

BENTONVILLE ARKANSAS



2019 BUDGET
JANUARY 1 – DECEMBER 31

**City of Bentonville, Arkansas
2019 Annual Budget**

January 1 – December 31

**Bob McCaslin
Mayor**

City Council and Other Elected Officials

| Name | Ward | Position |
|------------------------------|-------------|-----------------|
| Stephanie Orman | 1 | 1 |
| Chad Goss | 1 | 2 |
| Tim Robinson | 2 | 1 |
| Chris Scooter | 2 | 2 |
| Aubrey Patterson | 3 | 1 |
| Bill Burckhart | 3 | 2 |
| Octavio Sanchez | 4 | 1 |
| Jon Terlouw | 4 | 2 |
| George Spence, City Attorney | | |
| Linda Spence, City Clerk | | |

Prepared by:
Jake Harper
Director of Finance and Administration

Visit our web site at: www.bentonvillear.com



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Bentonville
Arkansas**

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morrell

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Bentonville, Arkansas** for its annual budget for the fiscal year beginning **January 1, 2018**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.



Mission Statement

The mission of Bentonville City Government is to preserve, promote and sustain an excellent quality of life within our city. In partnership with the community, we pledge to deliver municipal services in a professional, personal, and responsive manner.

The City of Bentonville values:

- Citizens as customers, deserving the highest quality of services delivered by a local government.
- An open, accessible government, where citizen involvement, individually and collectively, is vital.
- People as our most important resource.
- Public safety for all citizens.
- A community that strives for beauty and cleanliness.
- Fairness, integrity and trust as essential qualities of ethical governance.
- Responsibility and accountability.
- Taking pride and achieving the highest quality in all we do.
- Encouragement of progressive thinking through employee involvement and teamwork.
- Positive liaisons with local governmental organizations.
- Achievement of a positive solution to every problem.

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BENTONVILLE AT A GLANCE

Bentonville, the county seat for Benton County, is located in the northwest corner of Arkansas. Missouri borders the county to the north and Oklahoma to the west. Little Rock, the state capital, is in the center of the state and slightly more than 180 miles to the southeast. Bentonville enjoys four distinct and beautiful seasons in a climate that has drawn a variety of individuals who seek a special environment to live, work, and raise a family.



Fayetteville, with a 2010 census population of 73,580, is the county seat for Washington County and is home to the University of Arkansas. It is 25 miles to the south of Bentonville. Between Fayetteville and Bentonville are the cities of Springdale, population of 69,797 based on the 2010 census (the 2000 census count was 45,798), and Rogers, population of 55,964. Bella Vista is a short distance to the north of Bentonville, offers 7 lakes and 126 holes of golf, tennis and other activities, with a population of 25,250. The local area offers good hunting, fishing, camping, and hiking. Northwest Arkansas Community College is in Bentonville and offers opportunity for education after high school.

Benton and Washington counties have historically experienced strong economic development with lower unemployment rates than the national average and growing population estimates of 221,339 and 203,065 respectively. Growth has been very rapid, with Benton County's population up 44.3% between 2000 and 2010, and Washington County's up 28.8% for the same period.

There are several major industries in the City, with Wal-Mart and Sam's Club headquarters in Bentonville. The neighboring communities are home to Tyson's Foods and J.B. Hunt Transport. A number of vendor firms have established a presence in Bentonville and others keep arriving. They have found the area an

BENTONVILLE AT A GLANCE

attractive place to live and work. The Northwest Arkansas Regional Airport, just a few miles to the southwest, opened in November of 1998 and has had a significant impact on continued growth in the area. XNA had a total of 1,574,610 in passenger traffic in 2018 compared to 1,438,922 in 2017

Voluntary annexations to the City of Bentonville have extended the city limits to the edge of the airport, and major water and sewer lines have been constructed in that area. The Planning Department has prepared a master plan for zoning that area of the City. Despite a slowdown, growth continued in 2008 along that corridor, with several major projects already on the drawing board and others to follow. In addition, "fill in" growth continues in the City.

In June of 2003, a study, "Milken Institute Best Performing Cities: Where America's Jobs are Created," was released by the Milken Institute. The nationally recognized Milken Institute is a non-profit, non-partisan, and publicly supported economic think tank that was founded in 1991. That study identified the Fayetteville metro area (which includes Bentonville) as the top metro area, for the year with a #1 ranking in overall economic performance and #1 in job growth.

Bentonville is also listed as one of the 10 best places to live in Arkansas by MOVOTO Insider as well as Sperling's Best Places.

HISTORY

Bentonville is in the area that was part of the 1803 Louisiana Purchase. In November of 1837, a site was designated as the county seat for Benton County, which was named in honor of Senator Thomas Hart Benton, from Missouri, who worked to have Arkansas admitted as a state. Bentonville was named after the county and was the county seat. From a population of 30 in 1838, it grew to 500 in 1860. During the Civil War, all but twelve buildings were burned. The main buildings around the square were built between 1875 and 1888. Bentonville was incorporated as a town in January of 1873. By 1900, Bentonville had a city-owned light and water plant and was working on a sewer program. There was also a telephone company and school system. Prior to the Civil War, the money crops were cotton, hogs, cattle, and mules. There were three cotton gins and a tobacco factory. Apples gained commercial importance with the coming of the railroad in the 1860s. Benton County was credited by the U.S. Census Bureau as having the largest number of bearing apple trees of any county in the United States for several decades. The major industries were apples, strawberries, peaches, railroad ties, mine props, horses, and mules, hardwood for wagon spokes, lime, grain, and produce. By the 1930s, the trend turned to poultry and dairy, which are the major cash crops today.

BENTONVILLE AT A GLANCE

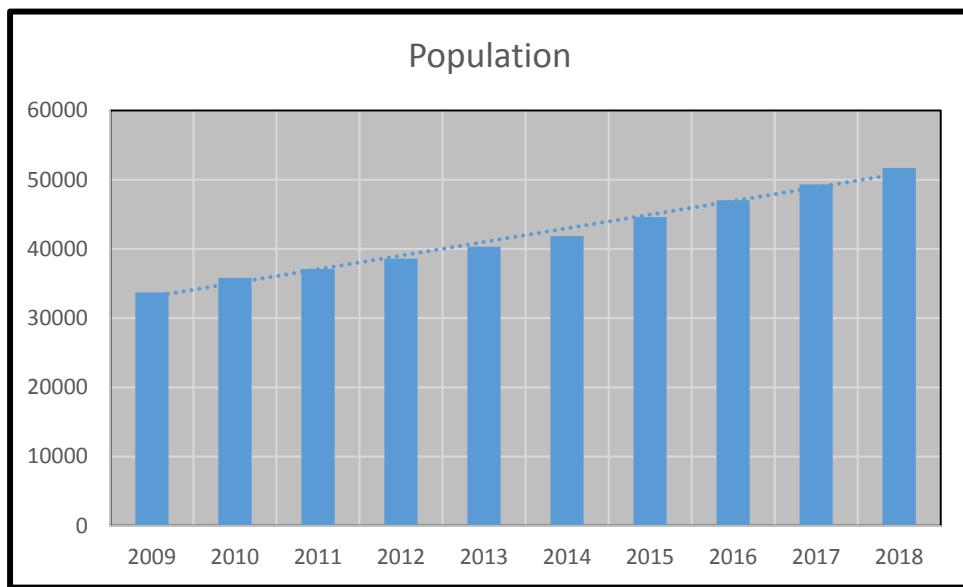
Bentonville Downtown Square



POPULATION

Bentonville's population has grown rapidly since 1990, when the official population from the national census was 11,257. A special census that began in 1995 and was certified in early 1996 put the official population at 15,363, which was an increase of more than 36% in just over five years. The 2000 census set the official population at 19,730 and in 2005, the Council voted to contract with the Census Bureau for a special census. The enumeration began early in 2006, and confirmed a population of 28,621. The following chart shows the rapid population change from the figure of less than 5,000 people in 1950. Demographic information from the 2010 census can be seen on page 173.

BENTONVILLE AT A GLANCE



The City historically benefits from low unemployment rates. Bentonville is included in the area of Northwest Arkansas that was identified by the Milken Institute in 2003 as being part of the strongest regional economy in the United States. This reality is played out every day as more and more companies locate portions of their operations in Bentonville and surrounding communities to support the growth of Wal-Mart. In June of 2009, Forbes magazine listed the Northwest Arkansas Region as one of the best cities for recession recovery.

Bentonville's population is to be over 50,000. It is estimated that it could grow to as large as 65,000 by the year 2025 according to a University of Arkansas population study.

BENTONVILLE AT A GLANCE

CITY FACILITIES

City staff operates out of several major City facilities. City Hall is in the downtown area and is home to Administration, which includes the Mayor's office, Human Resources, Accounting, and Computer Systems. City Hall also houses Utility Billing and Collection/Meter Reading, and the Staff Attorney. District Court moved to a newly renovated building in May, 2010.

Before



After



BENTONVILLE AT A GLANCE

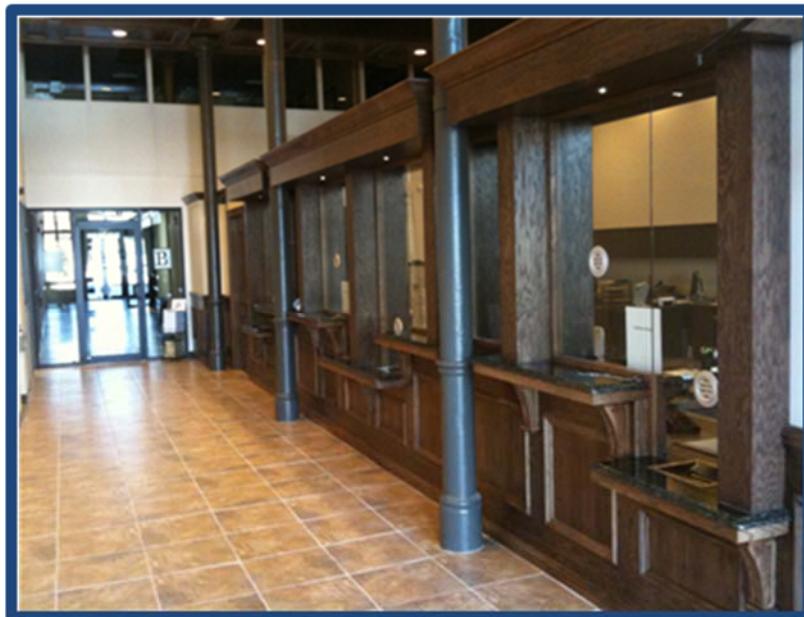
During 2010, the interior renovation of City Hall was started and was done in phases. The Utility Billing collection area was renovated and a Purchasing office along with a conference room was added in the space once occupied by the District Court.

Utility Billing

Before



After



BENTONVILLE AT A GLANCE

The main fire station is located five blocks south of City Hall. Construction for the new station began in 2007 and it was operational by the summer of 2008. The former station was opened in 1962 and served the City well, but it needed to be replaced with a larger, more modern facility. The Fire Department also operates six substations. Penton's Fire Chief Magazine awarded the City's Central Fire Station with the Gold Place Awards for 2008.

Bentonville Central Fire Station



BENTONVILLE AT A GLANCE

A little more than three blocks south of City Hall is the City's Community Development Building. This building, which opened in January 2006, replaced an historic structure that was built as a church, served as a library and was later home to the Police Department. The building houses the Public Works Director and Community Development – which is comprised of Planning, Engineering, and Building Inspection. There is also a meeting room for City Council meetings, Planning Commission meetings and other various groups.

Community Development Building



BENTONVILLE AT A GLANCE

The Bentonville Library was opened in 2006 and it is a state of the art facility with more than 38,000 square feet of space available for patrons and the community. Many generous citizens came together to privately fund the vast majority of this project and it should serve the community for years to come.

Bentonville Public Library



BENTONVILLE AT A GLANCE

Bentonville Municipal Airport dedicated its new terminal building in June of 2008. This facility is approximately 2400 square feet and includes a welcome area, public lounge, pilot's lounge, conference room, restroom facilities, vending and dining areas. The tornado in March, 2006 destroyed the old terminal building. The new facility was funded with insurance proceeds and a grant from the State of Arkansas Aeronautics Department.

Bentonville Municipal Airport – Louise M. Thaden Field



BENTONVILLE AT A GLANCE

Downtown Water Tank



BENTONVILLE AT A GLANCE

The Street Department maintains over 200 miles of roads and streets in the City. The State of Arkansas is responsible for another 31 miles of state highways within the city limits, and Interstate I-540 adds about 16 more miles to the total. In 1994, the combined total was close to 100 miles. Most of the growth is in City streets and roads resulting from new construction and/or annexations. The annual resurfacing project is done by contract, but the Street Department is responsible for maintenance, drainage, sidewalks, signs, traffic signals, and other street related work.

Tiger Boulevard



BENTONVILLE AT A GLANCE

Several blocks further south is the Police Building. It was completed and placed in service in 1995, and is an excellent, though now crowded facility. It was modified in 2009 to add additional space for the detectives. An additional Police Services Building was constructed in 2001 to provide space for evidence storage and processing, vehicle storage and routine vehicle maintenance, and space for a K-9 unit and bike patrol space.

Bentonville Police Facility



The Parks and Recreation Maintenance Department office is at Memorial Park which is east of downtown and its main office is located a block south of City Hall in the Downtown Activity Center. Memorial Park has a picnic area, baseball and softball fields, tennis courts, a swimming pool, a skate park, and a sand volleyball court. A new soccer complex adjacent to the park has been completed and opened for use. A few miles to the southeast is Phillips Park, with baseball and softball fields for youth and adult participants. In addition, there are parks facilities at Lake Bentonville, and at Dave Peel Park, which is just off the square. Several smaller neighborhood parks are spread around town.

During 2010, Lawrence Plaza was opened which serves as an ice rink during the winter months and a splash park during the summer months. Orchards Parks was also opened in 2010 where concerts are held during the summer as well as the annual July 4th Fireworks Display. In the fall of 2011, the Downtown Activity Center was opened. Numerous classes are offered for a nominal fee, rooms may be rented by the general public, civic groups and private organizations. Bikes are also available for rent. This building is where the various intramural sports register.

BENTONVILLE AT A GLANCE

Lawrence Plaza Ice Rink



Lawrence Plaza Splash Park



BENTONVILLE AT A GLANCE

Downtown Activity Center



Orchards Park



BENTONVILLE AT A GLANCE

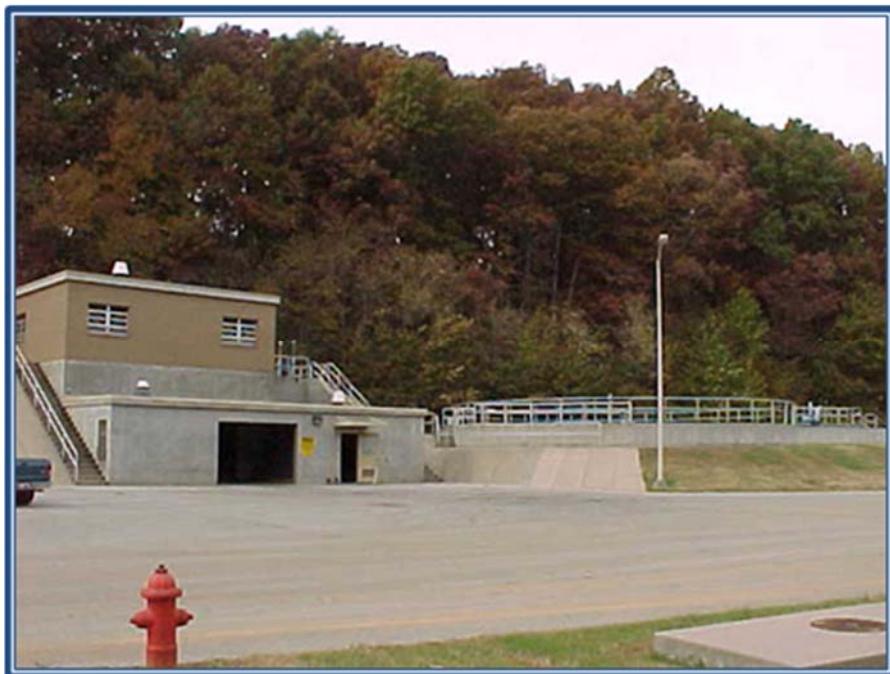
Crystal Bridges Trail



BENTONVILLE AT A GLANCE

The Wastewater Department's treatment facility is north of downtown. The plant's capacity was expanded a few years ago. The City is a charter member of NACA (Northwest Arkansas Conservation Authority), an organization that developed regional wastewater facility that will provides additional capacity for several communities, rather than each individual city continuing to individually deal with expansion and the many facets of challenges that come with the need for more capacity to treat wastewater in compliance with new and changing regulations.

Wastewater Treatment Plant



In conjunction with the wastewater treatment plant operation, a composting facility was opened in 2001 and it has had very good results. Citizens are allowed to bring yard waste and other appropriate material without charge, and the finished product is available for purchase. This has helped with disposal of sludge and the pressure from the reduced amount of land available for application of sludge.

BENTONVILLE AT A GLANCE

Construction of a new Public Works Facility began in the Spring of 2016 and was ready for occupancy at the end of August, 2017. This facility houses Water, Sewer Rehab, Electric, Street, Inventory, and Engineering departments.

Public Works Facility

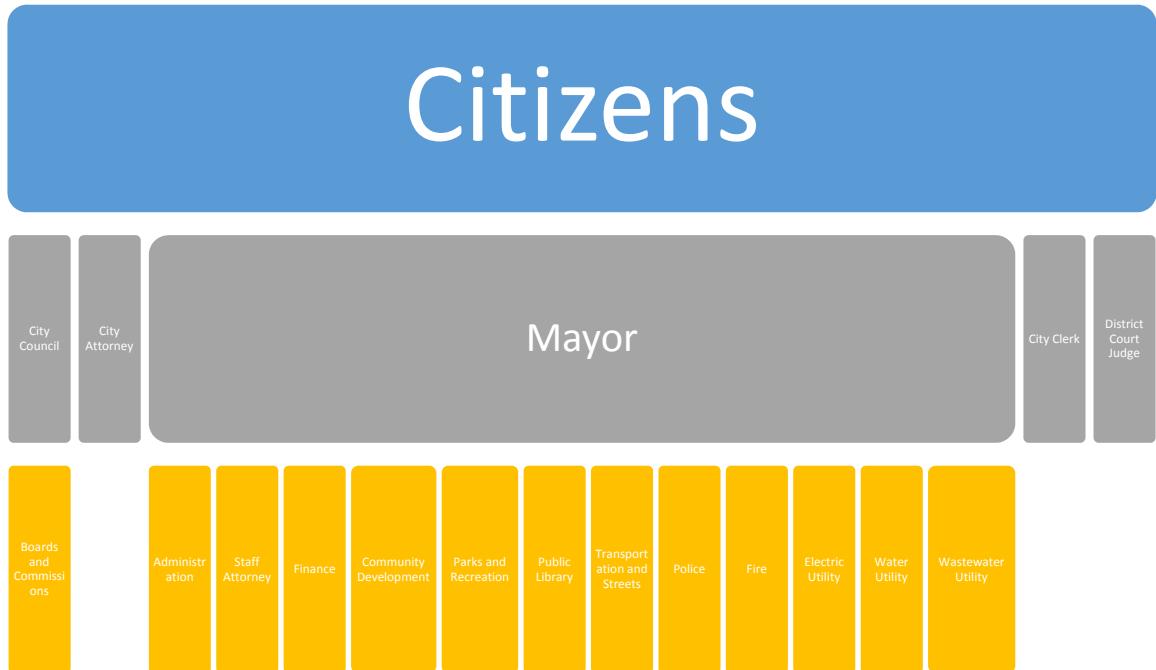


BENTONVILLE AT A GLANCE

With the home offices of Wal-Mart and Sam's Club, Bentonville is home to many employees working in those offices and warehouses, and to a growing list of vendors who have established local offices to work closely with Wal-Mart. The table below lists the top 10 employers in the City from available data.

| Employer | Rank | Employees |
|---|-------------|------------------|
| Wal-Mart Stores, Inc | 1 | 2,500+ |
| Mercy Health System of Northwest Arkansas | 2 | 1000-2499 |
| Bentonville School District | 2 | 1000-2499 |
| Northwest Health System | 3 | 500-999 |
| Benton County | 3 | 500-999 |
| City of Bentonville | 3 | 500-999 |
| Northwest Arkansas Community College | 4 | 300-499 |
| Arvest Bank Group, Inc | 4 | 300-499 |
| Black Hills Energy | 4 | 300-499 |
| Crafton Tull | 4 | 300-499 |
| Consumer Testing Laboratories | 5 | 200-299 |

ORGANIZATION CHART



SCHEDULE OF KEY PERSONNEL

| POSITION | NAME | PHONE |
|--------------------------------|------------------|--------------|
| Mayor | Stephanie Orman | 479-271-5966 |
| Community Development Director | Troy Galloway | 479-271-3122 |
| Chief Building Inspector | Lance Blasi | 479-271-3125 |
| Parks & Recreation Director | David Wright | 479-271-6813 |
| Maintenance Supervisor | Crant Osborne | 479-271-6826 |
| Finance Director | Jake Harper | 479-271-6781 |
| Human Resources Coordinator | Ed Wheeler | 479-271-3191 |
| Systems Manager | Jonathan Rogers | 479-271-5911 |
| Assistant Finance Director | Jessica Thurman | 479-418-8649 |
| Billing and Collection Manager | Gary Wilson | 479-271-3104 |
| District Judge | Ray Bunch | 479-271-5923 |
| Fire Chief | Brent Boydston | 479-271-3155 |
| Library Director | Hadi Dudley | 479-271-3194 |
| Police Chief | Jon Simpson | 479-271-3172 |
| Staff Attorney | Camille Thompson | 479-271-5914 |
| Transportation Engineer | Dennis Birge | 479-271-6840 |
| Street Manager | Tony Davis | 479-271-3130 |
| Public Works Director | Mike Bender | 479-271-6720 |
| Wastewater Manager | Nancy Busen | 479-271-3160 |
| Water Utilities Manager | Preston Newbill | 479-271-3142 |
| Public Works Maint. Manager | Bart Mahony | 479-271-3109 |
| Engineering Director | Travis Matlock | 479-271-6720 |
| Asst Electric Utility Manager | Wayman Thurman | 479-271-5943 |
| Asst Electric Utility Manager | Doug Charest | 479-271-5985 |
| City Engineer | Ellen Norvell | 479-271-3166 |

BUDGET MESSAGE

January 1, 2019

To: Members of the City Council
Citizens of Bentonville

I hereby present the adopted budget for the year 2019 for the City of Bentonville, Arkansas. This budget has been prepared and submitted in accordance with Arkansas statutes. Under Arkansas Code 14-58-201 and 14-58-202, for our form of government the Mayor must submit the annual budget for the coming year to the City Council on or before December 1 of each year, and the governing body must adopt an annual budget by February 1 of the budget year. Our practice is to present the budget to the Council by the first meeting in November, and for the budget to be adopted before mid-December. The 2019 budget was adopted on November 27, 2018.

