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 23, 2026

SUBJECT: 2026 Final Amended Budget

SUMMARY

The proposed ordinance would adopt the FY2026 projected revenues and expenditures in the attached four-fund exhibit as the City's final amended operating budget. Projected operating expenditures and capital outlay total $169,754,590 across the four funds.

Changes to the FY2026 Projections, updated since the November 13 Budget Hearing

Additional insurance proceeds in each of the four funds were matched by repair expenditures. These entries increased revenues and expenditures by equal amounts. Other revisions account for the changes in projected year-end balances.

- **General Fund.** Higher dedicated property tax collections reduced the amount the General Fund needed to transfer for LOPFI contributions by $550,000 in the projection staff presented to the Board at the Nov. 13 budget hearing. The projection also added a $416,238 transfer to address the Parking Fund's shortfall. Since the budget hearing, the projected insurance proceeds increased about $248,000, with matching repair expenditures. The net increase in operating expenditures was about $85,000. Projected year-end fund balance is $24,555,265.
- **Street Maintenance.** Projected operating expenditures increased about $54,000 and insurance proceeds increased about $30,000 since the 2026 numbers were presented at the budget hearing. Projected year-end fund balance is $7,777,294.
- **Water & Sewer.** The 2026 projected receipts increased about $337,000 since the budget hearing, including insurance proceeds with matching repair expenditures. Total operating expenditures increased about $470,000. The exhibit shows a separate $10 million transfer adjustment to fund capital improvement projects. The adjusted FY2026 closing working capital is $25,971,944, with a 37.1% contingency reserve.
- **Solid Waste.** Since the budget hearing, projected operating expenditures increased about $39,000 and insurance proceeds increased about $5,000. Projected year-end working capital is $12,949,002.

A separate agenda item proposes $144,000 for FY2026 Parrot Island operations and is not included in the attached exhibit. The General Fund closing balance would be $24,411,265 if the separate appropriation is approved without an offset.

ATTACHMENTS

1. 12-01-26_Item_ID_3135_Amending_2026_Budget (2).pdf

2. December 1 Budget Comparison Summaries.pdf

ORDINANCE NO._____

AN ORDINANCE AMENDING THE 2026 BUDGET

WHEREAS the City is required to amend the Operating Funds during the current year when necessary;

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

That the Board of Directors adopts the projected revenues and expenditures, as listed for the City's four operating funds, as shown in the attached exhibits, as the 2026 Final operating budget.

PASSED AND APPROVED THIS_____DAY OF_____2026.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

Approved as to form:

