	52,329,405	(559,108)	85,320
Capital outlay	9,995,449	10,411,687	10,411,687	416,238	0
Result after capital	(2,075,435)	(1,932,563)	(1,770,268)	142,872	162,295
Year-end balance	24,250,107	24,392,970	24,555,265	142,863	162,295
Street Maintenance					
Total revenue	10,827,300	10,827,300	10,857,314	0	30,014
Operating expenditures	10,332,894	10,347,720	10,401,321	14,826	53,601
Capital outlay	1,029,675	1,029,675	1,029,675	0	0
Result after capital	(535,269)	(550,095)	(573,683)	(14,826)	(23,588)
Year-end balance	7,815,708	7,800,882	7,777,294	(14,826)	(23,588)
Water & Sewer					
Total revenue	75,323,719	75,323,718	75,660,293	(1)	336,575
Operating expenditures	67,737,566	67,712,825	68,182,966	(24,741)	470,141
Capital outlay	1,773,626	1,773,626	1,773,626	0	0
Result after capital	5,812,527	5,837,267	5,703,701	24,740	(133,566)
CIP transfer adjustment	0	0	(10,000,000)	0	(10,000,000)
Adjusted year-end balance	36,080,772	36,105,510	25,971,944	24,738	(10,133,566)
Solid Waste					
Total revenue	27,177,099	27,177,099	27,182,179	0	5,080
Operating expenditures	19,593,340	19,586,786	19,625,287	(6,554)	38,501
Capital outlay	6,000,623	6,000,623	6,000,623	0	0
Result after capital	1,583,136	1,589,690	1,556,269	6,554	(33,421)
Year-end balance	12,975,870	12,982,423	12,949,002	6,553	(33,421)

General Fund revenue includes $4,373,019 in capital-related receipts at each stage. Amounts follow the schedules as presented. The CIP transfer adjustment is shown separately from the annual result.

Why the FY2026 projections changed

Additional insurance proceeds were matched by repair expenditures in all four funds. The entries increase revenues and expenditures equally. Other revisions drove the net changes.

General Fund. Higher dedicated property tax collections reduced the amount the General Fund needed to transfer for LOPFI contributions by $550,000. A $416,238 transfer addressed the Parking Fund shortfall. After the hearing, the projection included $247,616 in insurance proceeds and matching repairs. The projected year-end balance improved by $162,295.

Street Maintenance. Operating expenditures increased $14,826 by the hearing. After the hearing, the projection added $30,014 in insurance proceeds and matching repairs. The projected year-end balance was reduced by $23,588.

Water & Sewer. Operating expenditures were reduced by $24,741 by the hearing. After the hearing, $336,575 in insurance and related receipts were added with matching expenditures. The $10 million transfer to fund capital improvements leaves adjusted FY2026 working capital of $25,971,944 and a 37.1% reserve.

Solid Waste. Operating expenditures were reduced by $6,554 by the hearing. After the hearing, $5,080 in insurance proceeds and matching repairs were added. The projected surplus was reduced by $33,421.

Project Summary

Project Name:
2016 SSA Remedial Measures, Sub-Basin P008, Phase I

Project Status:
In Progress

Project Number:
17-13-C1

Today's Date:
11/25/2026

Project Engineer:
Tyler Eldridge

Staff Contact Name:
Todd Mittge

Project Contractor:
Inliner Solutions, LLC

Staff Contact Number:
479-784-2247

Notice To Proceed Issued:
07/14/2026

Contract Breakdown		
	Dollar Amount	Contract Time (Days)
Original Contract Amount:	$6,857,019.47	450
Change Order (No. 01):	$536,706.55	60
Change Order (No. 02):		
Total Change Orders:	$536,706.55	60
Adjusted Contract:	**$7,393,726.02**	**510**

Contract Payment Breakdown		
	Dollar Amount	Percent (%)
Adjusted Contract Amount:	$7,393,726.02	
Previous Payments:	$756,410.95	
Final Payment Amount:		
Contract Balance Remaining:	**$6,637,315.07**	**89.77%**

Final Comments:
Change Order No. 1 required to incororpate future Consent Decree work on Alleyway Project into existing SSA Project.

INTER-OFFICE MEMO

TO: Project File **DATE:** November 05, 2026

FROM: Richard Hamrick, Project Engineer

SUBJECT: Consultant Selection for 2023 SSA Remedial Measures – Sub-Basin Z003, Project Number: 25-12-EC1

In compliance with Section 2-182 paragraph (d) of the Fort Smith Municipal Code, from the available statements of qualifications from consulting engineers currently on file in the City Clerk's office, three (3) qualified firms were considered to provide the desired services. The following firms were considered for the above referenced project:

1. Hawkins-Weir Engineers, Inc.
2. Halff Associates, Inc.
3. I & S Group, Inc.

Of these firms, the firm of I & S Group, Inc. is considered the best qualified and capable of performing the work.