BENTONVILLE IS STRONG AND HEALTHY

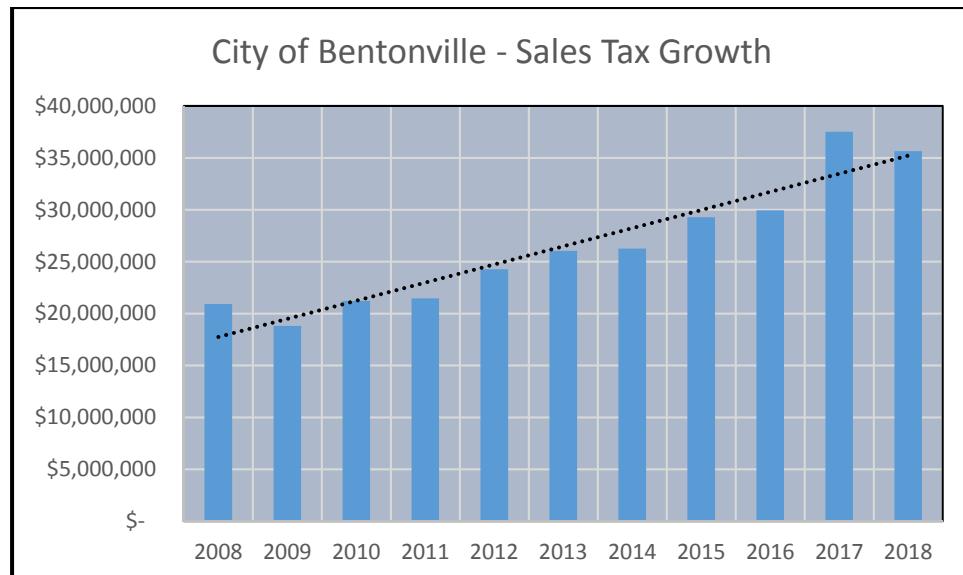
The year 2019 marks 182 years since the founding of Bentonville. Imagine for a moment the many changes our city has seen. From a small thriving agricultural community to a vibrant 21st century city that has become a destination for regional, national and worldwide travelers. With a population estimated to be over 49,000, Bentonville is known for its welcoming spirit and its “can do” attitude. Home to the world’s largest retailer, a famous art museum and people groups from throughout the world, Bentonville is garnering awards and recognition as one of the best places in the United States to live and work.

Bentonville is managed by an extraordinarily professional team. The City’s senior staff lead 470 full-time employees and 119 part-time employees. Our employees are dedicated to providing taxpayers with an “exceeds expectations” return on their investment in city government. Highly educated and certified, the professionals that comprise our team make our city a point of difference.

Bentonville enjoyed another great year for sales tax with our per penny amount eclipsing 13 million for the second straight year. However, it is noteworthy that Bentonville’s 2018 sales tax receipts decreased by 6.89% compared to 2017 collections. December 2017 was a record-setting collection month with receipts 3 times larger than any previous month. Excluding that month, Bentonville experienced year over year sales tax growth of 14.81%. It is a great compliment to our city when local businesses enjoy the benefits of growth which is represented through our consistent and strong sales tax collections the last several years.

Late last year Walmart announced plans to design and construct a new campus on approximately 300 acres east of the current home office. This project will dramatically add to the already vibrant NWA economy. The project, expected to require more than 5 years to complete, will create additional jobs and tax dollars. I expect the continued growth of this company and its worldwide influence will serve to attract new residents to Bentonville and northwest Arkansas.

BUDGET MESSAGE



BUDGET AND FINANCE OVERVIEW

The Government Finance Officers Association (GFOA) has over 18,000 members and is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Government organizations may submit their annual budgets to the GFOA to be considered for the Distinguished Budget Presentation award. Bentonville has received the award each of the past twenty years. First-rate budgeting is essential to the City's success, particularly as the budget increases each year proportionately with growth.

The City's 2019 budget is one of the largest in our history with budgeted revenues, before interdepartmental transfers, of over \$161 million dollars and total expenses of more than \$159 million dollars. Capital expenditures are over \$16 million dollars.

Even with the increased expenditures required to keep pace with growth, the City has shown fiscal responsibility by maintaining a healthy reserve in fund balance. Our budgeted 2019 fund balance is over \$50 million. The City's fund balance policy, adopted during the budget process in 1998, is based on guidelines from the national Government Finance Officers Association. Our policy states that we maintain a fund balance equals to at least 10% of our total Operations and Maintenance budget. The City has also maintained a responsible approach toward debt, borrowing when necessary to complete vital public projects, but staying well within its legal and financial limits.

SERIES 2007, SERIES 2009, SERIES 2010 AND SERIES 2017 BOND ISSUE

The 2007 Capital Bond proposal was approved by Council and presented to voters in August, 2007. The voters gave overwhelming support to the proposal with a 78% passing vote. This vote allowed much needed capital projects to proceed during an economic downturn of historic proportion. The timing could not have been better. This vote approved \$110 Million in Capital Improvement Bonds. Financing for this proposal was made possible by extending for 25 years the one cent capital sales tax passed in 2003. The first of three planned issuances took place in November, 2007 and the second issuance took place in December, 2009 about one year earlier than originally planned. The third series was issued in November, 2010. The fourth series was in April, 2017. The four series total a little more than \$108 million and is currently being targeted towards the following purposes:

BUDGET MESSAGE

- Street Improvements, including particularly, without limitation, any curb, gutter and drainage improvements, equipment, land acquisition, street lighting, utility adjustments, sidewalks and traffic signals; \$85 million
- Park and Recreation Improvements, including particularly, without limitation, any necessary land acquisition, equipment and parking, drainage, lighting and utility improvements; \$15.4 million
- Fire Department Improvements, including particularly, without limitation, any necessary land acquisition and parking improvements; \$2.4 million
- Police Department Improvements, including particularly, without limitation, any necessary land acquisition and parking improvements; \$4.5 million
- Airport Improvements, including particularly, without limitation, improvements to the runway and taxiway and any land acquisition. \$750,000

If sales tax collections continue the trend over the next several years, it is the City's intent to have early pay offs on the bonds with the stepped up collections.

At the end of 2018, bond money funds of over \$85 million had been used for various capital projects. Street projects account for most of these expenditures but the City has also made major improvements and additions to its parks system as well as police, fire and the airport.

UTILITIES

The Utility Billing team managed the collection and administration of more than \$93.8 million from more than 25,037 accounts while providing a high level of professional customer service. In 2018, Utility Billing implemented an objective credit based deposit tool to better protect the City from loss. In addition, the amount of automatic payments increased 19% thanks to a 130% increase of customers using Auto Pay through our website.

In 2018, the Electric Department installed 1,255 new meters, raising the total electric meter count to 23,448; including 28 net meters, bringing the total net meters to 64. 2018 revenue exceeded projections by 7.32%. The Electric Department also maintained a 99.998% reliability rate throughout the year. Residential and commercial construction continues at a very high rate and shows no signs of slowing down any time soon. The 8th Street utility relocation was completed in order to make way for the widening of 8th Street. The Electric Department began coordinating the design of a new fiber infrastructure to enhance communication with all city owned facilities. The construction of this fiber infrastructure will begin in 2019 and allow the Electric Department enhanced real time communications with facilities. The Electric Department will begin the installation/conversion of LED street lights within the city limits. This will be a long process, but will ensure that Bentonville is using the best technology available.

Our Public Works Director oversaw the completed relocation of water and sewer utilities associated with the 8th Street Improvement Project between I-49 and SW 1 Street. He started easement acquisition for water relocation to accommodate ARDOT's Walton/I-49 Interchange improvement project and began a "Utility Summit" with local water utilities. This is a quarterly meeting between Bentonville, Rogers, Springdale and Fayetteville. The meeting is informal and is an opportunity to exchange information and discuss issues we may be facing. It has helped all attendees better address some issues while building and strengthening working relationships. Our Public Works Director continues to collaborate with the Northwest Arkansas Conservation Authority (NACA) and Intergovernmental Working Group (IWG) on water and wastewater discharge issues.

The Water Master Plan was completed in 2018 and outlines several projects to initiate the planning process in 2019 and 2020, including route analysis and securing easements for an additional line to Beaver Water District.

The Water Utilities Department completed projects in nine areas of town, resulting in 3,853' of sewer main being upgraded as well as 1700' of water main. 26 manholes were rebuilt and 3 fire hydrants replaced. In addition, 114 new small water services (5/8" – 2") were installed, more than 300 water leaks were repaired, and 65 large water taps (4" – 12") were made, as well as 242 fire hydrants were inspected, and

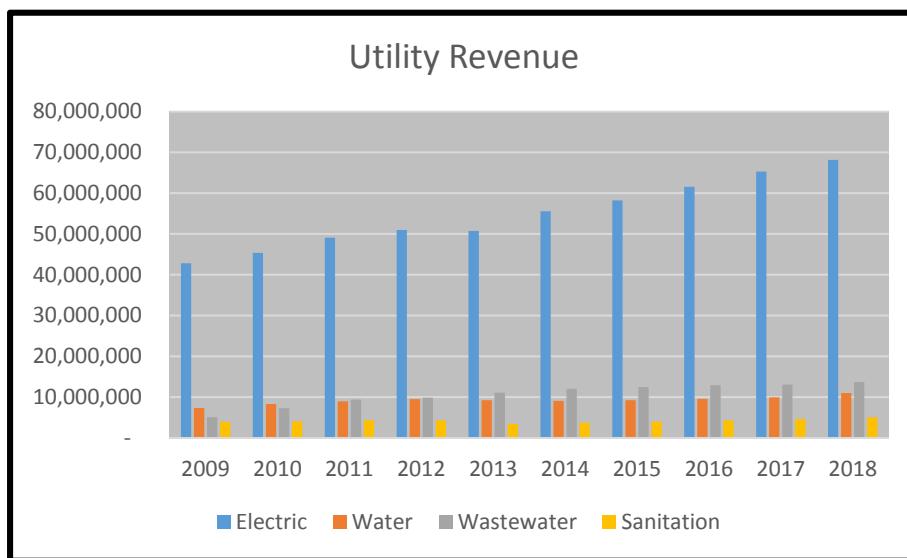
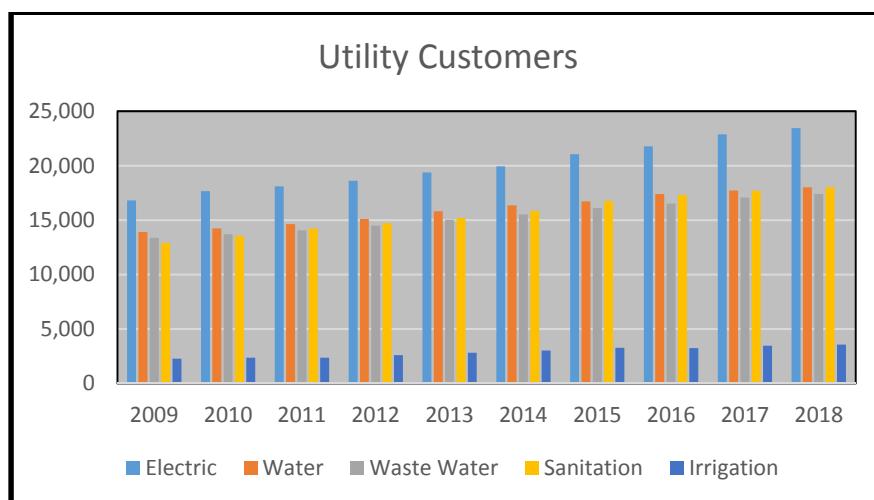
BUDGET MESSAGE

an additional 16 were repaired. With our growing population, 12 additional water-sampling stations were installed, resulting in 50 samples being taken every month.

The sewer team video inspected 118,451' of main line and cleaned an additional 1,466,724'. They completed 68-point repairs and have taken on clearing sewer easements throughout town. The team inspected and provided oversite for the epoxy lining of 14 manholes and rebuilt an additional 4. The team also assisted with another NACA sewer main repair and the multi-sensor inspection of the entire pipeline. The meter team installed 688 new water meters in 2018, responded to over 3,000 work orders related to water meters and changed out for repair another 547 meters. In all, the department completed over 5,000 work orders in 2018.

The 8th Street utility relocations (14,000' water and 6,000' sewer) were completed in 2018, and 64 large scale and subdivision projects were added (11,766' of water main and 10,216' of sewer main). These new developments brought on line new water services, fire hydrants and manholes.

The department also launched a new logo, which has received positive feedback and as a department they are proud of how it turned out.



BUDGET MESSAGE

TRANSPORTATION

The Transportation Department's completed capital projects in 2018 were the Central/I49 interchange, where new on/off ramps were constructed on I-49, NW 3rd Phase III was completed widening NW 3rd St. and the bridge structure replaced, SE Walton/SE 28th signal was improved by adding a dedicated left turn arrow to the east and west travel lanes, and the 8th Street utility relocation has seen the electric, water, sewer, gas and cable lines relocated. The street department completed 1.6 miles of new asphalt overlay throughout the City. Additionally, the street department placed 1104 tons of asphalt to repair street cuts and potholes, cleaned 4 miles of drainage ditches, swept 287 miles of roadway, mowed 198 miles of right of way, mowed 411 acres of detention ponds, installed 3 new traffic signals bringing our signal total to 48 signals, and added 4 sets of pedestrian crosswalk signals.

FIRE

The Bentonville Fire Department responded to 6,789 emergency calls, an increase of 6.6%, and reported no fire related deaths in 2018. The department's commitment to continual professional improvement is validated by 32,099 hours of training for firefighters throughout 2018. Training was specifically focused on leadership, EMS, Rescue, HazMat, and Fire Fighting protocol.

A new support truck was ordered to replace the current 2000 model. Two power assist bikes were purchased for standbys and trail use. One power cot system was installed in an ambulance, 7 automatic defibrillators were installed on all of the frontline fire apparatus, and the Circa 1947 hose dryer was replaced with a multi-use dryer for equipment.

The newly established strategy for Fire Safety inspections exceeded projections. Inspectors performed more than 2,846 inspections on existing commercial structures within Bentonville during 2018. 103 educational programs were delivered reaching over 43,000 attendees.

POLICE

The Police Department and Emergency Dispatch Center processed more than 73,000 calls for service, representing a significant increase over 2017 totals. On average, dispatch has experienced an increase of more than several hundred calls each month for each of the past 7 years. Approximately 16,000 9-1-1 calls were received at the police department's Communications Center. There was no notable increase in more serious crimes or crimes against persons and no trends in criminal activity that should be cause for concern. One of the few more serious crimes recorded in 2018, a November homicide, resulted in a timely arrest and is currently under investigation.

The Bentonville Bomb Squad finished its fifth year in a row with more than 100 calls for service, including 30 bomb related calls for service. The Bomb Squad received \$196,300 in grants in 2018 leading to the purchase of several vital pieces of equipment including a 2019 Ford F-350.

Employee development and retention resulted in our police department ending 2018 fully staffed with 77 sworn officers and 32 professional staff members, comprising a total department with 109 full time members.

Future needs were also addressed in 2018 with the ground breaking of a new facility that will house both the Emergency Dispatch Center and the Criminal Investigations Division. This new facility is being constructed on property located directly south of the current police facility. The approximate 22,000 square foot facility will also contain a citywide Emergency Operations Center and a multi-use area designed to provide for a variety of law enforcement needs, including training. The Dispatch Center and Emergency Operations Center are designed to be weather rated and a completion date for the project will be late summer 2019.

BUDGET MESSAGE

A bike officer provided near daily security on our city Trail System and Downtown area. Additional electric assist bikes were added to the Bike Team to further extend trail and downtown area coverage capabilities.

Police and Fire Dispatchers implemented and completed a 9-1-1 education program for students in local elementary schools.

In response to growing concerns, the department offered presentations based on a nationally recognized Active Shooter training program to better educate and prepare our own staff, area businesses, churches, and other community members.

In response to a nationwide school security concerns, the Police Department continued a now established program to increase safety and security in the schools. For the sixth year in a row, officers performed numerous random school visits to provide an extra layer of protection in our schools. The Bentonville Police Department received recognition and this school security layering tactic was recommended as a school safety strategy in the Governor's Arkansas School Safety Commission Report. One additional School Resource Officer was added at the Junior High level bringing the number of officers assigned to the district's schools within the city limits to four. An additional Bomb Squad member received certification and brought the number of certified bomb techs to six. One police K9 was replaced and paired with a new handler. The Animal Services group added one member to bring their numbers to three, and also help provide better coverage and improved animal related services. Other activities by the police department staff included outreach related programs such as the now well established Citizen's Police Academy and numerous active shooter safety and awareness presentations that were delivered to local businesses, organizations, and church groups. Overall, the 2018 efforts and accomplishments of our Police Department will help us better support, protect and serve our community both now and in the future.

LEGAL

In 2018, the City of Bentonville Legal Department handled 2,816 new criminal and traffic cases in Bentonville District Court, including arraignment, discovery, negotiation with defendants and defense counsel, plea hearings, case preparation and trials. The department also prepared numerous ordinances and resolutions, reviewed hundreds of criminal cases for probable cause, provided legal and prosecution support for criminal investigations, prepared contracts for approval, negotiated land transactions and complex regulatory matters and consulted regularly with all City departments to provide guidance and risk management.

The department maintained its commitment to continuing education and innovation, attending the National Association of Drug Court Practitioners Conference on Treatment Courts, together with the DWI Court Team, including defense counsel, treatment providers, law enforcement and supervision. Additionally, the department paralegal, together with the court clerks, received training at the Elevate Journal Technologies Conference. During this 5-day conference, our representative attended individual classes for needs specific to case management, report building and business rules of the court, as well as break out classes to enhance our knowledge of document functionality and web based programs available for information sharing. Journal Technologies supplies case management software, "Justware" to courts, prosecutors and other justice agencies in 500 courts throughout 42 states.

PARKS AND RECREATION

Bentonville Parks and Recreation's Community Programs continue to grow in size and popularity with our citizens and visitors. In 2018, Parks and Recreation hosted 120 recreation programs involving more than 230,000 participants, with more than \$4 million in revenue.

Memorial Park softball fields were provided a much-needed facelift last spring with the renovation of four fields. The 1.2 million dollar project, paid for by the Advertising and Promotions Fund, included new artificial

BUDGET MESSAGE

turf and new fencing. The park, named the National Sports complex of the year in 2018, produced a 2.9 million dollar economic impact for our community with state and national tournaments.

Park development continued at Citizen's Park with the completion of a new amphitheater, pavilion, and parking lot. In addition, construction began on a new eight court tennis complex that should open in May 2019. Development of this park should conclude with the construction of Bentonville's first inclusive playground scheduled to begin construction later this year.

The Parks and Recreation Advisory Board completed two major master planning processes when they studied the future use of Melvin Ford Aquatic Center and the design of a future park located on SW 28th Street. Staff and board members hosted multiple public meetings to speak with citizens regarding ideas for both of these facilities. The new 26-acre park could be constructed in 2021.

Parks and Recreation has worked with non-profit partners to construct and open the final section of the North Walton Boulevard Trail. This provides cycling and pedestrian access from Walmart Store 100 to the Bentonville Bark Park and the Razorback Greenway. Work is almost complete on the Applegate Trail that will prove to be the first major section of trail to open in the west part of our community.

Trail's safety was improved immensely with a grant from the Trailblazers. A new tunnel was constructed at the intersection of 8th Street and SE J Street to provide safe access through what was one of the busiest intersections on the 36 mile Razorback Greenway.

LIBRARY

In 2018, Bentonville Public Library recorded 667,538 circulations. Compared to 2017, physical material checkouts increased over 2,000 and e-book circulation grew more than 8,000. Library visits increased to 302,398 with 5,573 new library cards issued. Program attendance totaled 80,718, an all-time high for Bentonville Public Library. Bentonville Public Library was one of fifty libraries nationwide selected to host the *Thinking Money: A Financial Expedition* exhibit. During the period February 10 through March 15, more than 3,000 patrons viewed the exhibit or attended exhibit related library events. Additionally, Bentonville Public Library presented the Fourth Annual Youth Literature Festival and First Annual GeekCon, featuring Free Comic Book Day. Both events realized record-number attendance. Bentonville Public Library co-hosted with Bella Vista Public Library "An Afternoon with Lisa Wingate." The presentation kicked off the 2018 "If All Arkansas Read the Same Book" statewide tour. Bentonville Public Library's Tech Card program began its fifth year by issuing 25,000 library cards to local students in our service area. Library databases have been used 700,000+ times since program launch. Use of the databases has grown 327% since 2014.