_____
City Attorney
No publication required

City of Fort Smith
Budget Comparison Summary - General Fund

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Intergovernmental	$ 5,491,804	$ 4,516,442	$ 4,653,824	$ 4,326,732	$ 4,563,254	$ 236,522	$ 4,174,123
Taxes and Assessments	42,990,666	43,407,890	43,407,890	44,469,890	46,168,850	1,698,960	46,622,032
Court Fines and Forfeitures	2,195,078	2,076,450	2,076,450	2,238,761	2,237,700	(1,061)	2,237,700
Licenses and Permits	1,331,995	1,639,980	1,639,980	1,562,472	1,553,220	(9,252)	1,553,220
Service Charges and Fees	620,741	582,470	582,470	599,995	575,170	(24,825)	548,170
Contributions	99,064	10,000	15,568	52,868	20,000	(32,868)	20,000
Miscellaneous	1,363,043	888,020	950,310	2,203,088	1,113,660	(1,089,428)	1,113,660
Transfers	144,000	1,144,000	1,144,000	1,144,000	1,556,000	412,000	1,356,000
Total Revenues	**54,236,390**	**54,265,252**	**54,470,491**	**56,597,805**	**57,787,854**	**1,190,049**	**57,624,905**
Personnel							
Policy and Administration Service	2,025,132	2,157,948	2,150,748	2,034,616	2,186,959	152,343	2,209,201
Management Services	1,675,740	1,866,822	1,866,876	1,829,789	1,939,706	109,917	1,964,547
Development Services	1,761,110	1,988,222	1,988,022	1,769,551	1,983,007	213,456	2,029,435
Police Services	13,967,360	12,664,759	12,664,759	11,915,236	13,603,256	1,688,020	13,931,886
Fire Services	12,203,077	12,163,678	12,163,678	11,180,495	13,010,633	1,830,138	13,565,247
Operation Services	4,414,791	4,767,841	4,767,841	4,298,577	4,913,126	614,549	4,915,978
Non-Departmental	9,937	19,420	19,420	9,420	19,420	10,000	19,420
Total	**36,057,147**	**35,628,690**	**35,621,344**	**33,037,684**	**37,656,107**	**4,618,423**	**38,635,715**
Other Operating							
Policy and Administration Service	894,275	1,343,610	1,320,210	972,568	944,051	(28,517)	1,200,652
Management Services	2,639,595	2,906,310	2,940,586	2,808,231	2,343,907	(464,324)	2,770,222
Development Services	102,059	226,123	227,646	168,264	207,660	39,396	207,452
Police Services	4,983,252	4,852,370	5,114,339	5,295,238	5,406,730	111,491	5,106,293
Fire Services	2,698,074	2,995,250	3,132,381	3,120,463	2,832,427	(288,036)	2,966,104
Operation Services	2,934,693	2,069,713	2,116,625	2,150,975	2,116,940	(34,035)	2,177,757
Non-Departmental	4,968,890	4,235,193	4,405,193	4,775,982	6,006,633	1,230,651	5,019,423
Total	**19,220,839**	**18,628,570**	**19,256,980**	**19,291,721**	**19,858,347**	**566,626**	**19,447,904**
Total Operating Expenditures	**55,277,986**	**54,257,260**	**54,878,324**	**52,329,405**	**57,514,454**	**5,185,049**	**58,083,618**
Operating Excess (Deficiency) Revenues Over Expenditures	**(1,041,595)**	**7,992**	**(407,833)**	**4,268,400**	**273,400**		**(458,713)**
Capital Related Revenues							
Transit Capital	507,526	1,235,200	4,241,919	4,373,019	793,875	(3,579,144)	97,800
Federal Solar Tax Credit - Farmers Market Canopy	-	-	-	-	435,617	435,617	-
Total	**507,526**	**1,235,200**	**4,241,919**	**4,373,019**	**1,229,492**	**(3,143,527)**	**97,800**
Capital Outlay							
Policy and Administration Service	2,247	-	-	-	-	-	-
Management Services	863,401	38,237	869,583	842,353	-	(842,353)	-
Development Services	-	40,000	40,000	34,048	-	(34,048)	-
Police Services	1,012,225	-	114,362	-	786,345	786,345	1,102,147
Fire Services	70,267	605,000	646,721	640,900	-	(640,900)	147,000
Operation Services	748,978	1,806,000	5,877,977	5,835,299	1,041,500	(4,793,799)	195,000
Non-Departmental	5,915,344	-	2,657,849	3,059,087	216,871	(2,842,216)	-
Total Capital Outlay	**8,612,463**	**2,489,237**	**10,206,492**	**10,411,687**	**2,044,716**	**(8,366,971)**	**1,444,147**
Excess (Deficiency) Revenues Over Expenditures	**(9,146,533)**	**(1,246,045)**	**(6,372,406)**	**(1,770,268)**	**(541,824)**		**(1,805,060)**
Fund Balance, Beginning of Year	35,472,067	20,535,904	26,325,534	26,325,534	24,555,265		24,013,441
Fund Balance, End of Year	**$ 26,325,534**	**$ 19,289,859**	**$ 19,953,128**	**$ 24,555,265**	**$ 24,013,441**		**$ 22,208,381**
Contingency Reserve Percent	41.2%	34.0%	30.7%	39.1%	40.3%		37.3%

