City of Fort Smith
City Administrator

MEMORANDUM

TO: Mayor and Board of Directors

FROM: Jeff Dingman, City Administrator

DATE: October 28, 2026

SUBJECT: 2026 General Fund Appropriation - Parrot Island Waterpark Operations

SUMMARY

On October 28, 2026, American Resort Management (ARM) provided a cash schedule and year-end operating projections and estimated that $287,936 is needed to cover outstanding accounts payable and remaining operating expenses through December 2026.

The City of Fort Smith and Sebastian County jointly own the waterpark. The proposed contribution is $144,000 from each entity. The city's funding appropriation was considered on Nov. 2, where it was tabled to the December 1 regular meeting. The Sebastian County Quorum Court approved its half of the funding at its November 17 meeting, contingent upon the city's approval of same, presumably on Dec. 1.

Attachment A summarizes the funding request. Accounts payable are shown net of available operating cash. There are confirmed accounts payable obligations totaling $262,998.14 through Nov. 6. $173,809.18 of that is confirmed as owed to local vendors, businesses and third-party entities that support the local park's operations and need to be paid. Since November 6, the November insurance payment has become payable and the December insurance payment is part of the remaining 2026 operating estimate.

Sections 4.2.2.2 and 4.2.2.3 of the 2026 Management Services Agreement provide for payment of park expenses from the Operating Account and generally require that a balance equal to six weeks of budgeted operating expenses be maintained in the Operating Account. Section 4.3 provides that it is the Obligation of the Owner to Fund Operations, and that ARM shall have no obligation to advance funds for operations. The proposed appropriation does not, by itself, establish compliance with the six-week cash requirement. **Source: 2026 ARM Management Services Agreement, March 10, 2026 Board packet.**

FISCAL IMPACT AND BUDGET INFORMATION

The attached ordinance would appropriate $144,000 from General Fund balance to a separate Parrot Island Operations line item in the General Fund non-departmental program, account 01010170-560350. The current budget for this new account is $0; the proposed appropriation would establish a budget of $144,000. The waterslide project appropriation in account 01010170-560300 would remain separate and unaffected by this action. The County contribution will be forthcoming upon approval of the city portion of funding.

I recommend adoption of the attached ordinance to provide the City's share of funding for the park's outstanding operating obligations and remaining 2026 expenses. Please let me know if you have questions related to this agenda item.

ATTACHMENTS

1. Parrot_Island_Nov_2_2026_Appropriation_Ordinance__1_.pdf
2. Parrot_Island_Nov_2_2026_Attachment_A (4).pdf

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE 2026 OPERATING BUDGET AND APPROPRIATING FUNDS FOR PARROT ISLAND WATER PARK OPERATIONS

WHEREAS, the Board of Directors approved the 2026 Operating Budget with Ordinance 92-25; and

WHEREAS, the City of Fort Smith and Sebastian County jointly own Parrot Island Water Park; and

WHEREAS, the estimated funding requirement for Parrot Island Water Park operations through December 2026 is $287,936.11, and Sebastian County plans to consider a matching contribution on November 17, 2026.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS THAT:

The 2026 Operating Budget is hereby amended to establish a separate Parrot Island Operations budget account and appropriate funds as follows:

Account	Current Budget	Adjustment	Revised Budget
01010170-560350 Parrot Island Operations	$0	$144,000	$144,000

Appropriation of General Fund Balance: $144,000.00. This appropriation is for 2026 Parrot Island Water Park operating expenses. The appropriation for the waterslide project in account 01010170-560300 remains unchanged.

PASSED AND APPROVED THIS _____ DAY OF NOVEMBER, 2026.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

Approved as to form:



_____
City Attorney

CITY OF FORT SMITH

ATTACHMENT A | PARROT ISLAND WATERPARK

2026 Operating Cash Requirements - November 2, 2026

The October 28 Cash Sheet and ARM's year-end projections identify an estimated funding requirement of $287,936.11 for outstanding accounts payable and operating expenses through December 2026. The proposed City contribution is $144,000. Sebastian County plans to consider a matching contribution on November 17.

Funding requirement	Amount	Classification / source
Current AP cash requirement	$228,614.46	Net operating-account shortfall
Pending invoice	$1,095.40	Notice received; invoice pending
December insurance	$10,671.00	Forecast; November included in AP
Payroll fronted by ARM	$9,055.25	Current payroll advance
Remaining payrolls (4.5)	$36,000.00	Estimate, incl. Gator Golf
Utilities forecast	$2,500.00	Remainder of 2026
TOTAL ESTIMATED NEED	$287,936.11	Basis for equal owner funding
Proposed City share	$144,000.00	General Fund appropriation
Anticipated County share	$144,000.00	Subject to Nov. 17 approval

Proposed appropriation

The proposed ordinance would appropriate $144,000 from General Fund balance to a separate Parrot Island Operations line item, account 01010170-560350. The waterslide project appropriation in account 01010170-560300 would remain unchanged.

Accounts payable include November insurance. December insurance is listed separately. The remaining payroll estimate includes Gator Golf.

Accounts payable and available cash

The October 26 AP aging reports $230,485.65 in accounts payable. Available operating cash of $1,871.19 reduces the remaining cash requirement to $228,614.46. The funding request uses this net amount.

City and County balances

The Cash Sheet reports $94,628.47 in receivables, consisting of $52,500.00 from the City and $42,128.47 from Sebastian County. These receivables have not been deducted from the funding request. The AP aging also includes $53,908.00 payable to the City and $7,901.36 payable to City utilities.

Combined contributions

Contributions of $144,000 from each owner would provide $288,000, exceeding the estimated requirement by $63.89. The County contribution remains subject to approval.

Source

ARM cash workbook "CashPIWP 10.28.xlsx": Cash Position (October 28, 2026), AGING-AP (October 26, 2026), and RECEIVABLE; plus the additional funding estimate supplied by park management on October 28, 2026.