The Library upgraded several areas to benefit patrons. The Library reupholstered furnishings in public areas and added two new picture book bins, two courtesy charging stations and four custom book display units. The Tech Loan Program improved by purchasing new laptops and iPads.

Bentonville Public Library's Summer Reading Club participation was the best ever, with nearly 2,800 participants reading a total of over 51,000 hours. Program attendance totaled more than 15,000 and over 110,000 physical item checkouts in June and July. Bentonville Public Library partnered with the Bentonville Library Foundation during Booked for the Evening to honor community supporters with Library Service Awards.

COMMUNITY DEVELOPMENT

Community Development Highlights:

- Estimated Population: 49,629 – up 4.2% from 2017
- 487 single family building permits issued
- 494 single family houses completed
- Average value of new home--\$289,317
- Average new home size—2,883 sq. ft.
- Multi-family units permitted – 1032

BUDGET MESSAGE

- Multi-family units completed – 372
- Total number of all building permits issued – 1,732 – up 11% from 2017
- Value of all building permits = nearly \$500 million

City Council approved the new Bentonville Community Plan on October 23, 2018. The plan establishes a vision for the future and serves as a guide for decision-making. In 2018, planning, electric, engineering, water, sewer, transportation and wastewater collaborated to improve the submittal and review process for preliminary plats and large-scale developments. The process requires more information up-front from developers to ensure a more comprehensive review. The new TrakIt project management and permitting software has improved the response time and has improved communications between all departments. All planning submittals are now accepted digitally online, eliminating the numerous copies previously required for each submittal and providing a cost-savings to applicants. Beginning later in 2019, building applications will also be accepted online.

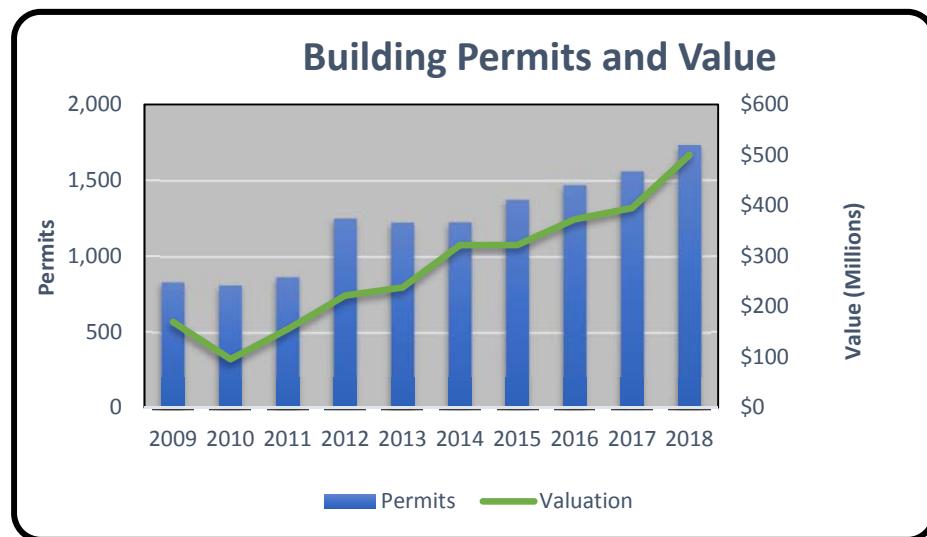
On March 27, 2018, City Council adopted an ordinance amending the city's zoning code. This was part of a bi-annual review to make clarifications, corrections, or updates to meet current conditions. A similar review with amendments for the development code is planned for early 2019.

Other initiatives designed to enhance Bentonville's appearance, environment and sense of community included: tree and flower plantings, tree giveaways, volunteer events, neighborhood meetings and public art. Two Bike Tower sculptures (one in blue tones and the other in red tones) designed by Tyler French were installed serving as gateway features when entering Bentonville via the trail system.

Bentonville maintained its Tree City USA designation for the nineteenth year in a row, exceeding the per capita spending requirement for community forestry initiatives. Due to a grant from the Walton Family Foundation, the Tree and Landscape Committee was able to give Bentonville residents almost 800 trees. The October Planting Blitz resulted in the planting of an additional 430 trees.

For the sixth consecutive year, the city proclaimed October as Community Planning Month. This is part of a national campaign sponsored by the American Planning Association with the goal to increase understanding of community planning.

Transportation assistance for low-income, elderly and disabled Bentonville residents continues to be offered by supplementing the costs associated with taxi and Ozark Regional Transit (ORT) fares. In 2018, 219 riders were approved for the taxi program and 51 for the ORT program. In the 2018 ORT program, the city issued 190 \$25 fare cards.



PLANNING FOR THE FUTURE

Our department managers have identified accomplishments for 2018 and goals for 2019 that are presented in the Department Summaries of this document to help us achieve these city-wide goals. We continue to make progress, but focus will continue to be on:

- A community that promotes aesthetics and quality of life
- Attract the type of growth that will improve our revenue stream and provide the City with needed funding
- Capital investments that will allow current commerce to thrive and attract future commerce
- Continue our role in the Northwest Arkansas Conservation Authority and development of a regional wastewater treatment facility
- A transportation system that enables our citizens and visitors to get where they need to be safely, effectively, and efficiently
- Focus on opportunities to expand and improve our parks
- Strengthen the budget process by improving revenue and expense forecasts
- Utility infrastructure projects to support and promote growth and quality of life
- Downtown parking that continues with the revitalization of the City's Downtown square

Commitment to shaping the future of the City requires many master plans that are frequently reviewed and kept relevant even in these times of unprecedented growth and change. Many people perhaps are not aware of those plans and of how comprehensive our overall planning is throughout our departments. The Comprehensive Plan is a dynamic document that must change periodically and because of the rapid growth and development needs a complete overhaul at least every five years. Various committees will be set up to address different aspects of the plan. There are numerous other important official planning documents in place that are also under almost constant review with updates done from time to time. The following list identifies some of our major planning documents:

Bentonville Community Plan (2018)

The Bentonville Community Plan is the official comprehensive plan for the City of Bentonville. It is intended to serve as a roadmap for the community as it evolves, grows and changes over time. The plan articulates a vision for Bentonville that reflects the community's aspirations while respecting the unique character and defining sense of place that distinguishes Bentonville from other places. It addresses land use, commerce, mobility, open space, public facilities and infrastructure. Five subarea plans are included: Downtown Bentonville, Downtown Neighborhoods, 8th Street, 14th Street and SW Regional Airport Blvd/Street.

Parks Master Plan (2017)

The Parks Master Plan looks toward the future, to build on Bentonville Parks & Recreation's success, in an effort to define ways to achieve a world class park system. The plan outlines a balanced strategy for park improvement and new parks in a cohesive and seamlessly connected park system.

Bicycle & Pedestrian Master Plan (2015)

The Bicycle and Pedestrian Master Plan expresses Bentonville's intention to provide greater access to alternative transportation modes by establishing guiding principles, facility types, proposed trail network, and design standards.

Bentonville Blueprint (2014)

The Bentonville Blueprint is Bentonville's strategic economic development plan that identifies eight main target sector opportunities and seven strategic priorities.

BUDGET MESSAGE

SE Downtown Area Plan (2014)

Building on the Downtown Master Plan, the Southeast Downtown Area Plan zooms in on 300 acres in the southeast quadrant of the downtown study area to provide more specific and detailed implementation strategies. The plan identifies strategies for the Arts District and Market District.

N. Walton Blvd. Corridor Enhancement Plan (2013)

The North Walton Boulevard Corridor Enhancement Plan establishes a direction for improving access management along the roadway, encouraging complementary land uses, installing pleasing aesthetics, and implementing economic development strategies to create a sustainable commercial corridor that is economically vibrant.

Master Street Plan (2008)

The Master Street Plan provides for the orderly growth and development of the city through the development of a roadway system that provides internal circulation within the city while connecting to other population centers in Northwest Arkansas. It constitutes the official policy with regard to the future location and function of all roadway systems.

Downtown Master Plan (2004)

The Downtown Master Plan establishes a common vision for downtown Bentonville and identifies strategies for implementation for development and redevelopment, circulation, economic development, promotions, architecture and streetscape, image and identity.

As I begin my first term as your mayor, I want you to know I consider it an honor and a privilege to serve the City of Bentonville. I am excited about the future of Bentonville. There is much to do as incredible opportunities lie ahead for our city. Bentonville is fiscally sound and filled with passionate people who want to work together to provide a vibrant, safe and clean city. In my first few weeks in office it has been an honor to visit each City Department, meet and speak with our hard working employees and see the expansive day-to-day operations that keep Bentonville a thriving city.

City staff is focused on a collaborative team effort bringing people together and working together as we progress to find the best direction and solutions for Bentonville. As we grow, listening carefully, speaking clearly and respecting all will guide our decisions. We will continue to promote a high quality of life and reinforce Bentonville's identity as a welcoming community striving for excellence in safety, business, residence, recreation, and education.

In closing let me say, I truly love this city and I hope you do too. I ask that you join with me, city staff, City Council, and area community and business groups who are working to make a difference in Bentonville. You can join volunteer groups or choose to serve on city appointed boards. You can start a Strong Neighborhood Program, get involved with our coming Animal Shelter or volunteer at our public library. Nominate someone for our Quarterly Outstanding Citizen's Award. I encourage you to be engaged and encourage others to serve. Find a place you can make a difference. I strongly believe the good people of this community will guide what I am certain will be a very bright future for the City of Bentonville.

Thank you all ~ may God continue to bless our City, Northwest Arkansas and the United States of America!

Mayor Stephanie Orman
City of Bentonville

BUDGET SUMMARY

FUND STRUCTURE

The City of Bentonville fund structure is outlined below for Governmental, and Proprietary fund types.

GOVERNMENTAL: Governmental Funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds).

General: The General Fund is the general operating fund for the city. It is used to account for all financial resources that are not accounted for in other funds. 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.

Special Revenue: Special Revenue funds are used to account for revenue sources that are legally restricted to expenditure for specific purposes (other than special assessments, expendable trusts, or major capital projects). The City of Bentonville has four funds in this group: Street, Parks and Recreation, Library, and Impact and Capacity Fees.

Street Fund: This fund is used to account for revenue received from the state as turnback funds that are required to be used within the Street Department, the City's share of funds provided from the county road tax, any other funds such as grants or donations specifically for the Street Department, and any funds that are transferred from the General Fund.

Impact and Capacity Fund: This fund is used to account for revenues collected due to new growth of homes and businesses in the City. Fire Impact Fees are restricted to capital expenditures that are necessary to keep up with the growing demands for additional stations, machinery, equipment, and vehicles. Water and Sewer Capacity Fees are restricted to capital expenditures necessary to increase the capacity of our current water and sewer systems.

Debt Service Fund: This fund is used to account for the revenues from the capital penny and the principal and interest payments of the City's bond issue. This also includes fees payable to the banks involved as agents for the bondholders.

PROPRIETARY: Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance.

Enterprise: Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City of Bentonville has one such fund, which is the Utility Fund.

Utility Fund: This fund accounts for the City's electric, water, sewer, and wastewater systems whose operations are financed through user charges.

BUDGET SUMMARY

MAJOR REVENUES AND EXPENSES

MAJOR REVENUES

A few revenues comprise a major part of the City's total revenue, excluding transfers. The table below shows each one that has been over \$500,000, the percentage that each is of the total, and the cumulative total and percentage. The last row in the table is a total of all other revenues, each of which is less than \$500,000. As shown, that entire group makes up a small percentage of the total figure.

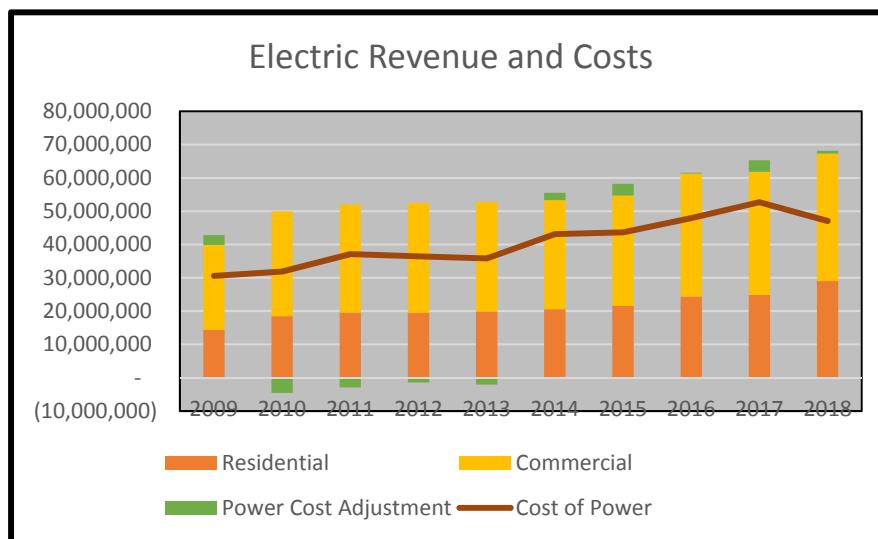
The next table shows the same revenue sources, but in addition to the 2019 Budget amounts, it shows, in the same order, the corresponding figures for 2017 Actual and 2018 Budget. Following that table are comments on selected 2019 major revenues, especially those that are large and those that might not be self-explanatory.

| | 2017 ACTUAL | 2018 BUDGET | 2019 BUDGET | CHANGE | PERCENT |
|------------------------|----------------|----------------|----------------|----------------|---------|
| Electric Sales | \$ 66,007,652 | \$ 63,256,160 | \$ 64,610,394 | \$ 1,354,234 | 2.1% |
| Sales Tax | 25,623,102 | 20,120,000 | 22,450,000 | 2,330,000 | 11.6% |
| Capital Sales Tax | 11,878,939 | 8,880,000 | 10,000,000 | 1,120,000 | 12.6% |
| Water Sales | 10,616,476 | 10,203,468 | 10,438,436 | 234,968 | 2.3% |
| Wastewater Sales | 13,339,032 | 13,200,785 | 13,355,000 | 154,215 | 1.2% |
| Sanitation | 4,591,853 | 4,438,700 | 4,543,645 | 104,945 | 2.4% |
| Property Tax | 7,300,908 | 6,658,525 | 7,300,427 | 641,902 | 9.6% |
| Franchise Fees | 5,351,361 | 5,527,980 | 5,220,141 | (307,839) | -5.6% |
| General Turnback | 559,832 | 564,120 | 565,000 | 880 | 0.2% |
| Street State Turnback | 1,561,970 | 1,547,400 | 1,561,970 | 14,570 | 0.9% |
| Ambulance Charges | 1,466,195 | 1,395,000 | 1,688,000 | 293,000 | 21.0% |
| Bldg Permits & License | 1,322,878 | 1,043,000 | 1,188,500 | 145,500 | 14.0% |
| Parks Programs | 3,517,037 | 3,348,480 | 3,976,101 | 627,621 | 18.7% |
| Fire Impact Fees | 439,908 | 300,000 | 300,000 | - | 0.0% |
| Parks Impact Fees | 406,951 | 900,000 | 900,000 | - | 0.0% |
| Police Impact Fees | 611,175 | 500,000 | 500,000 | - | n/a |
| Library Impact Fees | 107,482 | 85,000 | 85,000 | - | n/a |
| Debt Issuance | 24,180,854 | | | | |
| Water Capacity | 228,820 | - | - | - | n/a |
| Sewer Capacity | 326,156 | - | - | - | n/a |
| Subtotal | 179,438,581 | 141,968,618 | 148,682,614 | 6,713,996 | 4.7% |
| All Other Revenue | 23,890,241 | 20,836,463 | 12,403,219 | (8,433,244) | -40.5% |
| Total Revenue | \$ 203,328,822 | \$ 162,805,081 | \$ 161,085,833 | \$ (1,719,248) | -1.1% |

BUDGET SUMMARY

| | 2019 Budget | % of Total | Cumulative Amount | Cumulative % of Total |
|--------------------------|-----------------------|---------------|-----------------------|-----------------------|
| Electric Sales | \$ 64,610,394 | 40.11% | \$ 64,610,394 | 40.11% |
| Sales Tax | 22,450,000 | 13.94% | 87,060,394 | 54.05% |
| Capital Sales Tax | 10,000,000 | 6.21% | 97,060,394 | 60.25% |
| Water Sales | 10,438,436 | 6.48% | 107,498,830 | 66.73% |
| Wastewater Sales | 13,355,000 | 8.29% | 120,853,830 | 75.02% |
| Sanitation | 4,543,645 | 2.82% | 125,397,475 | 77.85% |
| Property Tax | 7,300,427 | 4.53% | 132,697,902 | 82.38% |
| Franchise Fees | 5,220,141 | 3.24% | 137,918,043 | 85.62% |
| General Turnback | 565,000 | 0.35% | 138,483,043 | 85.97% |
| Street State Turnback | 1,561,970 | 0.97% | 140,045,013 | 86.94% |
| Ambulance Charges | 1,688,000 | 1.05% | 141,733,013 | 87.99% |
| Bldg Permits & License | 1,188,500 | 0.74% | 142,921,513 | 88.72% |
| Parks Programs | 3,976,101 | 2.47% | 146,897,614 | 91.19% |
| Fire Impact Fees | 300,000 | 0.19% | 147,197,614 | 91.38% |
| Parks Impact Fees | 900,000 | 0.56% | 148,097,614 | 91.94% |
| Police Impact Fees | 500,000 | 0.31% | 148,597,614 | 92.25% |
| Library Impact Fees | 85,000 | 0.05% | 148,682,614 | 92.30% |
| Debt Issuance | - | 0.00% | 148,682,614 | 92.30% |
| Water Capacity | - | 0.00% | 148,682,614 | 92.30% |
| Sewer Capacity | - | 0.00% | 148,682,614 | 92.30% |
| Subtotal | 148,682,614 | 92.30% | | |
| All Other Revenue | 12,403,219 | 7.70% | 12,403,219 | 7.70% |
| Total Revenue | \$ 161,085,833 | 100% | \$ 161,085,833 | 100% |

Electric – Sales Revenue - \$64,610,394: Bentonville is one of fifteen municipalities in Arkansas that has its own electric department. The City does not generate power; it is purchased and distributed through the City's electric system. Meter readers read both water and electric meters, and utility bills cover both as well as wastewater and trash service. The electric revenue projection process utilizes data from the power company that sells the power and historical data based on growth projections. A rate study was conducted in 2015 and the rates were increased approximately 10% and this will be spread out over a 3 year period. The increase in electric sales budget number reflects a modest rate of growth. The franchise fee to the General Fund in 2019 is at 5% which is a steady revenue stream for general operations.

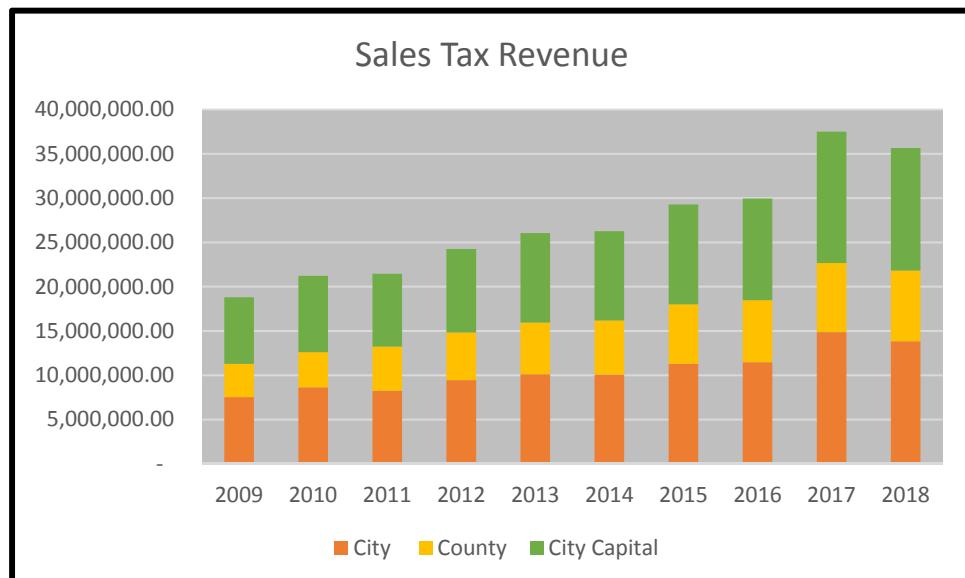


BUDGET SUMMARY

Sales Taxes - \$22,450,000: There are three different sales taxes included in the amount shown. One is a local one-cent sales tax that was originally approved for ten years by citizens in a special election in August 2003, with an effective date of October 1, 2003. In August of 2007, a special election was held to extend the tax for 25 years to finance a bond issue in the amount of \$110 million. Beginning in 2008, 80% of this penny goes to a trustee for debt service and the remaining 20% comes to the City and is used for other capital that was not included in the bond issue. The proceeds from this tax are budgeted at \$12,500,000 in total but only \$2,500,000 is included in this number. The second sales tax is another local one-cent tax approved in 1983 and accounts for another \$12,500,000. It may be used for any purpose approved by the City Council. The third tax is a countywide sales tax, also for one-cent, that was passed in 1990. Each city in the county receives a pro-rata share based on population. The budgeted amount from that tax is \$7,450,000. Growth in the existing City sales tax has varied from nearly 10% to about 3% annually, and the growth in the county tax has averaged closer to 10%.