City of Fort Smith
Budget Comparison Summary - Streets Maintenance Fund

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Intergovernmental	$ 7,394,322	$ 7,566,500	$ 7,566,500	$ 7,355,533	$ 7,568,636	$ 213,103	$ 7,636,660
Taxes and Assessments	2,622,846	2,813,800	2,813,800	2,862,076	3,071,305	209,229	3,102,018
Licenses and Permits	271,564	322,000	322,000	271,000	271,000	-	271,000
Miscellaneous	402,320	264,200	315,934	368,705	290,963	(77,742)	290,963
Total Revenues	**10,691,052**	**10,966,500**	**11,018,234**	**10,857,314**	**11,201,904**	**344,590**	**11,300,641**
Personnel							
Policy and Administration Service	79,335	102,668	99,468	87,715	85,226	(2,489)	86,521
Management Services	528,801	627,686	627,713	608,488	654,848	46,360	663,326
Development Services	62,862	105,229	104,729	76,432	102,804	26,372	102,576
Operation Services	4,851,332	5,238,514	5,239,214	4,980,535	5,740,914	760,380	5,784,422
Non-Departmental	-	-	-	-	-	-	-
Total	**5,522,330**	**6,074,098**	**6,071,124**	**5,753,170**	**6,583,792**	**830,622**	**6,636,845**
Other Operating							
Policy and Administration Service	181,138	155,239	144,839	131,083	131,060	(23)	153,027
Management Services	656,954	767,972	789,676	730,827	678,437	(52,390)	793,954
Development Services	14,294	3,868	7,675	11,835	12,085	250	10,247
Operation Services	3,539,468	3,711,249	3,785,168	3,774,406	3,628,697	(145,709)	3,862,684
Non-Departmental	-	-	-	-	-	-	-
Total	**4,391,854**	**4,638,328**	**4,727,359**	**4,648,151**	**4,450,279**	**(197,872)**	**4,819,911**
Total Operating Expenditures	**9,914,184**	**10,712,425**	**10,798,483**	**10,401,321**	**11,034,071**	**632,750**	**11,456,756**
Operating Excess (Deficiency) Revenues Over Expenditures	**776,868**	**254,075**	**219,751**	**455,992**	**167,833**		**(156,115)**
Capital Outlay							
Policy and Administration Service	999	-	-	-	-	-	-
Management Services	37,128	14,302	30,012	22,207	-	(22,207)	-
Development Services	-	-	-	-	-	-	-
Operation Services	1,470,174	1,159,900	1,159,900	1,007,468	1,120,000	112,532	1,655,000
Non-Departmental	-	-	-	-	-	-	-
Total	**1,508,300**	**1,174,202**	**1,189,912**	**1,029,675**	**1,120,000**	**90,325**	**1,655,000**
Excess (Deficiency) Revenues Over Expenditures	**(731,432)**	**(920,127)**	**(970,161)**	**(573,683)**	**(952,167)**		**(1,811,115)**
Fund Balance, Beginning of Year	9,082,409	8,044,979	8,350,977	8,350,977	7,777,294		6,825,127
Fund Balance, End of Year	**$ 8,350,977**	**$ 7,124,852**	**$ 7,380,815**	**$ 7,777,294**	**$ 6,825,127**		**$ 5,014,011**
Contingency Reserve Percent	73.1%	59.9%	61.6%	68.0%	56.2%		38.2%

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	FY28 Planned
Beginning Reserve Fund Balance	$ 2,330,219	$ 1,973,093	$ 1,973,093	$ 1,973,093	$ 2,027,893	$ 2,207,893
Contributions	910,000	1,204,800	1,204,800	1,204,800	1,300,000	1,300,000
Replacement	1,267,126	1,150,000	1,150,000	1,150,000	1,120,000	1,655,000
***Ending Reserve Fund Balance**	**$ 1,973,093**	**$ 2,027,893**	**$ 2,027,893**	**$ 2,027,893**	**$ 2,207,893**	**$ 1,852,893**

***The Reserved Equipment Replacement fund balance is included in the Streets Maintenance Fund Balance, End of Year, noted above.**

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

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Water Sales	$ 37,886,243	$ 38,949,098	$ 38,949,098	$ 41,037,655	$ 41,448,032	$ 410,377	$ 41,448,032
Sewer Sales	29,027,202	31,775,118	31,775,118	31,685,426	33,056,512	1,371,086	33,056,512
Services Charges and Fees	1,148,870	739,752	739,752	1,015,690	989,752	(25,937)	989,752
Miscellaneous	1,857,158	771,362	812,731	1,921,522	1,780,344	(141,179)	1,762,173
Total Revenues	**69,919,473**	**72,235,331**	**72,276,700**	**75,660,293**	**77,274,640**	**1,614,347**	**77,256,469**
Personnel							
Policy and Administration Service	510,187	846,284	827,484	752,323	667,370	(84,954)	677,506
Management Services	2,873,188	3,974,084	3,974,222	3,944,739	4,299,100	354,362	4,357,839
Development Services	274,781	2,705,896	2,702,516	2,609,240	2,789,173	179,934	2,796,163
Operation Services	18,892,040	17,387,306	17,387,336	16,152,831	18,480,893	2,328,062	18,645,589
Non-Departmental	-	-	-	-	-	-	-
Total	**22,550,196**	**24,913,570**	**24,891,559**	**23,459,132**	**26,236,536**	**2,777,404**	**26,477,097**
Other Operating							
Policy and Administration Service	416,853	277,954	216,854	140,797	201,166	60,370	268,812
Management Services	2,909,809	3,280,192	3,353,691	3,206,237	3,010,913	(195,323)	3,448,503
Development Services	32,610	216,049	388,817	173,631	327,446	153,815	292,850
Operation Services	35,341,861	40,551,421	41,259,484	41,103,169	41,015,203	(87,966)	42,315,319
Non-Departmental	100,000	100,000	100,000	100,000	100,000	-	100,000
Total	**38,801,133**	**44,425,617**	**45,318,845**	**44,723,834**	**44,654,728**	**(69,106)**	**46,425,485**
Total Operating Expenditures	**61,351,329**	**69,339,187**	**70,210,404**	**68,182,966**	**70,891,265**	**2,708,298**	**72,902,581**
Operating Excess (Deficiency) Revenues Over Expenditures	**8,568,144**	**2,896,144**	**2,066,295**	**7,477,327**	**6,383,375**		**4,353,888**
Capital Outlay							
Policy and Administration Service	5,868	-	-	-	-	-	-
Management Services	111,383	95,357	145,908	116,492	-	(116,492)	-
Development Services	-	44,850	48,240	48,240	30,250	(17,990)	-
Operation Services	732,567	1,971,535	1,972,207	1,608,894	7,876,347	6,267,453	1,200,000
Non-Departmental	-	-	-	-	-	-	-
Total	**849,817**	**2,111,742**	**2,166,354**	**1,773,626**	**7,906,597**	**6,132,971**	**1,200,000**
Excess (Deficiency) Revenues Over Expenditures	**7,718,326**	**784,403**	**(100,059)**	**5,703,701**	**(1,523,221)**		**3,153,888**
Working Capital, Beginning of Year	22,549,917	25,981,968	30,268,243	30,268,243	25,971,944		24,448,723
Working Capital, End of Year	30,268,243	26,766,371	30,168,184	35,971,944	24,448,723		27,602,610
Adjustment for CIP Transfers	**-**	**-**	**-**	**10,000,000**	**-**		**-**
Adjusted Working Capital, End of Year	**$ 30,268,243**	**$ 26,766,371**	**$ 30,168,184**	**$ 25,971,944**	**$ 24,448,723**		**$ 27,602,610**
Contingency Reserve Percent	48.7%	37.5%	41.7%	37.1%	31.0%		37.2%