Richard Hamrick — Project Engineer — 11/05/2026 — Date

Deputy Director of Engineering - Utility — 11-5-26 — Date

Director of Engineering — 11/5/26 — Date

November 6, 2026

Richard Hamrick, P.E.
Senior Project Engineer
City of Fort Smith
623 Garrison Ave.
Fort Smith, AR 72901

25-12-C1 - 2023 SSA REMEDIAL MEASURES SUB-BASIN Z003 (EXHIBIT A)

Project Description

The objective of this scope of services is to provide professional engineering construction administration and observations services to the City of Fort Smith for the 25-12 -C1 - 2023 SSA Remedial Measures Sub-Basin Z003 project. I & S Group, Inc. (ISG) will provide the services described below in coordination with the City, the Contractor, and other project stakeholders.

ISG understands that the City of Fort Smith will provide the day-to-day construction inspection for this project. ISG will rely on field information and documentation provided by the City Staff and the Contractor as necessary to perform the construction administration services described below.

The following scope anticipates a 360 calendar day Contract Time from Notice to Proceed to final inspection and acceptance. If the construction schedule is extended past this anticipated schedule, a contract amendment may be considered on a time and material basis. An additional 90 calendar days will be included in the Agreement to account for engineering services prior to Notice to Proceed date and for engineering services following final completion, resulting in a total time for the Agreement of 480 calendar days.

1. CONSTRUCTION ADMINISTRATION

1.1 Shop Drawings

ISG shall review Contractor shop drawings and other submissions for general compliance with the Contract Documents. ISG shall mark submittals as appropriate (Approved, Approved As Noted, Resubmit, etc.) and return to the City.

1.2 Notification of Nonconformance

ISG shall review the construction schedule and notify the City of the delay of any tasks that might impact the Contractor completing the project within the allowed Contract Time.

1.3 Waiver of Provisions

ISG's Project Manager shall review Contractor requests to waive provisions of the plans or specifications and make a recommendation to the City for determination. ISG shall not recommend a waiver that reduces the quality of the final product and shall not consent to defective workmanship or materials.

1.4 Project Meetings

ISG will meet in person with City Staff monthly to review project progress, outstanding issues, required decisions and input from City Staff. ISG will document meetings in written summaries that will be provided to the City. Additional parties may be present at these monthly meetings such as the Contractor, additional City departments, land owners, or others if requested by City Staff.

1.5 Requests for Information

ISG will review and recommend responses to requests for information submitted during construction and issue interpretations or clarifications of the Contract Documents, as appropriate.

1.6 Contractor Progress Payment Applications
ISG understands that the City of Fort Smith will prepare and process the monthly Contractor payment applications.

1.7 Change Orders
ISG will assist the City in the preparation of change orders and/or field orders as necessary. Any change order resulting in work beyond the original scope of work or outside the intent of the original design may necessitate additional fees to be negotiated for the new work.

1.8 Record Drawings
Prepare record drawings based on Contractor-provided record information, the City Inspectors red lined plans, supplemental field survey performed by ISG, field notes, approved changes, and other information made available to ISG.

2. CONSTRUCTION OBSERVATION
2.1 Pre-Construction Conference
ISG shall attend ~~and lead~~ a pre-construction conference with the Contractor, City, utility companies, affected entities, and other interested parties. ISG shall review contract requirements, construction details, utility coordination and conflicts, work schedule, material acceptance procedures, and documentation requirements. ISG will prepare the meeting agenda, respond to questions within ISG's scope, and distribute meeting notes.

2.2 Construction Observation
ISG shall provide a construction observer on site during active construction as requested by the City when City Inspection Staff are not available (up to five work days). ISG shall make supplemental periodic site visits throughout construction. ISG shall evaluate progress, quality, and compliance and recommend special inspection or testing when warranted. These services do not include responsibility for the Contractor's means, controls, techniques, sequences, procedures, or safety.

2.3 Substantial Completion
ISG's Project Manager and observation staff shall attend a joint site inspection with the City and Contractor to evaluate substantial completion against the plans and specifications. ISG shall assist City staff in developing the final punch list.

2.4 Final Inspection and Acceptance
ISG shall attend a final inspection with the Contractor, and City, document completion or disposition of punch-list items, and review completion records. ISG shall recommend final payment and acceptance to the City based on the inspection and records. The City shall determine final acceptance after receiving ISG's recommendation.

3. COMPENSATION
ISG proposes to provide the scope of work described within this proposal for compensation in accordance with the following schedule. Anticipated reimbursable expenses such as travel time and mileage expenses are included.

Phase	Cost
Construction Administration	$60,380.00
Construction Observation	$46,230.00
Total (Hourly NTE)	$106,610.00

SVI Trucks | 3842 Redman Drive | Fort Collins, CO 80524 | svitrucks.com | 1-888-784-1112

November 19th, 2026

Fire Chief Darrell Clark
Fort Smith Fire Department
200 North 5th Street
Fort Smith, AR, 72901

Re: Proposal One (1) 24' Walk-Around Heavy Rescue

Fire Chief Clark

SVI Trucks would like to thank the Fort Smith Arkansas Fire Department for the opportunity to submit a proposal for a new 24' Walk-Around Heavy Rescue, As you may well know, SVI has been building emergency vehicles for more than 50 years.