The 1% City sales tax was enacted in 1983. It is collected by vendors and remitted monthly, along with State sales tax to the State. The State makes distribution to the City's General fund. The timing of the tax is two months behind. December sales are remitted to the State in January and would be received by the City in February. In August of 2003, the voters approved an additional 1% tax that was to fund capital projects with a minimum of 70% designated for streets. In August of 2007, a new election was held which extended the additional 1% tax for 25 years. This **capital** penny will be used to fund bonds up to \$110 million. Series 1 was issued in November of 2007 in the amount of \$36.3 million. Series 2 was issued in November of 2009 and Series 3 was issued in November of 2010. This issue will be used for street, police, fire, airport, and parks. Series 4 was issued in July of 2017 and will be used for streets and police. The County tax which was passed by the Benton County voters in 1990 is the City's share of a 1% county tax. The City's portion is approximately 12.5% of this penny and is determined on a per capita basis.

Capital Sales Tax - \$10,000,000: This number is 80% of the capital penny and will be retained by the City's Bond Trustee to fund the Debt Service on the 2007, 2009, 2010 and 2017 Series Bonds. Any excess collections will be used to pay off the bonds early when possible.



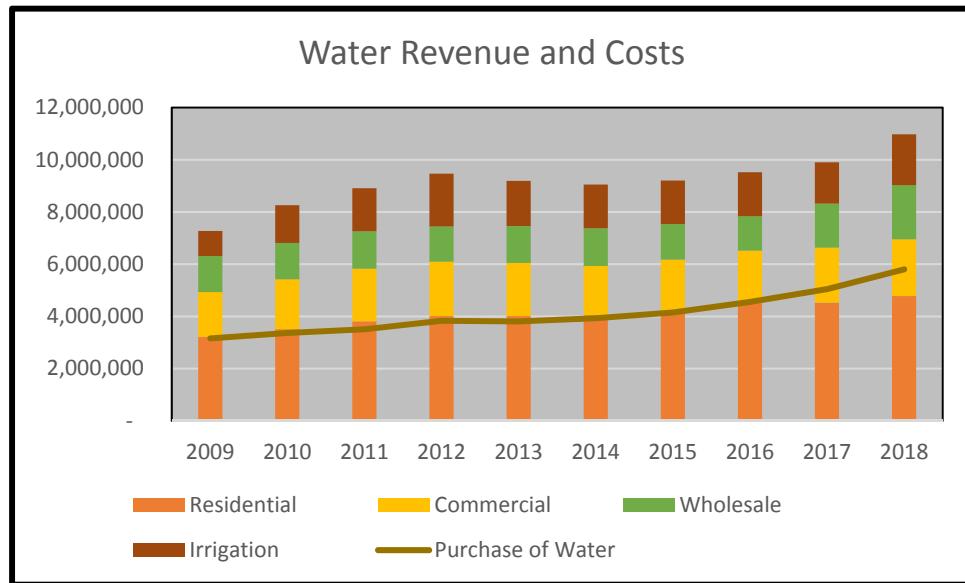
BUDGET SUMMARY

Water – Sales Revenue - \$10,438,436: Water Sales Revenue includes residential, commercial, irrigation, a large wholesale customer (Bella Vista), and two small wholesale customers. With the growth of Bella Vista and Bentonville, the wholesale contract was modified in December 2005. One major change was to remove the requirement that Bentonville be the sole source of water for Bella Vista. The other was to provide for a guaranteed minimum annual quantity to be purchased by Bella Vista. Both of these modifications will benefit both parties. Water Sales Revenue shows only a 2.3% increase from 2018 based on trends over the previous year.

Beaver Water District (BWD) was created in 1957 and the dam that created Beaver Lake and the first treatment plant were completed in the mid-1960s. Bentonville was one of the four charter members of the BWD. The District contracted with the United States for water storage in Beaver Reservoir, a Corps of Engineers lake. BWD has a treatment plant that provides water for the four member cities of Bentonville, Fayetteville, Rogers, and Springdale. Those cities may sell water to other communities on a wholesale basis. The City's wholesale customers are Bella Vista, Cave Springs, and Oak Hills (a subdivision outside the city limits.)

The new 48 inch water line was completed in 2007 and that line is expected to provide resources for the next fifteen years. An additional 2 million gallon storage tank was also completed in 2007.

A rate study was done in 2015 to insure that the City's current rates are adequate to meet revenue requirements of the Water Department. The last study was performed in 2008 and we saw a 4% increase across the board. The 2015 study kept rates the same.



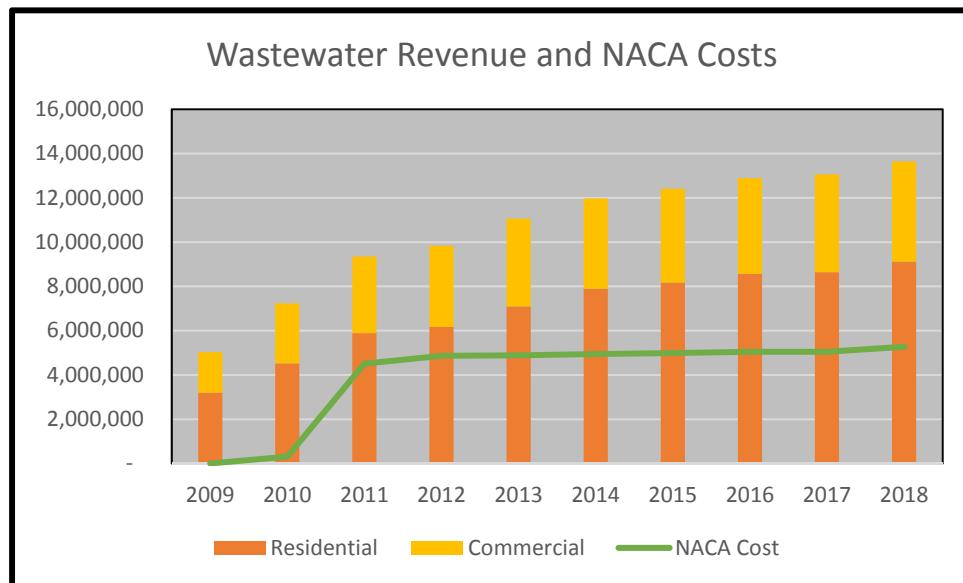
Wastewater – Sales Revenue - \$13,355,000: Wastewater sales revenue was formerly based on water revenue and includes residential and commercial charges to customers. Due to the rate study in 2009, the sewer rates were adjusted which made it difficult to project based on water results. Rates were adjusted rather significantly since 2009 with the result being about a 50% increase with the opening of NACA. Rates were reviewed again in 2012 to insure the City is meeting their revenue requirement. There was also a rate increase in 2013. A rate study was completed in 2015 and no adjustment was necessary on the current rates.

A compost facility was opened in 2000 to create a beneficial use for bio-solids generated by the Wastewater Treatment Plant (WWTP). Several recent projects have been aimed at enhancing the capability of the

BUDGET SUMMARY

WWTP and expending the collection system. This growth is funded by a low interest loan from the State of Arkansas through a Revolving Loan Fund (RLF) that helps fund similar municipal projects. A rate increase was required to support payment of the loan principal and interest.

Bentonville is one of the founding members of a regional group called NACA (Northwest Arkansas Conservation Authority). NACA has constructed a regional wastewater facility that serves several cities. Members pay for treatment of their wastewater and will be responsible for the collection lines to deliver the wastewater to the treatment plant. The City purchased suitable land in 2004 which was sold to NACA in 2006. The plant was operational at the end of 2010.

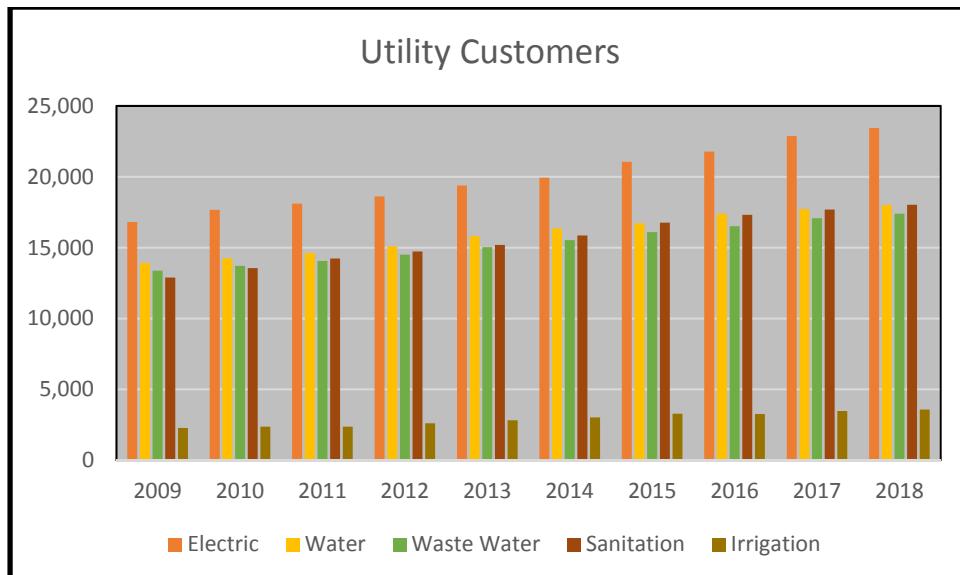


Trash – Sanitation – \$4,543,645: Sanitation reflects charges to residential, commercial, and industrial customers. The fees are based on a contract for service with a large waste disposal firm. During the bidding process in 2012, rates went down and the rate the City paid decreased. In early 2007, the City implemented a cart system as well as a recycling cart where items can be co-mingled and are picked up curbside the same day as trash. While this program is not a significant source of net revenue for the City, it has long term effects on improving the environment and has been well received by the citizens.

The utility services continue to show growth due to the continued population growth of the City of Bentonville. The graph below reflects a combined count at the end of year based on meters in service, both residential and commercial. Most customers receive all of our services but there are some exceptions.

Irrigation meters have grown in popularity due to the sewer being based on “regular” water usage and are now shown separately.

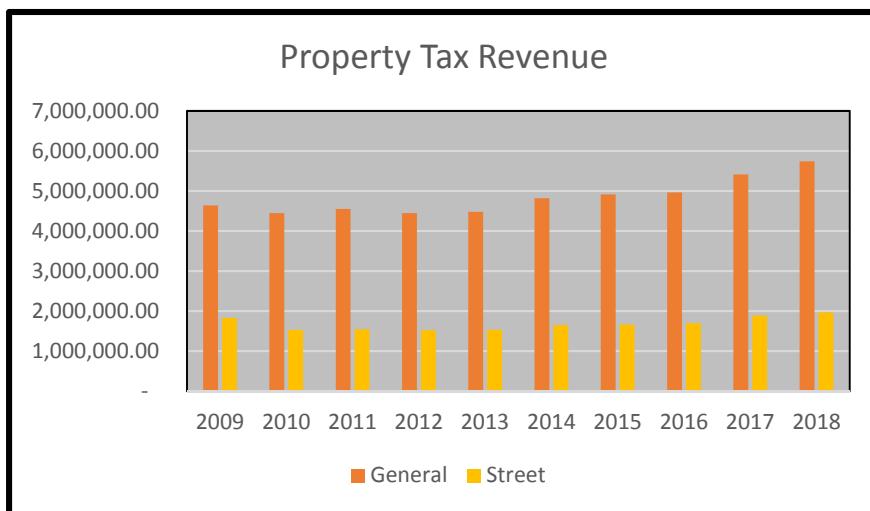
BUDGET SUMMARY



Property Taxes \$7,300,427: Taxes are collected by Benton County and the City budget amount is based on information provided by Benton County for assessed values. The increase reflects the growth in the City – both in the number of properties and the value of properties.

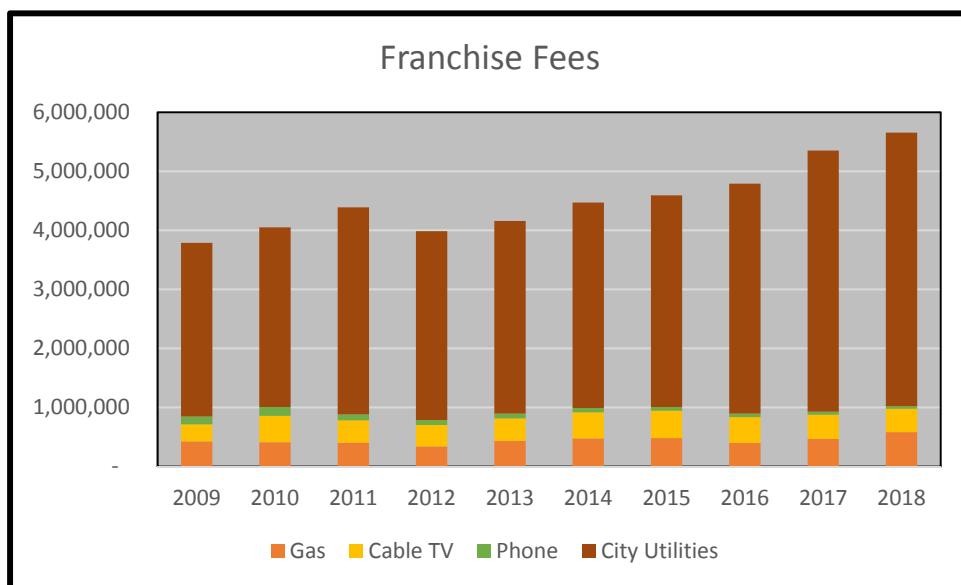
The property tax on real and personal property goes into the General Fund. The tax which is five mils on 20% of the assessed valuation of the property is the maximum allowed by State law for general city operations. The Benton County assessor appraises the property and these are reviewed periodically. State law limits revenue from property taxes to a maximum of 10% above the prior year. The limit does not apply to new property.

The Street fund receives a portion of a 1.3 mil road tax levied by the County. The County has the authority to levy up to 3.0 mils. Prior to 2000, Bentonville received 90% but this percentage was cut by the County in 2000 to 50%. This issue goes back to some legislative changes and the final resolution was in the City's favor in 2008. Up until January 1, 2007, the 40% difference has been placed into an escrow account and was a significant one-time revenue source for the City. Collections are up with the return to the 90% distribution. This change in allocation produced a significant change in Street revenue.



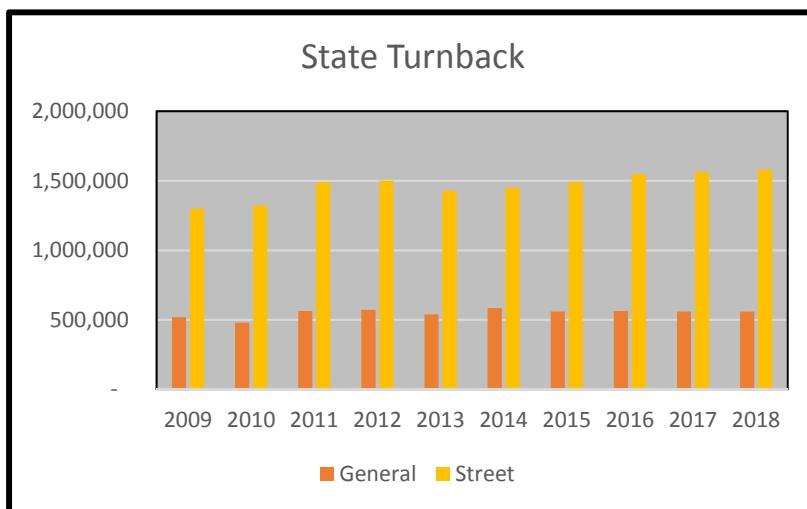
BUDGET SUMMARY

Franchise Fees (Admin) - \$5,220,141: The franchise fees include payments from telephone, cable TV, and natural gas franchises, plus an amount that is transferred each year from the City's electric department to the general fund. In 2007 water and wastewater paid a small flat amount and electric was set at 4%. Currently, Electric is at 5% and Water and Sewer are at 5%.



State Turnback - \$2,126,970: This revenue is a turn back from the state. Each year the Arkansas Municipal League advises municipalities the per capita rate to budget for the coming year. For 2019 in the street fund the amount is \$47.50 per capita, which is the same as last year.

The General fund amount is at \$16.00 per capita which is up from a year ago. As with other revenues, the General Fund portion is unrestricted but the Street Fund portion must be used for street maintenance, repair and operating costs of the street department, including the purchase of equipment or paying for capital projects.



BUDGET SUMMARY

Impact and Capacity Fees

Wastewater – Sewer/Wastewater Capacity Fee - \$0: This fee was established in 2002 with fee collection beginning in July 2002. Along with the other capacity/impact fees, it was reviewed by a consultant late in 2005 and continuing into 2006. In 2016, this fee was discontinued.

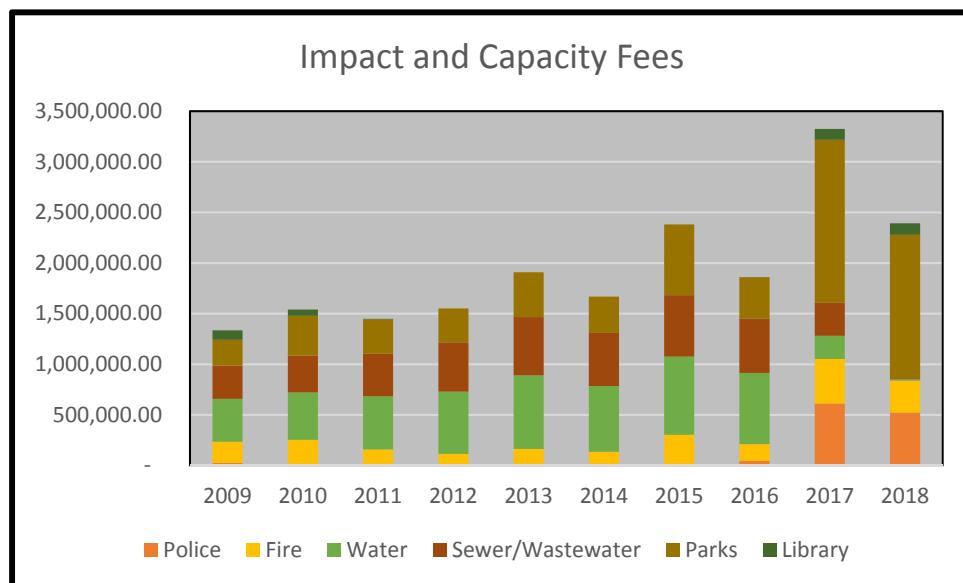
Water – Capacity Fee - \$0: This fee was passed at the same time as the Sewer/Wastewater Capacity Fee and Fire Impact Fee. In 2016, this fee was also discontinued.

Fire – Fire Impact Fee - \$300,000: This fee was passed at the same time as Sewer/Wastewater Capacity Fee and the Water Capacity Fee, and has the same restrictions. The Fire Impact Fee for a single-family residence is \$762.

Parks – Parks Impact Fee - \$900,000: This fee was passed at the same time as Sewer/Wastewater Capacity Fee and the Water Capacity Fee, and has the same restrictions. The Fire Impact Fee for a single-family residence is \$791.

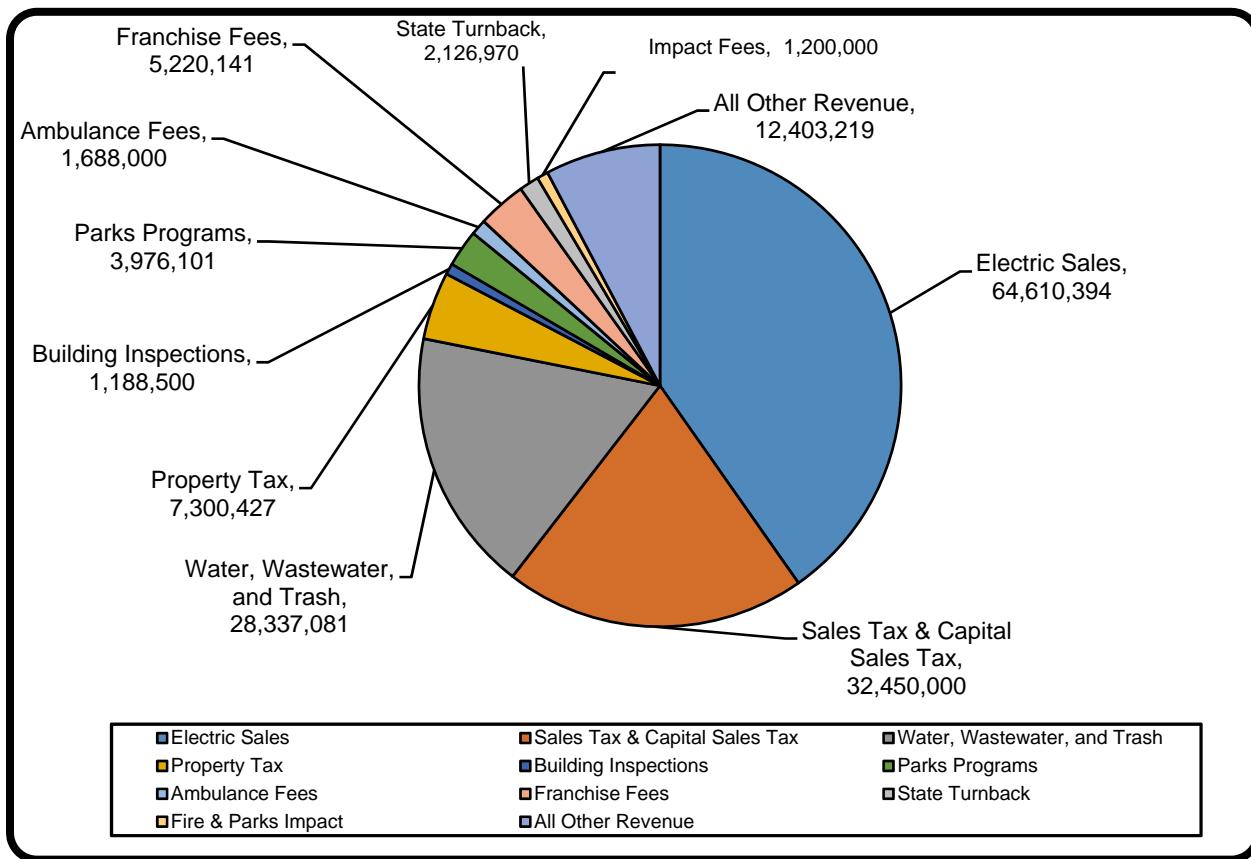
Police – Police Impact Fee - \$500,000: This fee was reinstated in 2016. Currently, police is adding additional space due to growth and these will help fund the addition.