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

	FY25 Actuals	FY26 Original	FY26 Amended	FY26 Projected	FY27 Budget	Increase (Decrease)	FY28 Planned
Revenues							
Intergovernmental	$ 5,185	$ -	$ -	$ -	$ -	$ -	$ -
Service Charges and Fees	21,456,349	25,888,099	25,888,099	26,869,000	28,315,000	1,446,000	28,315,000
Miscellaneous	760,645	289,000	292,709	313,179	493,086	179,907	493,086
Total Revenues	**22,222,179**	**26,177,099**	**26,180,808**	**27,182,179**	**28,808,086**	**1,625,907**	**28,808,086**
Personnel							
Policy and Administration Service	214,525	276,847	268,847	240,186	237,191	(2,995)	240,896
Management Services	974,346	1,138,984	1,139,037	1,103,177	1,196,062	92,885	1,211,961
Operation Services	6,988,539	7,024,306	7,024,306	6,753,454	7,400,671	647,217	7,480,808
Non-Departmental	-	-	-	-	-	-	-
Total	**8,177,409**	**8,440,137**	**8,432,190**	**8,096,817**	**8,833,924**	**737,107**	**8,933,666**
Other Operating							
Policy and Administration Service	290,896	227,620	201,620	167,479	182,724	15,245	222,141
Management Services	1,084,772	1,271,385	1,306,796	1,210,570	1,128,567	(82,002)	1,313,843
Operation Services	6,629,887	8,490,061	8,696,654	8,325,422	8,704,108	378,686	8,915,678
Non-Departmental	825,000	1,825,000	1,825,000	1,825,000	2,612,000	787,000	2,412,000
Total	**8,830,554**	**11,814,066**	**12,030,070**	**11,528,470**	**12,627,399**	**1,098,929**	**12,863,662**
Total Operating Expenditures	**17,007,964**	**20,254,203**	**20,462,260**	**19,625,287**	**21,461,323**	**1,836,036**	**21,797,328**
Operating Excess (Deficiency) Revenues Over Expenditures	**5,214,215**	**5,922,896**	**5,718,547**	**7,556,892**	**7,346,763**		**7,010,758**
Capital Outlay							
Policy and Administration Service	2,497	-	-	-	-	-	-
Management Services	55,691	29,433	52,998	40,340	-	(40,340)	-
Operation Services	257,244	568,800	735,592	725,850	533,800	(192,050)	548,800
Non-Departmental	5,476,090	5,234,433	5,234,433	5,234,433	6,792,322	1,557,889	6,792,322
Total	**5,791,522**	**5,832,666**	**6,023,024**	**6,000,623**	**7,326,122**	**1,325,499**	**7,341,122**
Excess (Deficiency) Revenues Over Expenditures	**(577,307)**	**90,230**	**(304,476)**	**1,556,269**	**20,641**		**(330,364)**
Working Capital, Beginning of Year	11,970,040	9,528,388	11,392,733	11,392,733	12,949,002		12,969,643
Working Capital, End of Year	**$ 11,392,733**	**$ 9,618,618**	**$ 11,088,257**	**$ 12,949,002**	**$ 12,969,643**		**$ 12,639,279**
Contingency Reserve Percent	50.0%	36.9%	41.9%	50.5%	45.1%		43.4%