I have updated the following specification based on our august 31st meeting as well as the inventory list of equipment provided. Major changes that affected the price from previously quoted in September.

If you have any questions regarding this proposal, please feel free to contact me at 402-443-9659

Sincerely,

SVI TRUCKS

Joel Konecky

Joel Konecky
VP of Sales

SVI Trucks | 3842 Redman Drive | Fort Collins, CO 80524 | svitrucks.com | 1-888-784-1112

Sourcewell Awarded Contract

PROPOSAL FOR MANUFACTURE AND SALE OF EMERGENCY VEHICLE

Date: November 19, 2026

SUPER VACUUM MANUFACTURING CO, INC. ("SVI"), a Colorado corporation in accordance with **Sourcewell Awarded Contract #082025-SVM** hereby propose and agree to manufacture and furnish to Buyer the following vehicle and equipment subject to Buyer's acceptance of this Proposal.

Sourcewell Model:	Heavy_Rescue_26_Walk_Thru
Sourcewell Model#	SW-15101
SVI QW Description:	10057-0007
Type:	Heavy Rescue
Body Length:	26'
Customer:	Fort Smith Fire Department
Dealer:	SVI Trucks
# of days Quote good for:	44
Quote Expiration Date:	December 31, 2026
Quoted Build Days:	700

MSRP:	$ 1,695,668.00
MSRP of Published Options:	$ 265,254.00
MSRP Unpublished Options:	$ 13,909.00
Sourcewell Discount 15%:	-$ 296,224.00
Apparatus Price:	$ 1,678,607.00
Taxes:	N/A
Delivery:	Included
Total:	**$ 1,678,607.00**

1. **Specifications**: The Equipment will be manufactured or modified in accordance with the SVI specifications, clarifications, and exceptions attached, and in compliance with current National Fire Protection Association (NFPA) 1900 Guidelines (together, the "Specifications"), which are hereby incorporated by reference. The Specifications shall be the exclusive description of the Equipment, and the Specifications will prevail in the event of any conflict over any other description of the Equipment.

2. **Warranty:** The Equipment is sold subject to the standard SVI Limited Warranty as set forth in the SVI Limited Warranty Statement. Any product warranty rights provided by the manufacturer(s) of the incorporated cab/chassis or other components will be assigned or otherwise transferred to Buyer to the extent possible. Buyer acknowledges and agrees that any defects or deviations from the Specifications that may be discovered after Delivery shall be subject to correction under the terms of the SVI Limited Warranty.
3. **Pricing**: The Proposal Price above is valid for **44** days from the date of this Proposal. The above Proposal Price does not include any state, federal or local taxes. Buyer will be solely responsible

for payment of any taxes arising from the purchase and sale of the vehicle (other than those measured by or assessed upon SVI's or Dealer's net income).

a. Any increased cost incurred by SVI beyond our control due to changes, additions, or Federal Mandates to DOT, FMVSS / CMVSS, EPA, NFPA standards or supplier surcharges will be passed along to Customer as an addition to the Purchase Price.

4. **Payment Terms**: Final payment for the Equipment is due and payable in full upon Delivery as described below. In the event of a failure to make payment in full upon Delivery, then a daily finance and storage fee as set forth in the SVI General Terms and Conditions of Sale will apply. Upon Delivery of the Equipment, all risk of loss shall pass to Buyer. Buyer agrees to provide adequate liability and physical damage insurance and to provide evidence of such coverage to SVI upon request. The Manufacturer's Statement of Origin (MSO) for the Equipment shall be provided to Buyer only upon receipt of payment of all amounts due SVI in connection with or arising out of the purchase and sale of the Equipment.

5. **Delivery:**

a. Delivery will be made Ex Works (Incoterms 2025) at the SVI manufacturing facility in Fort Collins, Colorado.

b. The estimated delivery time is **700 calendar days** after receipt and approval of contract or purchase order, properly executed. (cab/chassis must be received within ONE HUNDRED EIGHTY (180) days or delivery may be delayed), and subject to the *force majeure* provisions of SVI's General Terms and Conditions of Sale.

SUPER VACUUM MANUFACTURING CO, INC. shall not be liable if performance failure arises out of causes beyond its reasonable control, which causes shall include without limitation acts of God, war, fires, floods, pandemics, difficulty in procuring materials, equipment or tooling failure, freight embargoes, order of any court, strike, lockout, shortage of labor, failure or delays by suppliers or contractors, or legislative or governmental, or other, prohibitions or restrictions.

This delivery estimate is based on the SVI receiving complete and accurate information and paperwork from the Buyer and that no changes take place during pre-construction, mid-inspection, or final inspections. Any changes required or requested by the Buyer during the construction process may be cause for an increase in the number of days required.

6. **Cancellation:** If the contract is terminated by Buyer at any time prior to Delivery, then Buyer agrees to pay SVI and Representative for the Products provided (if any) and the work completed as of the date of termination.