Library – Library Impact Fee - \$85,000: These fees were also reinstated in 2016 and will be used for capital and collections.



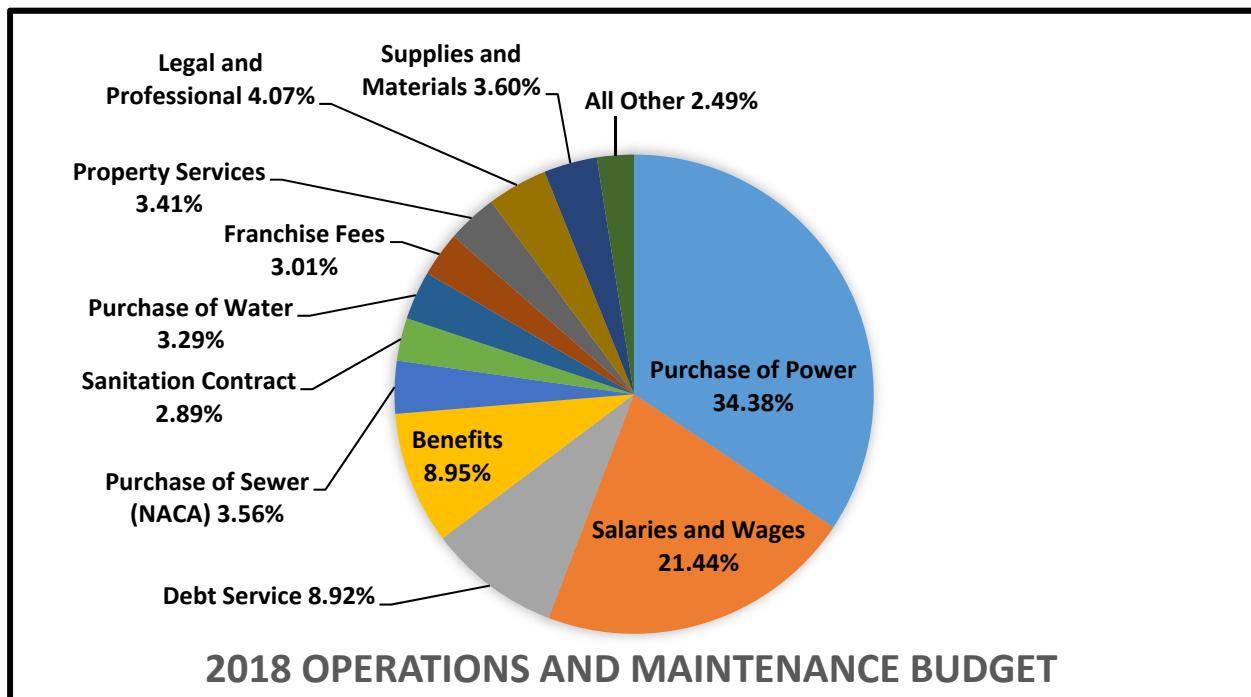
BUDGET SUMMARY

MAJOR REVENUES BUDGETED



BUDGET SUMMARY

The following pie chart shows the major O & M budgeted expenses for the City. The table following the pie chart shows corresponding actual amounts for 2016 and 2017 in addition to the 2019 figures.



| Description | 2016 Actual | 2017 Actual | 2018 Budget | 2019 Budget | % of Total O & M |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------|
| Purchase of Power | \$ 47,916,115 | \$ 48,046,902 | \$ 48,665,880 | \$ 49,233,391 | 34.38% |
| Salaries and Wages | 25,035,715 | 27,124,496 | 28,263,853 | 30,699,186 | 21.44% |
| Debt Service | 11,841,528 | 13,005,180 | 10,854,760 | 12,771,904 | 8.92% |
| Benefits | 9,370,037 | 10,779,684 | 11,172,353 | 12,820,908 | 8.95% |
| Purchase of Sewer (NACA) | 5,046,083 | 5,043,143 | 5,100,000 | 5,100,000 | 3.56% |
| Sanitation Contract | 3,874,108 | 4,179,829 | 4,039,220 | 4,134,545 | 2.89% |
| Purchase of Water | 4,552,270 | 5,045,680 | 4,602,205 | 4,713,932 | 3.29% |
| Franchise Fees | 3,894,084 | 4,423,730 | 4,633,095 | 4,316,325 | 3.01% |
| Property Services | 4,206,142 | 4,253,961 | 4,567,010 | 4,877,400 | 3.41% |
| Legal and Professional | 4,639,762 | 4,578,094 | 5,213,843 | 5,829,232 | 4.07% |
| Supplies and Materials | 3,754,161 | 4,490,060 | 4,821,869 | 5,150,454 | 3.60% |
| All Other | 7,658,170 | 8,211,975 | 4,081,400 | 3,568,619 | 2.49% |
| O & M Total | 131,788,175 | 139,182,734 | 136,015,488 | 143,215,896 | |
| Capital | 49,932,055 | 28,424,585 | 25,565,562 | 16,182,383 | |
| Total without Transfers | \$ 181,720,230 | \$ 167,607,319 | \$ 161,581,050 | \$ 159,398,279 | |

Purchase of Power: Utilities are an area of major expense, especially for electricity. The City is fortunate in having an electric department that benefits the citizens in the form of reasonable, reliable electricity as well as provides a steady cash flow to the City. Power is purchased then sold to the customers. The budgeted amount for power purchases for 2019 is over \$49 million. The increase reflects continued growth of both residential and commercial accounts along with rising fuel costs.

Salary & Wages: As with most municipalities, or most service organizations, a major expense category is the cost of staff. For 2019, Salary and Wages are \$30.6 million dollars, making up 21.44 % of O & M. A COLA was budgeted in 2019 at 3%.

BUDGET SUMMARY

Debt Service: In the Utility Fund, the City currently has principal and interest payments on three bond issues and on four revolving loan funds from the state. All of them are related to electric, water and sewer projects. The Debt Service Fund was added in 2007 for the 2007 Series. Eighty percent of the capital penny goes to the bond trustee for the principal and interest on these bonds. More details are provided under the Debt section.

Benefits: Benefits are up due to increases in the pension plans and changes in insurance coverage by employees. Health insurance costs had an increase in 2019.

Sanitation Contract: Sanitation services are contracted to an outside vendor by a contract that expired in 2012 and was rebid. That cost, which is covered by related revenue, is budgeted at over \$4 million. It is budgeted based on the number of residential, small commercial and large commercial customers, plus a projected growth factor, and the respective rates. Residential and small commercial customers receive once a week pick up since the City switched to the cart system. Recycling carts are also provided and the usage has been significant.

The large commercial customers have dumpsters and are billed on volume based on their choice of dumpster capacity and frequency of service. The City bills the customers on the monthly utility bill along with charges for electric, water, and sewer.

Purchase of Water: Our water department purchases water from Beaver Water District (BWD). Beaver Water District was formed in the 1960s by the cities of Fayetteville, Springdale, Rogers, and Bentonville. The district has intake facilities on Beaver Lake, which is a Corps of Engineers lake. The district treats the water and pumps it to the four cities, which may then use it and, if they choose, sell it to wholesale customers. The cost for purchased water, budgeted by our water utilities manager based on history and our rapid growth, is a little more than \$4.7 million for 2019.

Franchise Fees: Since the City operates its own electric department, a franchise fee is paid from the electric department to the general fund similar to a franchise fee that the general fund would receive from an electric utility. In the past, it has been a flat amount that had not changed for several years, but it is now computed as a percentage of revenue similar to other franchise fee amounts. Other typical franchise fees for natural gas, cable TV, and telephone services are also included.

Public Works Maintenance Projects: This is the total cost within public works for maintenance of such items as the electric system, water lines, streets, traffic signals, and street signs.

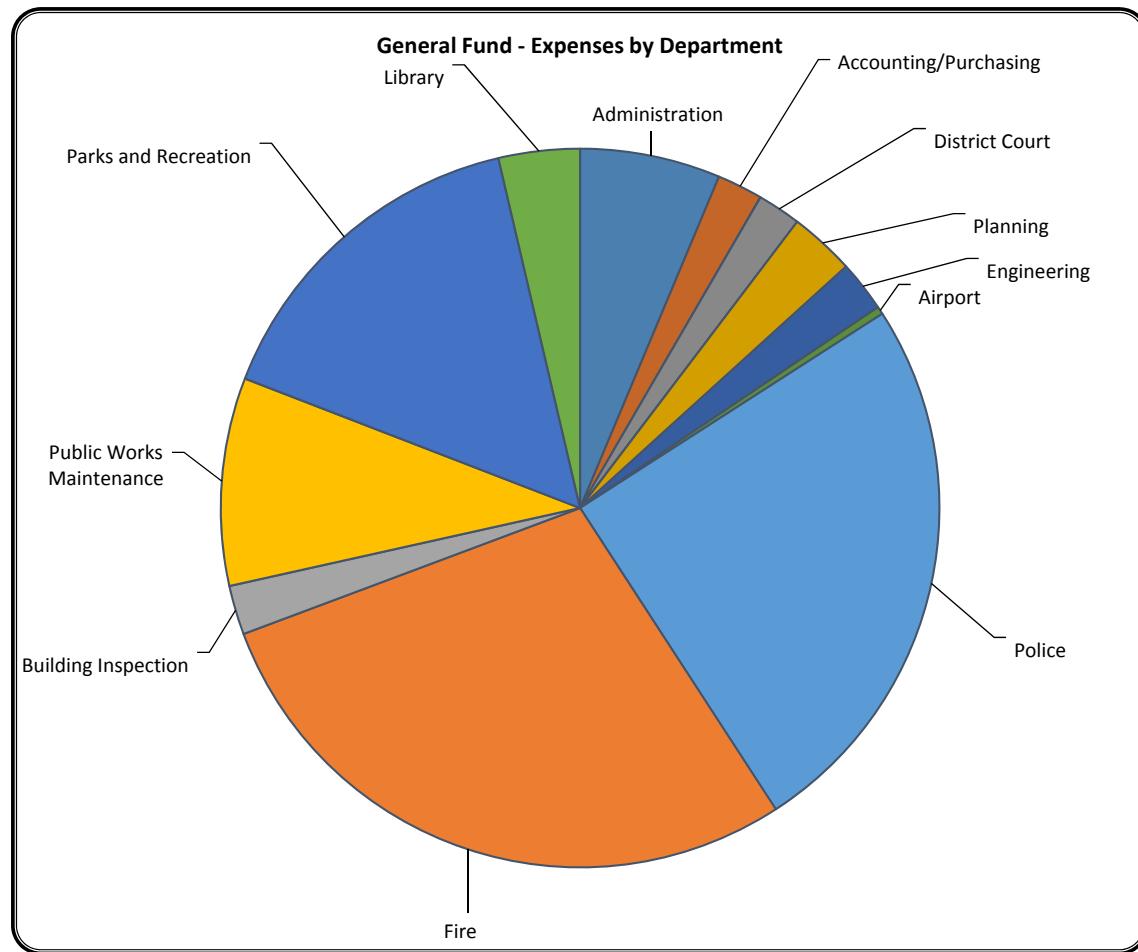
Legal & Professional: These are fees for legal costs when outside attorneys are required for various cases, auditors, architects, engineering studies, rates studies, and other similar costs. This category is budgeted for an increase of 11.8% from 2018.

Supplies & Materials: This category includes minor equipment, computers, operating and office supplies, postage, safety expense and miscellaneous items. This category is budgeted for an increase of 6.8% from 2018.

All Other: This includes all remaining O & M with no single "category" being as high as \$800,000.

BUDGET SUMMARY

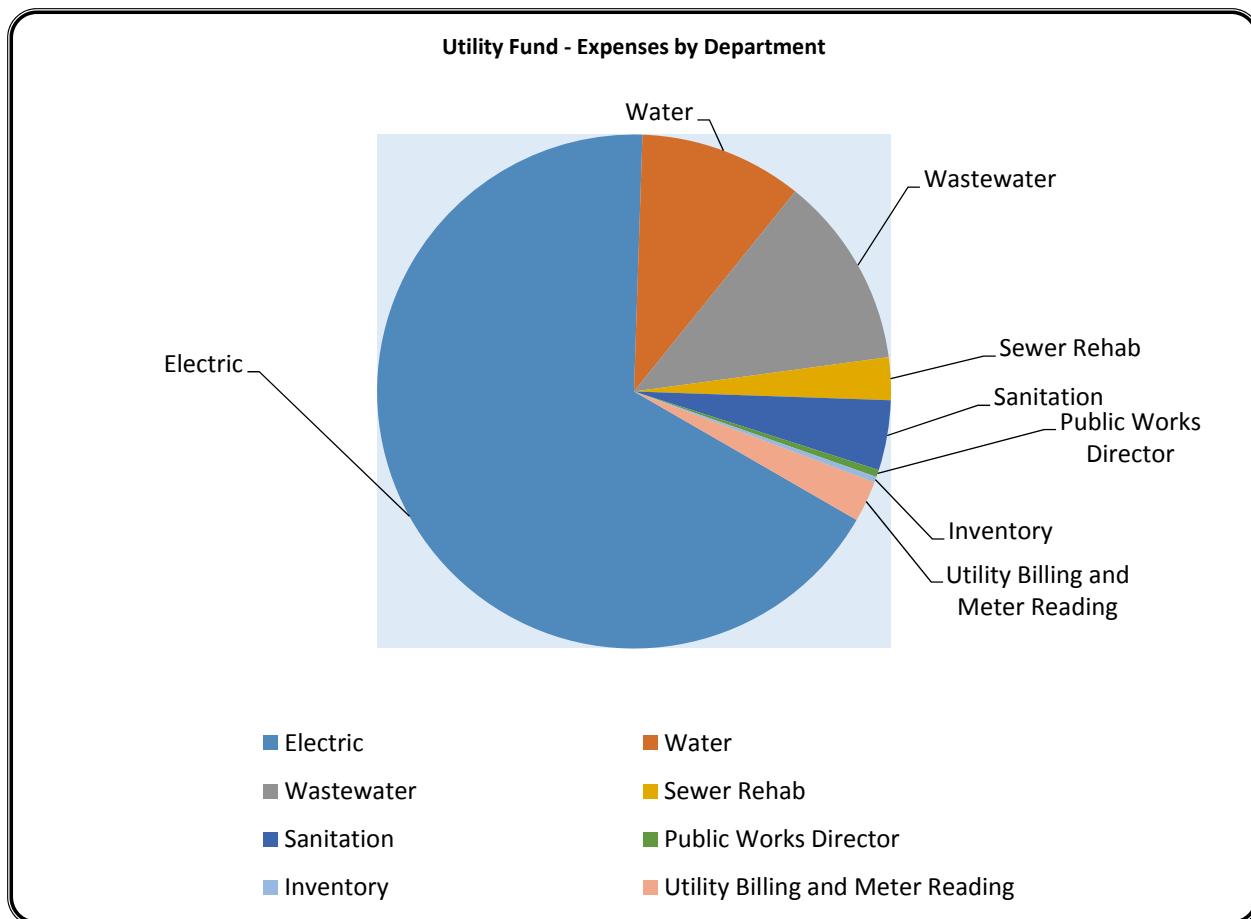
BUDGETED EXPENDITURES BY DEPARTMENT



General Fund - Expenditures by Department

| | | |
|--------------------------|----------------------|----------------|
| Administration | \$ 3,113,571 | 6.32% |
| Accounting/Purchasing | 1,008,540 | 2.05% |
| District Court | 963,527 | 1.96% |
| Planning | 1,449,934 | 2.94% |
| Engineering | 1,128,211 | 2.29% |
| Airport | 169,250 | 0.34% |
| Police | 12,272,905 | 24.92% |
| Fire | 14,020,235 | 28.47% |
| Building Inspection | 1,090,156 | 2.21% |
| Public Works Maintenance | 4,605,845 | 9.35% |
| Parks and Recreation | 7,622,971 | 15.48% |
| Library | 1,798,852 | 3.65% |
| Total | \$ 49,243,997 | 100.00% |

BUDGET SUMMARY



Utility Fund - Expenditures by Department

| | | |
|-----------------------------------|-------------------------|----------------|
| Electric | \$ 63,694,752 | 67.19% |
| Water | 9,734,655 | 10.27% |
| Wastewater | 11,438,448 | 12.07% |
| Sewer Rehab | 2,544,547 | 2.68% |
| Sanitation | 4,169,846 | 4.40% |
| Public Works Director | 427,945 | 0.45% |
| Inventory | 343,512 | 0.36% |
| Utility Billing and Meter Reading | 2,446,198 | 2.58% |
| | \$ 94,799,903.00 | 100.00% |

BUDGET SUMMARY

DEBT

The City has seven outstanding revenue bonds in the Utility Fund. A new sales and use tax bond issue which is to be funded with 80% of the capital tax began in 2007. The Revenue bonds are comprised of various issues for the purpose of acquiring, constructing, equipping, renovating, expanding, and refurbishing additions and improvements to the City's electric, water and sewer system (the "System"). Revenue bonds outstanding at December 31, 2018, were as follows:

| | Interest Rates | Final Maturity | Principal at December 31, 2018 |
|-----------------------------|----------------|----------------|--------------------------------|
| Revenue bonds, Series 2006A | 2.25 | 2026 | 4,280,305 |
| Revenue bonds, Series 2006B | 2.4-4.25% | 2025 | 1,242,829 |
| Revenue bonds, Series 2005 | 2.4-4.25% | 2019 | 1,419,591 |
| Revenue bonds, Series 2000 | 2.75% | 2023 | 1,560,330 |
| Revenue bonds, Series 1998 | 2.75% | 2021 | 340,769 |
| | | | 8,843,824 |

Combined Electric, Water and Sewer Revenue Bonds, Series 2006A – On January 10, 2006, the City issued \$ 9,708,500 in Combined Electric, Water and Sewer Revenue bonds for the purpose of design and construction of the Beaver Transmission water line. The bonds are not a general obligation of the City, but are secured by a pledge of, and are payable from, revenues of the System. The City has entered into an agreement with the ADFA whereby ADFA agreed to purchase up to the par amount of the bonds. The bonds will be issued in increments that correspond to the construction activity. This issue is subordinate to the S Series 2005, Series 1999, Series 1999, and Series 1992 bonds. The bonds bear interest at 2.25% and the City is required to pay the bond service (ADFA) a servicing fee of 1% per annum on the outstanding principal of the bonds.

Combined Electric, Water and Sewer Revenue Bonds, Series 2006B – On April 1, 2006, the City issued \$2,600,000 in Combined Electric, Water and Sewer Revenue bonds for the purpose of planning, design, and construction of a water tank. The bonds are not a general obligation of the City, but are secured by a pledge of, and are payable from, revenues of the System. The bonds will be issued in increments that correspond to the construction activity. The bonds are subordinate to the Series 2005, Series 1999, Series 1999, and Series 1992 bonds. The bonds bear interest at 2.4-4.25%.

Combined Electric, Water and Sewer Revenue Bonds, Series 2005 – On April 1, 2005, the City issued \$8,990,000 in Combined Electric, Water, and Sewer Revenue bonds for the purpose of planning, design, construction, and/or rehabilitation of electric substations and components of the City's wastewater system. The bonds are not a general obligation of the City, but are secured by a pledge of, and are payable from, revenues of the System. The bonds will be issued in increments that correspond to the construction activity. The bonds are subordinate to the Series 1999, Series 1998 and Series 1992 bonds. The bonds bear interest at 2.4 – 4.25%.

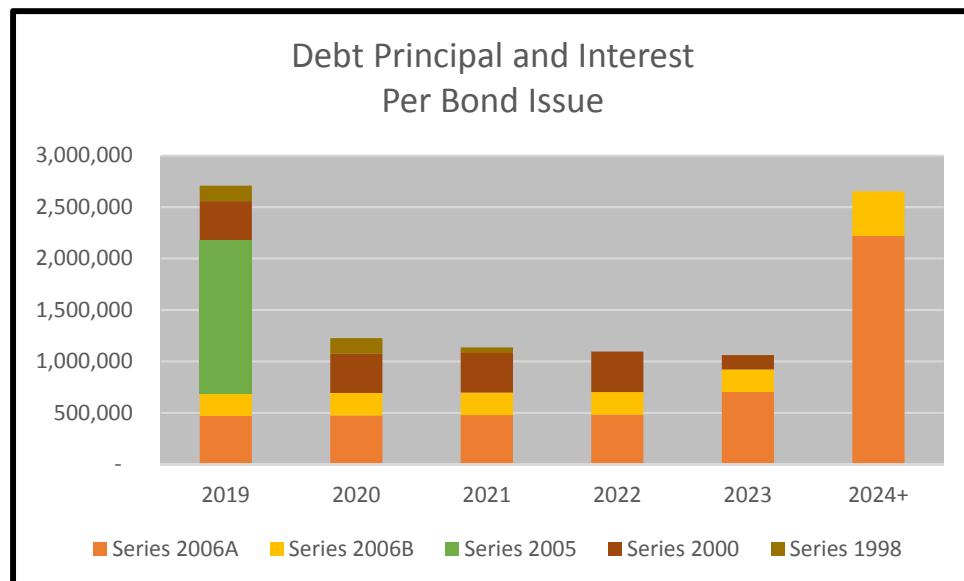
Combined Electric, Water and Sewer Revenue Bonds, Series 2000 – On June 13, 2000, the City issued \$5,500,000 in Combined Electric, Water, and Sewer Revenue bonds for the purpose of planning, design, construction, and/or rehabilitation of the wastewater treatment facilities. The bonds are not a general obligation of the City, but are secured by a pledge of, and are payable from, revenues of the System. The City has entered into an agreement with the Arkansas Development Finance Authority ("ADFA") whereby ADFA agreed to purchase up to the par amount of the bonds. The bonds will be issued in increments that correspond to the construction activity. The bonds are subordinate to the Series 1999, Series 1998 and Series 1992 bonds. The bonds bear interest at 2.75% and the City is required to pay the bond service (ADFA) a servicing fee of 1% per annum on the outstanding principal of the bonds.

BUDGET SUMMARY

Combined Electric, Water and Sewer Revenue Bonds, Series 1998 – On October 27, 1998, the City issued \$2,150,000 in Combined Electric, Water, and Sewer Revenue bonds for the purpose of planning, design, and construction of wastewater treatment facilities. The bonds are not a general obligation of the City, but are secured by a pledge of, and are payable from, revenues of the System. The City has entered into an agreement with the Arkansas Department Finance Authority (“ADFA”) whereby ADFA agreed to purchase up to the par amount of the bonds. The bonds will be issued in increments that correspond to the construction activity. The bonds are subordinate to the Series 1999 and Series 1992 bonds. The bonds bear interest at 2.75% and the City is required to pay the bond service (ADFA) a servicing fee of 1% per annum on the outstanding principal of the bonds.

Annual debt service requirements to maturity for revenue bonds as of December 31, 2019 are as follows:

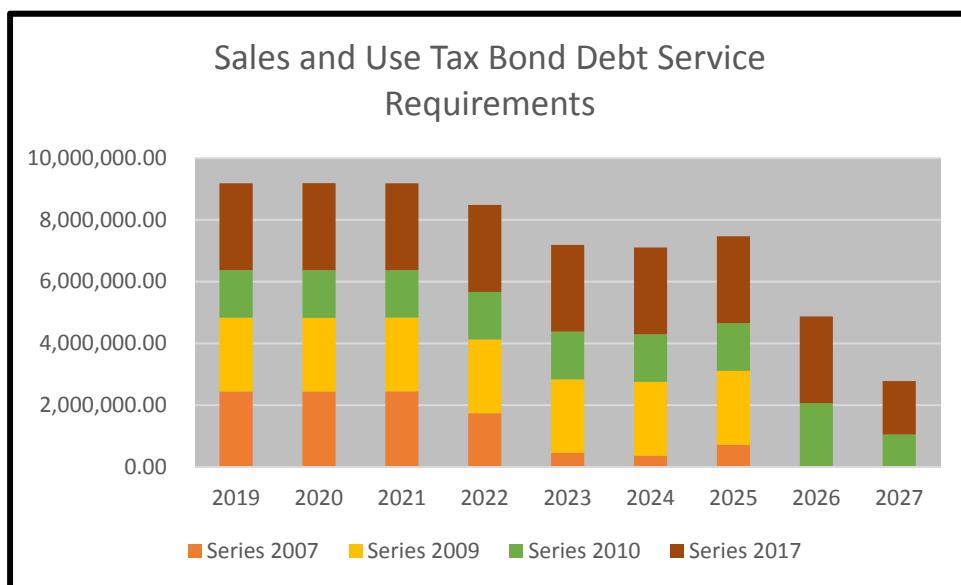
| ANNUAL DEBT SERVICE REQUIREMENTS FOR 2019 BUDGET | | | | |
|--|-------------------------|------------------------|------------------------|----------------------|
| | TOTAL | PRINCIPAL | INTEREST | SERVICE FEES |
| 2019 | 2,768,359 | 2,431,236 | 276,033 | 61,090 |
| 2020 | 1,277,548 | 1,036,555 | 188,492 | 52,501 |
| 2021 | 1,179,164 | 978,641 | 156,916 | 43,607 |
| 2022 | 1,131,208 | 962,371 | 132,349 | 36,488 |
| 2023 | 1,084,936 | 948,162 | 112,573 | 24,201 |
| THEREAFTER | 2,722,535 | 2,486,859 | 166,214 | 69,462 |
| | <hr/> <u>10,163,750</u> | <hr/> <u>8,843,824</u> | <hr/> <u>1,032,577</u> | <hr/> <u>287,349</u> |



BUDGET SUMMARY

Sales and Use Tax Bond, Series 1, 2 3 and 4 – On November 15, 2007, the City issued \$36,335,000 and for the purpose of street construction, park and recreation capital, police and fire capital, and the municipal airport. Series 2 was issued on December 1, 2009 in the amount of \$30,295,996. The City had not planned to issue Series 2 until October of 2010 but due to the progress made in Streets, Parks and Airport, along with the financial market, it was decided the timing needed to be expedited. Series 3 was issued on November 23, 2010 and was \$21,505,000 and was for Streets. Series 4 was issued on April 25, 2017 and the proceeds were \$ 20,979,950 for Street and \$ 3,214,854 for Police. The bonds are secured by a pledge of, and are payable from, the capital tax. The debt services requirements are as follows:

| Annual Debt Service Requirements for 2019 Budget | | | |
|--|--------------|--------------|--------------|
| | Total | Principal | Interest |
| 2019 | 9,184,805.50 | 6,335,000.00 | 2,849,805.50 |
| 2020 | 9,187,405.50 | 6,605,000.00 | 2,582,405.50 |
| 2021 | 9,185,450.50 | 6,905,000.00 | 2,280,450.50 |
| 2022 | 8,482,715.50 | 6,520,000.00 | 1,962,715.50 |
| 2023 | 6,743,297.50 | 5,560,000.00 | 1,183,297.50 |
| 2024 | 6,746,522.50 | 5,765,000.00 | 981,522.50 |
| 2025 | 6,749,660.00 | 5,530,000.00 | 1,219,660.00 |
| 2026 | 4,872,537.50 | 4,485,000.00 | 387,537.50 |
| 2027 | 2,778,031.26 | 2,535,000.00 | 243,031.26 |



BUDGET SUMMARY

All bond obligations of the Utility Fund are payable solely from and collateralized by a pledge of the net revenues derived from the operation of the utilities. The City is required to maintain separate bond fund accounts, meet certain debt service requirements, and adhere to various operating requirements as stipulated in the bond agreements.

The State of Arkansas has a statutory limit on the principal amount of debt. The limit for a municipality is 25% of the total assessed value for tax purposes of real and personal property as determined by the last tax assessment. For Bentonville the assessed value of \$1,072,865 produces a limit of \$268,216,452. The City currently has no long-term debt that counts against that limit because the loans are not general obligations of the City but are secured by revenues.

BUDGET SUMMARY

SUMMARIES BY FUND

The following pages show tables, for three years, for all funds combined and for each fund that makes up the total.

The major factor in the large amounts in Services & Charges is that the Utility Fund includes purchases of water and electricity for sale by City operated water and electric departments.

The funds for Fire Impact Fee, Water Capacity Fee, and Wastewater Capacity Fee were set up in 2005 as separate funds to account in a clearer manner for the fees that were approved for those purposes. The summaries show revenue and expenses broken into several categories or classification. They are explained briefly below.

REVENUES BY CATEGORY

The revenues are divided into categories as follows:

| | |
|--------------------------------------|---|
| Taxes | Includes city sales taxes, the city's share of county sales taxes, use taxes, franchise fees, property taxes, state turn back, and voluntary property taxes |
| Licenses and Permits | Includes building, electrical, plumbing and mechanical permits, and other smaller items of a similar nature |
| Intergovernmental Revenue | Payments and grants from federal, state, and county government |
| Charge for Services | Includes revenue from utility bills, ambulance charges, parks concessions, street cuts, grave openings, street cuts, and a few other smaller ones. |
| Special Assessments and Fines | Includes capacity and impact fees, court fines, warrant fines, etc. |
| Interest | Reflects interest earnings on the City's investments. |
| Other Income | Comprised of revenue sources such as contributions/donations, recoveries of bad debts, etc. that do not fit the other categories |
| Other Financing Sources | May include bank loans, bond proceeds, transfers-in, funded depreciation, proceeds from the state revolving loan fund, etc. |

BUDGET SUMMARY

EXPENSES BY CLASSIFICATION

The expenses are divided into categories as follows:

| | |
|---------------------------------|--|
| Salaries and Wages | Includes salaries, wages, premium pay, certificate pay and other compensation |
| Benefits | Includes benefits such as retirement, health insurance premiums, etc. |
| Supplies and Materials | Includes uniforms, petroleum products, office supplies, minor equipment, chemical and janitorial and lab supplies, postage, etc. |
| Professional Services | Used to account for contract for professional services such as legal, audit, architectural, engineering, rate studies, and other professional fees |
| Property Services | Includes utilities, communication, repairs to buildings and equipment, computer repair, and cleaning and janitorial services |
| Other Services | Includes insurance, travel and training, dues and subscriptions, employment ads and publication of public notices and ordinances and resolutions |
| Cost of Goods | Includes purchase of water and electricity for resale, and franchise fees paid from utility departments to the General Fund |
| Capital | Reflects costs for land, buildings, infrastructure, vehicles, heavy equipment and machinery, etc. |
| Debt Service | Includes principal and interest payments on debts, fiscal agent fees, lease payments, amortization and depreciation |
| Transfers – Departmental | Includes transfers within a fund to another department in that fund |
| Transfers Out - Funds | May include transfers from one fund to another |

BUDGET SUMMARY

2019 BUDGET ALL FUNDS

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------|---------------|---------------|-------------------|-------------------|
| Taxes | \$ 54,576,355 | \$ 44,610,730 | \$ 49,381,561 | \$ 4,770,831 | 10.7% |
| Licenses and Permits | 1,370,136 | 1,090,040 | 1,237,960 | 147,920 | 13.6% |
| Intergovernmental Revenue | 4,560,283 | 439,768 | 271,878 | (167,890) | -38.2% |
| Charge for Services | 101,422,288 | 97,548,223 | 100,474,524 | 2,926,301 | 3.0% |
| Special Assessments/Fines | 3,824,139 | 2,297,045 | 2,283,370 | (13,675) | -0.6% |
| Interest/Rent | 312,185 | 50,315 | 50,315 | - | 0.0% |
| Other Income | 7,091,619 | 4,638,160 | 133,500 | (4,504,660) | -97.1% |
| Other Financing Sources | 30,171,817 | 12,130,800 | 7,252,725 | (4,878,075) | -40.2% |
| Total Revenues | 203,328,822 | 162,805,081 | 161,085,833 | (1,719,248) | -1.1% |
| Salaries & Wages | 27,124,496 | 28,263,853 | 30,699,186 | 2,435,333 | 8.6% |
| Benefits | 10,779,684 | 11,172,353 | 12,820,908 | 1,648,555 | 14.8% |
| Supplies & Materials | 4,490,060 | 4,821,869 | 5,150,454 | 328,585 | 6.8% |
| Professional Services | 4,578,094 | 5,213,843 | 5,829,232 | 615,389 | 11.8% |
| Property Services | 4,253,961 | 4,567,010 | 4,877,400 | 310,390 | 6.8% |
| Other Services | 1,332,285 | 1,572,790 | 1,655,556 | 82,766 | 5.3% |
| Utility Cost of Goods | 66,739,285 | 67,040,400 | 67,551,256 | 510,856 | 0.8% |
| Capital Expenditures | 28,424,585 | 25,565,562 | 16,182,383 | (9,383,179) | -36.7% |
| Setasides - Capital Items | - | 2,508,610 | 1,860,000 | (648,610) | -25.9% |
| Debt Service | 13,005,180 | 10,854,760 | 12,771,904 | 1,917,144 | 17.7% |
| Depreciation/Amortization | 6,879,689 | - | - | - | -- |
| Total Expenditures | 167,607,319 | 161,581,050 | 159,398,279 | (2,182,771) | -1.4% |
| Transfers In | - | - | 90,510 | 90,510 | -- |
| Transfers Out | (444,592) | - | (90,510) | (90,510) | -- |
| Total Transfers | (444,592) | - | - | - | -- |
| Net | \$ 35,276,911 | \$ 1,224,031 | \$ 1,687,554 | \$ 463,523 | 37.9% |

BUDGET SUMMARY

2019 BUDGET GENERAL FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------|---------------|---------------|-------------------|-------------------|
| Taxes | \$ 38,379,527 | \$ 32,463,865 | \$ 35,063,672 | \$ 2,599,807 | 8.0% |
| Licenses and Permits | 1,370,136 | 1,090,040 | 1,237,960 | 147,920 | 13.6% |
| Intergovernmental Revenue | 1,301,091 | 439,768 | 271,878 | (167,890) | -38.2% |
| Charge for Services | 5,895,378 | 5,535,310 | 6,613,249 | 1,077,939 | 19.5% |
| Special Assessments/Fines | 498,991 | 512,045 | 498,370 | (13,675) | -2.7% |
| Interest/Rent | 97,238 | 50,315 | 50,315 | - | 0.0% |
| Other Income | 1,326,934 | 103,160 | 93,500 | (9,660) | -9.4% |
| Other Financing Sources | 539,723 | 4,905,800 | 5,952,725 | 1,046,925 | 21.3% |
| Total Revenues | 49,409,018 | 45,100,303 | 49,781,669 | 4,681,366 | 10.4% |
| Salaries & Wages | 18,958,611 | 19,979,991 | 21,661,937 | 1,681,946 | 8.4% |
| Benefits | 7,518,818 | 7,683,844 | 8,901,614 | 1,217,770 | 15.8% |
| Supplies & Materials | 2,534,001 | 3,178,409 | 3,279,259 | 100,850 | 3.2% |
| Professional Services | 3,321,004 | 3,747,389 | 4,116,659 | 369,270 | 9.9% |
| Property Services | 1,756,863 | 2,166,940 | 2,172,014 | 5,074 | 0.2% |
| Other Services | 906,715 | 1,079,235 | 1,117,639 | 38,404 | 3.6% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 4,965,597 | 6,706,862 | 7,994,875 | 1,288,013 | 19.2% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 39,961,609 | 44,542,670 | 49,243,997 | 4,701,327 | 10.6% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 9,447,409 | \$ 557,633 | \$ 537,672 | \$ (19,961) | -3.6% |

BUDGET SUMMARY

2019 BUDGET UTILITY FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|------------------------------|--------------------------|--------------------------|----------------------------|--------------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 11,978 | - | - | - | -- |
| Charge for Services | 95,493,651 | 91,985,913 | 93,834,275 | 1,848,362 | 2.0% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 41,398 | - | - | - | -- |
| Other Income | 723,128 | 4,535,000 | 40,000 | (4,495,000) | -99.1% |
| Other Financing Sources | 4,112,929 | 7,225,000 | 1,300,000 | (5,925,000) | -82.0% |
| Total Revenues | <u>100,383,084</u> | <u>103,745,913</u> | <u>95,174,275</u> | <u>(8,571,638)</u> | <u>-8.3%</u> |
| Salaries & Wages | 7,118,649 | 7,113,270 | 7,830,047 | 716,777 | 10.1% |
| Benefits | 2,806,010 | 2,968,512 | 3,373,268 | 404,756 | 13.6% |
| Supplies & Materials | 1,773,320 | 1,509,860 | 1,692,645 | 182,785 | 12.1% |
| Professional Services | 1,186,488 | 1,393,518 | 1,594,693 | 201,175 | 14.4% |
| Property Services | 2,103,813 | 1,961,375 | 2,217,175 | 255,800 | 13.0% |
| Other Services | 399,033 | 452,720 | 499,407 | 46,687 | 10.3% |
| Utility Cost of Goods | 66,739,285 | 67,040,400 | 67,551,256 | 510,856 | 0.8% |
| Capital Expenditures | 13,514,108 | 17,865,100 | 7,269,508 | (10,595,592) | -59.3% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | 2,765,189 | 2,774,760 | 2,771,904 | (2,856) | -0.1% |
| Depreciation/Amortization | 6,879,689 | - | - | - | -- |
| Total Expenditures | <u>105,285,584</u> | <u>103,079,515</u> | <u>94,799,903</u> | <u>(8,279,612)</u> | <u>-8.0%</u> |
| Transfers In | - | - | 90,510 | 90,510 | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | <u>-</u> | <u>-</u> | <u>90,510</u> | <u>90,510</u> | <u>--</u> |
| Net | <u><u>\$ (4,902,500)</u></u> | <u><u>\$ 666,398</u></u> | <u><u>\$ 464,882</u></u> | <u><u>\$ (201,516)</u></u> | <u><u>-30.2%</u></u> |

BUDGET SUMMARY

2019 BUDGET TRANSPORTATION AND STREET FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ 4,317,889 | \$ 4,066,865 | \$ 4,317,889 | \$ 251,024 | 6.2% |
| Licenses and Permits | | | | | — |
| Intergovernmental Revenue | 3,247,214 | — | — | — | — |
| Charge for Services | 33,259 | 27,000 | 27,000 | — | 0.0% |
| Special Assessments/Fines | — | — | — | — | — |
| Interest/Rent | 6,045 | — | — | — | — |
| Other Income | 1,205,209 | — | — | — | — |
| Other Financing Sources | 10,934 | — | — | — | — |
| Total Revenues | 8,820,550 | 4,093,865 | 4,344,889 | 251,024 | 6.1% |
| Salaries & Wages | 1,047,236 | 1,170,592 | 1,207,202 | 36,610 | 3.1% |
| Benefits | 454,856 | 519,997 | 546,026 | 26,029 | 5.0% |
| Supplies & Materials | 182,739 | 133,600 | 178,550 | 44,950 | 33.6% |
| Professional Services | 70,602 | 72,936 | 117,880 | 44,944 | 61.6% |
| Property Services | 393,285 | 438,695 | 488,211 | 49,516 | 11.3% |
| Other Services | 26,537 | 40,835 | 38,510 | (2,325) | -5.7% |
| Utility Cost of Goods | — | — | — | — | — |
| Capital Expenditures | 8,893,549 | 993,600 | 918,000 | (75,600) | -7.6% |
| Setasides - Capital Items | — | 723,610 | 760,000 | 36,390 | 5.0% |
| Debt Service | — | — | — | — | — |
| Depreciation/Amortization | — | — | — | — | — |
| Total Expenditures | 11,068,804 | 4,093,865 | 4,254,379 | 160,514 | 3.9% |
| Transfers In | — | — | — | — | — |
| Transfers Out | — | — | (90,510) | (90,510) | — |
| Total Transfers | — | — | (90,510) | (90,510) | — |
| Net | \$ (2,248,254) | \$ — | \$ — | \$ — | — |

BUDGET SUMMARY

2019 BUDGET FIRE IMPACT FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assesments/Fines | 439,908 | 300,000 | 300,000 | - | 0.0% |
| Interest/Rent | 69 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 439,977 | 300,000 | 300,000 | - | 0.0% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | 300,000 | 300,000 | - | 0.0% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | 300,000 | 300,000 | - | 0.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 439,977 | \$ - | \$ - | \$ - | -- |

BUDGET SUMMARY

2019 BUDGET WATER CAPACITY FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assesments/Fines | 228,820 | - | - | - | -- |
| Interest/Rent | 27 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 228,847 | - | - | - | -- |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | - | - | - | -- |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 228,847 | \$ - | \$ - | \$ - | -- |

Discontinued

BUDGET SUMMARY

2019 BUDGET WASTEWATER/SEWER CAPACITY FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assesments/Fines | 326,156 | - | - | - | -- |
| Interest/Rent | 99 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 326,255 | - | - | - | -- |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | - | - | - | -- |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 326,255 | \$ - | \$ - | \$ - | -- |

Discontinued

BUDGET SUMMARY

2019 BUDGET PARKS IMPACT FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------------|--------------------|---------------------|--------------------------|--------------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - - | - - | - - | - - | -- |
| Intergovernmental Revenue | - - | - - | - - | - - | -- |
| Charge for Services | - - | - - | - - | - - | -- |
| Special Assesments/Fines | 1,611,607 | 900,000 | 900,000 | - - | 0.0% |
| Interest/Rent | - - | - - | - - | - - | -- |
| Other Income | - - | - - | - - | - - | -- |
| Other Financing Sources | - - | - - | - - | - - | -- |
| Total Revenues | 1,611,607 | 900,000 | 900,000 | - - | 0.0% |
| Salaries & Wages | - - | - - | - - | - - | -- |
| Benefits | - - | - - | - - | - - | -- |
| Supplies & Materials | - - | - - | - - | - - | -- |
| Professional Services | - - | - - | - - | - - | -- |
| Property Services | - - | - - | - - | - - | -- |
| Other Services | - - | - - | - - | - - | -- |
| Utility Cost of Goods | - - | - - | - - | - - | -- |
| Capital Expenditures | - - | - - | - - | - - | -- |
| Setasides - Capital Items | - - | 900,000 | 300,000 | (600,000) | -66.7% |
| Debt Service | - - | - - | - - | - - | -- |
| Depreciation/Amortization | - - | - - | - - | - - | -- |
| Total Expenditures | - - | 900,000 | 300,000 | (600,000) | -66.7% |
| Transfers In | - - | - - | - - | - - | -- |
| Transfers Out | (444,592) | - - | - - | - - | -- |
| Total Transfers | (444,592) | - - | - - | - - | -- |
| Net | <u>\$ 1,167,015</u> | <u>\$ -</u> | <u>\$ 600,000</u> | <u>\$ 600,000</u> | <u>--</u> |

BUDGET SUMMARY

2019 BUDGET POLICE IMPACT FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - - | - - | - - | - - | -- |
| Intergovernmental Revenue | - - | - - | - - | - - | -- |
| Charge for Services | - - | - - | - - | - - | -- |
| Special Assessments/Fines | 611,175 | 500,000 | 500,000 | - - | 0.0% |
| Interest/Rent | 50 | - - | - - | - - | -- |
| Other Income | - - | - - | - - | - - | -- |
| Other Financing Sources | - - | - - | - - | - - | -- |
| Total Revenues | 611,225 | 500,000 | 500,000 | - - | 0.0% |
| Salaries & Wages | - - | - - | - - | - - | -- |
| Benefits | - - | - - | - - | - - | -- |
| Supplies & Materials | - - | - - | - - | - - | -- |
| Professional Services | - - | - - | - - | - - | -- |
| Property Services | - - | - - | - - | - - | -- |
| Other Services | - - | - - | - - | - - | -- |
| Utility Cost of Goods | - - | - - | - - | - - | -- |
| Capital Expenditures | - - | - - | - - | - - | -- |
| Setasides - Capital Items | - - | 500,000 | 500,000 | - - | 0.0% |
| Debt Service | - - | - - | - - | - - | -- |
| Depreciation/Amortization | - - | - - | - - | - - | -- |
| Total Expenditures | - - | 500,000 | 500,000 | - - | 0.0% |
| Transfers In | - - | - - | - - | - - | -- |
| Transfers Out | - - | - - | - - | - - | -- |
| Total Transfers | - - | - - | - - | - - | -- |
| Net | <u>\$ 611,225</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>--</u> |

BUDGET SUMMARY

2018 BUDGET LIBRARY IMPACT FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 107,482 | 85,000 | 85,000 | - | 0.0% |
| Interest/Rent | - | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 107,482 | 85,000 | 85,000 | - | 0.0% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | 85,000 | - | (85,000) | -100.0% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | 85,000 | - | (85,000) | -100.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 107,482 | \$ - | \$ 85,000 | \$ 85,000 | -- |

BUDGET SUMMARY

2019 BUDGET DEBT SERVICE FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------|--------------|---------------|-------------------|-------------------|
| Taxes | \$ 11,878,939 | \$ 8,080,000 | \$ 10,000,000 | \$ 1,920,000 | 23.8% |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 44,603 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | 1,327,377 | - | - | - | -- |
| Total Revenues | 13,250,919 | 8,080,000 | 10,000,000 | 1,920,000 | 23.8% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | 10,239,991 | 8,080,000 | 10,000,000 | 1,920,000 | 23.8% |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 10,239,991 | 8,080,000 | 10,000,000 | 1,920,000 | 23.8% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 3,010,928 | \$ - | \$ - | \$ - | -- |

BUDGET SUMMARY

FUND BALANCE

The fund balances shown below are based on estimated results at the end of the 2018 fiscal year. It uses budgeted revenues and expenses for 2019. Despite the fact that the City's 2018 audit has not been completed, the numbers should not change significantly.

Several years ago, the Council passed a resolution that the City should try and maintain a fund balance of at least 10% of O and M. Since the General Fund transfers money into Street, and Parks and Library Funds were closed and are now departments in General, this years chart is more condensed than previous years. In total, a 10% fund balance requirement has been achieved and exceeded. The Impact/Capacity funds are omitted since the entire balance is restricted.

The City is currently undergoing an evaluation and discussion regarding our fund balance policy to reflect a higher minimum standard and a process to evaluate projects that can be accomplished with excess reserves.

| | General | Street | Utility | Total |
|------------------------------|---------------|--------------|----------------|----------------|
| December 31, 2018 (Estimate) | 53,993,102.00 | 2,385,496.43 | 233,308,838.08 | 289,687,436.51 |
| 2019 Adopted Budget | | | | |
| Revenues | 49,781,669.00 | 4,344,889.00 | 95,174,275.00 | 149,300,833.00 |
| Expenses | 49,243,997.00 | 4,254,379.00 | 94,799,903.00 | 148,298,279.00 |
| Net | 537,672.00 | 90,510.00 | 374,372.00 | 1,002,554.00 |
| December 31, 2019 (Estimate) | 54,530,774.00 | 2,476,006.43 | 233,683,210.08 | 290,689,990.51 |
| Fund Balance Target | | | | |
| 10% of O & M | 4,124,912.20 | 333,637.90 | 8,753,039.50 | 13,211,589.60 |
| Cushion | 50,405,861.80 | 2,142,368.53 | 224,930,170.58 | 277,478,400.91 |

BUDGET SUMMARY

Fund Balance is defined by the following formula:

| FUND BALANCE FORMULA | | PROJECTED FUND BALANCE |
|----------------------|-------------------------------|--------------------------|
| + OR - | Beginning Balance | Fund Balance - Ending |
| + | Cash | + Revenues |
| + | Investments | - Expenses |
| + | Accounts Receivable | = Projected Fund Balance |
| = | Total Sources | |
| - | Accounts Payable | |
| - | Escrows | |
| = | Total Uses | |
| - | Roll Forwards of Prior Budget | |
| = | Fund Balance - Ending | |
| - | 10% of O and M | |
| = | Cushion | |

BUDGET SUMMARY

BASIS OF ACCOUNTING AND BUDGETING

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (*i.e.*, revenues and other financing sources) and decreases (*i.e.*, expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (*i.e.*, net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (*e.g.*, revenues) and decreases (*e.g.*, expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (*i.e.*, when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, city and county sales tax, grants, entitlements and donations. Revenues from property taxes are recognized in the period for which the taxes are levied. Revenues from city and county sales taxes are recognized in the period for which the transaction occurred that is subject to the tax. Revenues from grants, entitlements, and donations are recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period the resources, are required to be used or the period when use is first permitted, matching requirements and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenues from non-exchange transactions must also be available before they can be recognized.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

BUDGET SUMMARY

BASIS OF BUDGETING

Each year the Finance Director projects revenues (sources of cash) for the coming year. The annual operating budget balances operating expenditures with operating revenues, and provides for adequate maintenance of capital, plant, and equipment including timely replacement.

The City budgets for governmental funds, which include the General Fund and Special Revenue Funds based on the modified accrual basis of accounting. Under this method, revenues are recognized in the period they become measurable and available to finance expenditures of the period and expenditures (expenses) are recorded when incurred with the exception of principal and interest on long term debt, which are recorded when due.

Exceptions to the modified accrual basis of accounting are as follows:

- Encumbrances lapse at the end of year. Either a payable exists at the end of the year or the money comes from the following year's budget.
- Grant revenue is not recorded until it is earned. If the City receives money in advance (which is rare), it is deferred revenue until earned.
- Sales and use taxes are recorded as revenue in the year they are remitted to the State, which makes them one month behind the period they are actually earned.
- Project length (continuing appropriation or projects that span more than one year) budgets adopted during the year are considered to reduce funds available in the year funds were originally appropriated.
- Overspending of project length (continuing appropriation or projects that span more than one year) budgets is considered to reduce funds available.
- The closeout of unspent project length (continuing appropriation or projects that span more than one year) budgets is considered to increase funds available.

The budgets for the proprietary fund, Utility Fund, are prepared using the accrual basis of accounting, with exceptions listed below. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

- Capital outlay is budgeted as an expenditure in the year purchased.
- Proceeds from the issuance of debt are considered to be sources of cash in the revenues, not an increase in liabilities. These proceeds are reclassified at the end of the year.
- Principal payments are shown as expenditures rather than reductions of the liability. Again, they are a use of cash and reclassified at the end of the year.
- Grants obtained for the construction of assets are considered to be revenues, not capital contributions.
- Receipts of long-term receivables are considered to be revenues, not reductions of the receivable.
- Gains or losses on the early retirement of debt are considered to increase or decrease the funds available in the year in which they occur and are not capitalized and amortized over the life of the bonds.
- Interest earned on escrowed cash and investments is not considered to be revenue for budget purposes.
- **Inter-fund loans set up as draw-downs are considered to be 100% outstanding at the commencement of the loan**

BUDGET SUMMARY

BUDGET PROCESS

The annual budget document is the result of a lengthy process that involves employees from crew leaders through all levels of management, the Mayor, and the City Council. Council discussion is open and citizens are welcome to attend and to offer their comments to the Mayor and the Council. A copy of the final document is placed in the City library and other copies are mailed to various interested parties. A summary of the process is presented below.

May – June

The Finance Director reviews the process from the prior year. Any resulting improvements in the process and the forms are identified and the budget manual is updated accordingly.

July

A meeting is held with all department heads and appropriate personnel from Administration to kick off the process. Revisions to the budget manual are distributed and reviewed. Forms are explained and questions are answered. Key guidance regarding assumptions that apply throughout the City is provided. The key calendar dates are discussed and the process begins.

August

Department heads prepare their initial requests in accordance with the guidelines. All requests for personal computers and related items must be routed through the Systems Group Manager to ensure compliance with the policy and the overall direction the City is headed with technology. Requests for Travel & Training and for Minor Equipment must be supported using the comments feature built into the software.

Finance staff provides staffing costs utilizing features of our software. A copy of the live files is copied to the budget module, variables such as retirement contribution rate, insurance costs, and others are changed as appropriate, new positions and upgrades are inserted, and budget figures are produced. The information is distributed to department heads to review the data.

Budgets are prepared based on existing staffing levels. Any new positions requested are submitted on individual forms that are available on-line on the City network. Funds for such positions are excluded from the original budget draft. Personnel requests must be routed through the Human Resources Manager for review of the job description, grade level, benefits, etc.

September

Department heads finish entering O & M requests into the budget file during the first part of September. Personnel and capital requests are due a couple of weeks later. This delay provides Finance staff time to review the O & M requests, and gives the department heads additional time to complete the detailed requests for personnel and capital. Budget review meetings involving the Mayor, Director of Finance and Administration, and department heads begin in late September. The purpose of these meetings is to review in detail the requests for O & M, personnel and capital. Checklists are made for items to be reviewed further, and for additional information to be provided before the budget is presented to the Council. Decisions are made on which items will be recommended to the Council for approval and those that will not. Items are reviewed to make sure that the amount requested is justified based on history, trends and plans for the coming year.

October

During October, meetings with the Mayor continue. Meetings conclude around mid-October to allow time for material to be prepared for distribution to the council prior to budget discussions that begin in November.

Goals and objectives, and prior year accomplishments are submitted to the Mayor for review. Summary explanations of changes from the budget for the previous year are prepared for significant changes. A list of new positions requested is prepared for the Council. The list shows the position, the department, the costs, justification for each request, and other pertinent information. A similar list is prepared for capital items. It indicates the cost and whether the item is new or a replacement.

BUDGET SUMMARY

November

The budget is distributed to the Council before the first meeting in November (State law requires the Mayor to submit the budget to the Council on or before December 1). Open meetings are held on a schedule the Council deems necessary to review the requests. The meetings are typically held following regularly scheduled meetings of the Committee of the Whole (Monday nights before regular meetings on Tuesday), and regular Council meetings held the 2nd and 4th Tuesday each month. The Council may call special meetings if warranted, but that is not usually necessary for budget discussions. The Director of Finance and Administration presents the budget for each department. The department heads are present to participate in the discussion of major projects or discussions that are more complex. If necessary, follow-up items are identified for further review and reconsideration at the next meeting.

December

Meetings continue into December (if necessary) with the target date of December 15 as the latest date for the budget to be adopted. (The 2016 budget was adopted on November 24.) State law requires the governing body to adopt the budget on or before February 1 each year. Since at least 1995 the city budget has been adopted in December. After the budget is adopted, copies of the budget figures are sent to each department and the final publication process takes place.

January

The budget goes into effect and departments carry out their operations as approved. Monthly reports are printed and issued with departmental reviews and reports on progress, and exceptions, made to the Mayor and the Council. Each month summary reports are posted to the City's web site.

A memo is sent to all departments asking for a critique of the just completed budget process. Responses are reviewed and put into the file for use in the process, which will begin again in May.

Budget Adjustments

Budget adjustments may be done during the year. Department heads have the authority to submit a budget adjustment request to the Director of Finance and Administration for approval if the adjustment only affects O & M and are within their approved total for O & M. The Director of Finance and Administration may present the request to the Mayor if the request seems unusual or noteworthy. The Mayor may choose to take any request to the Council if it is one that may be unusual or highly visible.

There are four different types of budget adjustments that must be presented to the City Council for approval. Those four are:

- any adjustment that changes personnel accounts,
- any adjustment that changes capital accounts,
- any adjustment that moves money from one department to another, and
- any adjustment that reduces fund balance.

In any of those cases, a budget adjustment form and related documentation are submitted and that item is placed on a regular Council agenda along with other items of business.

This following sample table lists the sequence of actions or events, with dates, on the City Budget Calendar. Each year this list is updated for the current year. This table is included in the Budget Manual, which is revised and reviewed with all Department Heads each July.

BUDGET SUMMARY

MAJOR BUDGET CALENDAR EVENTS

BUDGET SCHEDULE - 2018

| LATEST DATE | RESPONSIBLE | DESCRIPTION |
|--------------|------------------------|---|
| | | |
| August 2 | Dept Heads/Managers | Begin preparing budget requests |
| September 4 | Dept Heads/Managers | Finish entering requests |
| September 11 | Finance Director | Roll current payroll file into budget work file |
| September 13 | Dept Heads/Managers | Turn in capital & personnel requests/forms |
| September 15 | Dept Heads/Managers | Review budgets for completeness and accuracy |
| September 18 | Mayor/Finance Director | Begin budget reviews with Dept Heads/Managers |
| September 29 | Mayor/Finance Director | Complete budget reviews |
| October 13 | Dept Heads/Managers | Submit narratives for accomplishments, goals and objectives, and organization chart updates |
| October 23 | Finance Director | Complete initial budget draft |
| October 31 | Mayor/Finance Director | Distribute draft budget |
| Nov 13&14 | Council | Workshop and public hearings |
| Nov 27&28 | Council | Workshop and public hearings - if necessary |
| Nov 28 | Council | Adopt Budget |
| Nov 29 | Finance Director | Notify departments of adopted budget |
| January 1 | Dept Heads/Managers | Maintain a budget folder with notes/reminders. |
| January 1 | All employees | Operate under approved budget for new year |
| March 16 | Finance Director | Distribute printed budget |
| July 16 | Finance Director | Review and update the budget manual |

BUDGET SUMMARY

FINANCIAL POLICIES

The City operates under certain policies with respect to revenues, expenditures, debt, cash management, etc. The primary policies are listed below.

The City defines a balanced budget as one where the total sum of money a government collects in a year is equal to the amount it spends on goods, services, and debt service.

REVENUE POLICY

- The City will strive to maintain a broad and diversified 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.
- The City will actively support economic and industrial development recruitment and retention efforts to provide for a solid revenue base.
- The City will maintain timely collection systems and implement necessary enforcement strategies to collect revenues from available sources.
- The City will establish user fees and charges for services, when feasible, at levels related to the cost of providing the services. The City will review the fees and charges on a periodic basis to determine modifications needed to keep pace with the cost of providing the services.
- The City will project revenues on a conservative basis so that actual revenues will consistently meet or exceed budgeted revenues.
- The City will maintain a budgetary control system and will prepare reports that compare actual revenues to budgeted amounts.

EXPENDITURE POLICY

- Basic and essential services provided by the City will receive first priority for funding.
- The City will strive to establish performance measurements for all departments, when feasible. These measures will reflect the demand, workload capability, and projected outcomes for the department to accomplish its objectives.
- The City will work to adopt a balanced budget, in which anticipated revenues equal or exceed the budgeted expenditures. However, if this is not accomplished, the City may utilize unallocated fund balance, in excess of the 10% minimum required by city policy, to balance the annual budget.
- The City will maintain a budgetary control system to ensure adherence to the adopted budget and will prepare periodic reports that compare actual expenditures to budgeted amounts.
- The City will refrain from budgeting non-recurring or one-time revenue for ongoing expenses.
- The City will provide access to medical, dental, life, and long-term disability insurance for its employees. The cost for these benefits will be a shared responsibility between the City and its employees.
- The City will provide access to appropriate retirement plans for its employees. The City will make contributions for eligible employees at the percentage defined for each of the respective retirement plans.

DEBT POLICY

- The City will maintain a policy of full disclosure on financial reports and bond prospectus.
- The City will communicate with bond rating agencies and continually strive for improvements in the City's bond rating.

BUDGET SUMMARY

- The City will pay for all capital projects and capital improvements on a pay-as-you-go basis using current revenues whenever possible and practical. If a project or improvements cannot be financed with current revenues, debt will be considered.
- The City will refrain from issuing debt for a period in excess of the expected useful life of the capital project.
- The City will use special assessment revenue or other self-supporting bonds instead of general obligation bonds, when feasible.
- The City will seek refinancing of outstanding debt if it is determined that the City will benefit by reduced interest expense over the remaining life of the debt.
- The City will require that total annual payments for debt service not exceed 25% of total operating revenues.
- The City will comply with state law that limits the amount of debt to 20% of the total assessed value for tax purposes of real and personal property as determined by the most recent tax assessment.

RESERVE POLICY

- The City will maintain a minimum fund balance of at least 10% of current year operating expenditures. If existing reserves exceed the required level, such funds may be used to balance the budget or to meet needs that may arise during the year.
- The City will use monies from the 10% reserve only in times of emergency or fiscal and economic hardship.
- The fund balance in excess of the 10% reserve can only be reduced by City Council approval of a budget adjustment.

INVESTMENT AND CASH MANAGEMENT POLICY

- Investments made by the City will be in conformance with all requirements of the State of Arkansas and City ordinances.
- All investments will address safety, liquidity, and yield, in that order of priority.
- The City will diversify its investments by maturity date to protect against market fluctuations.
- The City will purchase securities from qualified institutions and will attempt to obtain the highest available rates.
- Interest earned from investment of available funds will be distributed to funds according to ownership of the investments and are reflected in the annual budget.
- The City will deposit all receipts on a timely basis.

CAPITAL IMPROVEMENT POLICY

- The City Council will adopt a five-year Capital Improvements Plan (CIP). It will serve as a plan to provide for the orderly maintenance, replacement, and expansion of capital assets. Each year after budget adoption, the CIP will be reviewed and revised to reflect the impact of the adopted budget and to add a year to the CIP.
- Each year the new CIP will serve as the base for preparation of the budget for the coming year. Deviations from the CIP can be requested in the budget but there must be an explanation for the change.

BUDGET SUMMARY

- The replacement of existing capital that is worn out, broken, or costly to maintain will not be deferred except in unusual circumstances. The costs to defer would usually result in greater total expenditures over time.
- Vehicles are considered for replacement in accordance with established guidelines on age and/or miles.
- The CIP identifies long-range capital projects and capital improvements of all types that will be coordinated with the annual operating budget to maintain full utilization of available revenue sources.
- While reviewing and updating the CIP, the City will seek to identify all viable capital projects and capital improvements required during the subsequent five-year period. These projects and improvements will be prioritized by year. Future operating costs associated with a project or an improvement will also be given consideration in the establishment of priorities.
- The City will seek Federal, State, and other funding to assist in financing capital projects and capital improvements.
- The City will incorporate the reasonable findings and recommendations of various City Boards, Commissions, Committees, and Citizen task forces, as they relate to the establishment of projects and project priorities.

FINANCIAL REPORTING POLICY

- The City's accounting system will maintain records in accordance with accounting standards and principles outlined in the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), and the State of Arkansas.
- The City will employ an independent accounting firm to perform an annual audit of the City's finances, and make the annual audit available to all required and interested parties. The audit shall be completed and submitted to the State of Arkansas within 210 days of the close of the fiscal year.
- The City will produce monthly and quarterly financial statements reporting the current period's activity for all funds maintained by the City.
- 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 budget will be made available to all interested parties and opportunities will be provided for citizen input prior to final decisions on the budget.
- The annual budget document will be posted to the City's web site.
- The City will seek annually to qualify for the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award.

FUNDS AND DEPARTMENTS

GENERAL FUND

The General Fund is the general operating fund of the city. It is used to account for all financial resources except those that must be accounted for in another fund. The General Fund accounts for the normal recurring activities of the City such as general government, fire, police, planning, etc. These activities are funded principally by sales and property taxes from individuals and businesses, franchise fees, and from other governmental units.

As approved by the City Council, transfers may be made to the Street Fund, Parks and Recreation Fund, and Library Fund to support the operations of those departments.

The pages in this section present a summary for each department that operates as part of the General Fund. The information includes a brief statement of the task of the department, some accomplishments for the past year, and goals and objectives for the budget year, and an organization chart. Also provided are explanations for some of the expenses, and a financial summary showing the information for the past two years and the budget year, along with the change in dollars and percent from the previous year to the budget year.

The following departments are included in the General Fund:

- Administration
- Accounting and Purchasing
- District Court
- Planning
- CDBG (Community Development Block Grant)
- Engineering
- Airport
- Police
- Fire
- Library
- Parks (Public Works) Maintenance
- Parks Recreation
- Building Inspection
- Capital Sales Tax

FUNDS AND DEPARTMENTS

ACCOUNTING AND PURCHASING

TASK

To provide support to all departments for accounting, purchasing, and payroll.

2018 ACCOMPLISHMENTS

- Completed the 2017 audit.
- Won the Certificate of Achievement for Excellence in Financial Reporting awarded by the GFOA.
- Completed phase one of major software conversion.

2019 GOALS & OBJECTIVES

- Complete the 2018 audit.
- Continue to participate in GFOA Award Programs.
- Continue with implementation of major software conversion.
- Conduct annual Purchasing training.

FUNDS AND DEPARTMENTS

ACCOUNTING AND PURCHASING

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|--------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 679 | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 679 | - | - | - | -- |
| Salaries & Wages | 534,249 | 520,421 | 534,992 | 14,571 | 2.8% |
| Benefits | 189,545 | 197,717 | 220,928 | 23,211 | 11.7% |
| Supplies & Materials | 16,522 | 26,660 | 27,760 | 1,100 | 4.1% |
| Professional Services | 116,669 | 118,976 | 209,705 | 90,729 | 76.3% |
| Property Services | 497 | 600 | 600 | - | 0.0% |
| Other Services | 12,456 | 12,590 | 14,555 | 1,965 | 15.6% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 869,938 | 876,964 | 1,008,540 | 131,576 | 15.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (869,259) | \$ (876,964) | \$ (1,008,540) | \$ (131,576) | 15.0% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019.
- Benefits are up 11.7% due to increases in costs of the insurance.
- Professional Services are up due to increases in software maintenance.

FUNDS AND DEPARTMENTS

ADMINISTRATION

TASK

To provide overall guidelines in the operations of city departments and to provide support to all departments for personnel, technology, and other administrative functions.

2018 ACCOMPLISHMENTS

- Obtained the GFOA Distinguished Budget Presentation Award for the 20th consecutive year.
- Continued to experience a decline in Workers Compensation compensable claims despite adding additional personnel in higher risk areas - Fire, Police, and Parks.
- Conducted 7 Manager Training Programs
- Revised part of the City's Personnel Policy.
- Facilitated real estate transactions to meet departmental needs
- Provided risk management policies and strategies to City departments as required, and distributed regular informational e-mails to City staff regarding important legal subjects

2019 GOALS & OBJECTIVES

- Obtain the Distinguished Budget Presentation Award from the GFOA
- Conduct "Manager Training" 6 times in 2019 (every other month)
- Conduct "Secretary Training" 4 times in 2019 (quarterly).
- Conduct "Department-Level" Safety Training with selected departments monthly during 2019
- Continue to provide quality legal advice and services to City officials and department managers in an effort to ensure observance and adherence to Federal laws, State codes, and City ordinances.
- Provide on-going training to department heads and employees concerning the Arkansas Freedom of Information Act, laws for municipal purchasing and other pertinent topics.
- Review all contracts, agreements, leases, and other such documents for legal soundness in keeping with the City's goals and objectives.
- Prepare resolutions and ordinances for the Council agenda's to be acted upon by the Council.

FUNDS AND DEPARTMENTS

ADMINISTRATION

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------|---------------|---------------|-------------------|-------------------|
| Taxes | \$ 34,021,754 | \$ 29,005,370 | \$ 31,179,260 | \$ 2,173,890 | 7.5% |
| Licenses and Permits | 42,585 | 42,580 | 45,000 | 2,420 | 5.7% |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 61,695 | 10,400 | 10,400 | - | 0.0% |
| Other Income | 136,689 | - | - | - | -- |
| Other Financing Sources | - | 2,500,000 | - | (2,500,000) | -100.0% |
| Total Revenues | 34,262,723 | 31,558,350 | 31,234,660 | (323,690) | -1.0% |
| Salaries & Wages | 1,234,635 | 1,350,543 | 1,458,412 | 107,869 | 8.0% |
| Benefits | 471,041 | 494,311 | 568,225 | 73,914 | 15.0% |
| Supplies & Materials | 53,550 | 74,520 | 60,300 | (14,220) | -19.1% |
| Professional Services | 307,185 | 336,703 | 359,195 | 22,492 | 6.7% |
| Property Services | 134,530 | 189,700 | 178,654 | (11,046) | -5.8% |
| Other Services | 193,658 | 195,600 | 203,785 | 8,185 | 4.2% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 365,856 | 2,737,050 | 285,000 | (2,452,050) | -89.6% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 2,760,455 | 5,378,427 | 3,113,571 | (2,264,856) | -42.1% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 31,502,268 | \$ 26,179,923 | \$ 28,121,089 | \$ 1,941,166 | 7.4% |

Budget Summary

- Revenue is up due to increases in franchise fees, property taxes and sales taxes. The City has held revenue to almost flat the last several years but based on the last couple of years, some of the amounts were increased.
- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and one new deputy staff attorney was budgeted and one part-time mail courier was budgeted.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and one new deputy staff attorney was budgeted and one part-time mail courier was budgeted.
- Supplies and Materials are down due to decreases in minor equipment computers.
- Professional Services are up due to increases in software maintenance.
- Property Services are down due to decrease in budgeting for some maintenance items.

AIRPORT

TASK

To operate the municipal airport to best serve its users, and to seek to improve the service and facilities through grants and other options that are available.

NOTE: The airport has no city staff but is operated through a contract with a Fixed Base Operator (FBO) and under the direction of the Airport Advisory Board. Various employees assist with day to day operations when necessary.

2018 ACCOMPLISHMENTS

- Completed Construction of the West Parallel Taxiway
- Opened Turf Runway to Aircraft Traffic
- Completed Hangar Infrastructure Improvements to the west side of the Airport
- Design and Bid the Runway Rehabilitation Project
- Design and Bid of the West Terminal Circular Apron

2019 GOALS & OBJECTIVES

- Complete Runway Rehabilitation
- Complete Design of the East Parallel Taxiway Extension
- Complete Design for Wetland Removal Area
- Complete Construction of the West Terminal Circular Apron
- Complete Runway 18 Turnarounnd and Access Tunnel

FUNDS AND DEPARTMENTS

AIRPORT

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ 104,417 | \$ 97,565 | \$ 97,565 | \$ - | 0.0% |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 562,376 | 165,000 | - | (165,000) | -100.0% |
| Charge for Services | 14,097 | 13,795 | 13,795 | - | 0.0% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 34,793 | 39,915 | 39,915 | - | 0.0% |
| Other Income | 41,033 | 50,000 | 49,000 | (1,000) | -2.0% |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 756,716 | 366,275 | 200,275 | (166,000) | -45.3% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | 49,882 | 54,750 | 54,750 | - | 0.0% |
| Professional Services | 33,856 | 70,000 | 70,000 | - | 0.0% |
| Property Services | 26,564 | 55,100 | 34,700 | (20,400) | -37.0% |
| Other Services | 4,136 | 9,800 | 9,800 | - | 0.0% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 579,009 | 165,000 | - | (165,000) | -100.0% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 693,447 | 354,650 | 169,250 | (185,400) | -52.3% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 63,269 | \$ 11,625 | \$ 31,025 | \$ 19,400 | 166.9% |

Budget Summary

- Revenues and Expenses are down due to a FAA grant being in the budget for 2018 but not in 2019.
- Supplies and Materials and Professionals remained flat for 2019 compared to 2018

BUILDING INSPECTION

TASK

To issue permits and collect fees for building, electrical, and plumbing permits, to review building plans, conduct field inspections of construction, and to insure that all work conforms to the City's codes to provide safe housing.

2018 ACCOMPLISHMENTS

- Permit Activity. Issued Permits for 1,732 structures valued just below \$500 million. 487 single family permits and 1032 Multi-family unit permits were issued.
- Inspection Activity: conducted 19,810 inspections compared to 18,279 inspections in 2017.
- Code Enforcement. Conducted 1,269 code enforcement inspections compared to 1,334 during 2017.

2019 GOALS & OBJECTIVES

- Continue to proactively provide code enforcement services to our community in order to help maintain the aesthetic beauty and high quality of life that encourages people to live in our community.
- Continue to electronically archive older building permit and planning documents.
- Initiate code enforcement activities that better address exterior structural conditions proactively.

FUNDS AND DEPARTMENTS

BUILDING INSPECTION

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | - |
| Licenses and Permits | 1,322,878 | 1,043,000 | 1,188,500 | 145,500 | 14.0% |
| Intergovernmental Revenue | - | - | - | - | - |
| Charge for Services | 46,799 | 30,000 | 34,000 | 4,000 | 13.3% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 4,012 | - | - | - | -- |
| Other Financing Sources | 3,660 | - | - | - | -- |
| Total Revenues | 1,377,349 | 1,073,000 | 1,222,500 | 149,500 | 13.9% |
| Salaries & Wages | 460,528 | 465,864 | 555,771 | 89,907 | 19.3% |
| Benefits | 186,886 | 186,237 | 247,405 | 61,168 | 32.8% |
| Supplies & Materials | 12,887 | 31,700 | 41,750 | 10,050 | 31.7% |
| Professional Services | 24,727 | 75,651 | 92,465 | 16,814 | 22.2% |
| Property Services | 27,356 | 40,900 | 44,200 | 3,300 | 8.1% |
| Other Services | 13,783 | 31,460 | 33,460 | 2,000 | 6.4% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | 30,000 | 75,105 | 45,105 | 150.4% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 726,167 | 861,812 | 1,090,156 | 228,344 | 26.5% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 651,182 | \$ 211,188 | \$ 132,344 | \$ (78,844) | -37.3% |

Budget Summary

- Revenue is up from 2019 due to increased building permit revenue.
- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and the budgeted addition of a new Chief Building Official.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and the new position stated above.
- Professional Services are up due to increases in software maintenance accounts.
- Capital Expenditures is up due to a project to install modular cubicals for the Building Inspection department.

FUNDS AND DEPARTMENTS

CAPITAL SALES TAX

TASK

The Capital Sales Tax “department” provides separate accounting for revenue from the new sales tax approved by the citizens in August 2003, and effective October 1, 2003. An election was held in August 2007 and the new capital tax will be in effect for 25 years. The money will be used to fund streets, parks and recreation, police, fire and airport. Of this penny, 80% will go to the trustee for the debt service on the bonds.

There are no employees in this department.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

FUNDS AND DEPARTMENTS

CAPITAL SALES TAX

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ 2,969,735 | \$ 2,220,000 | \$ 2,500,000 | \$ 280,000 | 12.6% |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 668 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 2,970,403 | 2,220,000 | 2,500,000 | 280,000 | 12.6% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | - | - | - | -- |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 2,970,403 | \$ 2,220,000 | \$ 2,500,000 | \$ 280,000 | 12.6% |

Budget Summary

- Revenue reflects only 20% of the 1% sales tax for capital improvements. The other 80% is reflected in the Debt Service Fund. Sales tax revenue was increased based on historical trends over the last several years.
- Transfers – will be made to qualified projects in other departments and/or Funds.

DISTRICT COURT

TASK

To administer the schedule and other activities necessary for the municipal judge and staff to conduct the judicial processes assigned.

2018 Accomplishments

- Decreased paper file storage through use of outside company to facilitate bulk scanning and then transferring these electronic files to Questys program for storage.
- Applied for and was awarded a \$15,000 grant to be used for training costs for DWI Court Team for sixth consecutive year
- Managed \$15,000 grant – submitting required forms and documentation for reimbursement
- Implemented Mediation Program for Small Claims and Civil cases saving time spent resolving cases in court and resulting in greater satisfaction among parties to lawsuits
- Managed state grant funding pilot Mediation Program
- Served on a state-wide Strategic Planning Committee that drafted Arkansas' first ever strategic plan *Delivering Justice: A Vision for 2025*. Members of the Strategic Planning Commission were appointed by Chief Justice, Dan Kemp
- Completed 2 year term as President of the Arkansas District Court Clerk's Association
- Began process of researching on-line case resolution software in an effort to both provide an additional option for the public to resolve citations and to reduce the number of cases with active warrants

2019 Goals and Objectives

- Complete credit card and JusticeWeb interface project– allowing payments to be directly applied through our case management software
- Continue bulk scanning of paper files dating from the 1990s forward
- Continue efforts toward paperless possibilities of District Court
- Promote growth of pilot Mediation Program
- Coordinate additional training opportunities for DWI Court Team
- Ongoing evaluation of best use of staff resources, office efficiency and office-wide best practices
- Continue and expand project to clear a significant number of pending older warrants with a focus on warrants 2009 and older
- Implement on-line case resolution software and promote use of the same
- Continue staff training that will focus on uniformity of process, cross training and enhanced customer service
- Develop a comprehensive training manual for new hires

FUNDS AND DEPARTMENTS

DISTRICT COURT

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 149,860 | 46,330 | 46,330 | - | 0.0% |
| Charge for Services | 41,422 | 51,810 | 51,810 | - | 0.0% |
| Special Assessments/Fines | 419,691 | 422,670 | 418,870 | (3,800) | -0.9% |
| Interest/Rent | 5 | - | - | - | -- |
| Other Income | 35,727 | 33,660 | 25,000 | (8,660) | -25.7% |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 646,705 | 554,470 | 542,010 | (12,460) | -2.2% |
| Salaries & Wages | 399,160 | 456,814 | 474,454 | 17,640 | 3.9% |
| Benefits | 152,606 | 187,581 | 204,458 | 16,877 | 9.0% |
| Supplies & Materials | 20,486 | 55,525 | 58,875 | 3,350 | 6.0% |
| Professional Services | 60,388 | 93,300 | 105,160 | 11,860 | 12.7% |
| Property Services | 36,869 | 50,200 | 40,650 | (9,550) | -19.0% |
| Other Services | 23,618 | 30,355 | 29,930 | (425) | -1.4% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | 14,000 | 50,000 | 36,000 | 257.1% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 693,127 | 887,775 | 963,527 | 75,752 | 8.5% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (46,422) | \$ (333,305) | \$ (421,517) | \$ (88,212) | 26.5% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.
- Supplies and Materials are up due increases in minor equipment computer purchases during the year.
- Capital Expenditures is up due to the budgeted replacement of 5 heating and air units.

ENGINEERING

TASK

To provide advice and technical expertise to assist elected officials, planning commission, public agencies, and citizens in understanding key issues and priorities. To review development plans, maintain design and construction specifications, conduct field inspections of construction, and insure all work conforms to City codes to provide quality developments and growth consistent with our long-term commitment to economic vitality and environmental integrity.

2018 Accomplishments

- Completed Conceptual Drainage Study for Bogle Park Area
- Completed Conceptual Drainage Study for area bounded by NW B to Main Streets and from NW 6th to NW 9th Streets
- Completed Conceptual Drainage Study for area bounded by NW 2nd to NW 6th Streets and from NW B to North Main Streets
- Completed Traffic Signal Upgrades at SW 28th St. and S Walton Blvd.
- Completed Construction of NW 3rd Street, Phase III

2019 GOALS & OBJECTIVES

- Update Bentonville GPS Monument Network
- Continue developing the Little Sugar Streambank and Wetland Restoration Project
- Continue to design and construct miscellaneous sidewalk improvements
- Continue to design and construct miscellaneous drainage improvements

FUNDS AND DEPARTMENTS

ENGINEERING

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|----------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 48,250 | - | - | - | -- |
| Charge for Services | 50 | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | 6,771 | - | - | - | -- |
| Total Revenues | 55,071 | - | - | - | -- |
| Salaries & Wages | 411,809 | 503,080 | 596,021 | 92,941 | 18.5% |
| Benefits | 157,758 | 200,217 | 254,485 | 54,268 | 27.1% |
| Supplies & Materials | 21,063 | 25,300 | 30,450 | 5,150 | 20.4% |
| Professional Services | 83,339 | 65,430 | 111,805 | 46,375 | 70.9% |
| Property Services | 12,049 | 12,350 | 13,850 | 1,500 | 12.1% |
| Other Services | 14,981 | 20,500 | 21,600 | 1,100 | 5.4% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 318,151 | 203,500 | 100,000 | (103,500) | -50.9% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 1,019,150 | 1,030,377 | 1,128,211 | 97,834 | 9.5% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (964,079) | \$ (1,030,377) | \$ (1,128,211) | \$ (97,834) | 9.5% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and one new staff engineer position.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and one new staff engineer position.
- Professional Services are up due to utilizing a 3rd party Construction Inspection service to help with workload management.

FIRE

TASK

To provide fire protection, advanced life support ambulance service, and other emergency services for the citizens of Bentonville and surrounding rural areas.

2018 ACCOMPLISHMENTS

- Implemented a cancer prevention policy
- Placed a new 137' aerial truck into service
- Implemented a new EMS reporting software
- Provided 6,546 classes of internal training
- Fire Marshal's division conducted 997 plan reviews and 7090 construction site reviews

2019 GOALS & OBJECTIVES

- Begin and complete construction of Fire Station 7
- Purchase a second set of bunker gear with cancer prevention enhancements to lower exposure
- Purchase a fire truck for Station 7

FUNDS AND DEPARTMENTS

FIRE

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------------|
| Taxes | \$ 971,848 | \$ 867,695 | \$ 971,847 | \$ 104,152 | 12.0% |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 15,837 | 7,238 | 7,238 | - | 0.0% |
| Charge for Services | 1,466,195 | 1,395,000 | 1,688,000 | 293,000 | 21.0% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 36,125 | 13,000 | 13,000 | - | 0.0% |
| Other Financing Sources | 17,110 | 1,007,300 | 3,350,450 | 2,343,150 | 232.6% |
| Total Revenues | 2,507,115 | 3,290,233 | 6,030,535 | 2,740,302 | 83.3% |
| Salaries & Wages | 4,952,092 | 5,518,653 | 6,016,006 | 497,353 | 9.0% |
| Benefits | 2,119,051 | 2,237,991 | 2,662,713 | 424,722 | 19.0% |
| Supplies & Materials | 507,291 | 545,273 | 722,949 | 177,676 | 32.6% |
| Professional Services | 335,272 | 386,420 | 421,520 | 35,100 | 9.1% |
| Property Services | 297,994 | 359,730 | 370,950 | 11,220 | 3.1% |
| Other Services | 205,969 | 260,740 | 256,097 | (4,643) | -1.8% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 1,237,660 | 1,325,500 | 3,570,000 | 2,244,500 | 169.3% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 9,655,329 | 10,634,307 | 14,020,235 | 3,385,928 | 31.8% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | <u>\$ (7,148,214)</u> | <u>\$ (7,344,074)</u> | <u>\$ (7,989,700)</u> | <u>\$ (645,626)</u> | <u>8.8%</u> |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and the budgeted hiring of 2 Fire Inspectors and 6 Firefighters.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.
- Capital Expenditures are up due to the budgeted construction of Station 7.

LIBRARY

TASK

To engage our community, encourage discovery and promote literacy by offering lifelong learning opportunities.

2018 ACCOMPLISHMENTS

- Bentonville Public Library hosted *Thinking Money: A Financial Expedition* on February 10, 2018 through March 15, 2018. More than 3,000 patrons viewed the exhibit or attended *Thinking Money* library events. BPL was one of fifty libraries nationwide selected to host the exhibit.
- BPL presented Bentonville's Fourth Annual Youth Literature Festival and First Annual GeekCon, featuring Free Comic Book Day. Both events realized record-number attendance and were considered 'official events' by Children's Book Week!
- BPL co-hosted "An Afternoon with Lisa Wingate," author of *Before We Were Yours*, with Bella Vista Public Library. In partnership with the Arkansas Center for the Book at the Arkansas State Library, the presentation kicked-off the 2018 "If All Arkansas Read the Same Book" statewide tour.
- BPL's Summer Reading Club participation was the best ever, with nearly 2,800 participants reading a total of over 51,000 hours. Program attendance totaled more than 15,000 and over 110,000 physical item checkouts in June and July.
- BPL's Tech Card program began its fifth year by issuing 25,000 library cards to local students in our service area. Library databases have been used 700,000+ times since program launch. Use of databases has grown 327% since 2014.
- The Library purchased new laptops and iPads to replace outdated netbooks and NOOKs that were funded by past grants; iPads are scheduled for public release in early 2019. Staff expanded the circulation rules to update BPL's eReader Loan Program.
- BPL reupholstered furnishings for patrons throughout the library. Two new picture book bins, two courtesy charging stations and four custom book display units were added too.
- Bentonville Library hosted library colleagues statewide at an Open House for paraprofessionals during the 2018 Arkansas Library Association (ArLA) annual conference.
- BPL librarians and library specialists continued leadership at local, state and national levels. These accomplishments include: professional publications in *Arkansas Libraries* journal, legislative advocacy in Washington D. C., executive board participation, conference attendance and professional development presentations to library colleagues.
- BPL continued volunteer opportunities for junior partners, teens, adults, program presenters and corporate groups. The library's service hours were included in the City of Bentonville's Volunteer Community of the Year application.
- BPL partnered with the Bentonville Library Foundation during Booked for the Evening to honor community supporters with Library Service Awards. Elaine Kerr was recognized by Bentonville Public Library as the "Distinguished Service Award" recipient. Howard Kerr received the "Outstanding Advocate Award" from the Bentonville Library Foundation. Jean Batta was recognized with the "Best Friend Award" by the Friends of the Bentonville Library. Alyssa Hobbs received the inaugural "Emerging Leader Award" presented by the Library Advisory Board.

FUNDS AND DEPARTMENTS

- In 2018, the Library recorded 667,538 circulations. Physical material checkouts increased over 2,000 and ebook circulation grew more than 8,000, as compared to 2017. Library visits increased to 302,398 with 5,573 new library cards issued. Program attendance totaled 80,718, an all-time high for Bentonville Public Library.

2019 GOALS & OBJECTIVES

- BPL will outline a new strategic plan guiding library programs, services and operations for the next three years. To create the plan, feedback from patrons, staff and stakeholder groups will be gathered through online surveys, open house sessions and facilitated group meetings.
- BPL will expand its shelving layout to make room for more materials.
- BPL will implement procedures for ecommerce and meeting room management.
- BPL will continue to present signature library events for our community, such as Bentonville's Literature Festival, GeekCon and other annual initiatives.
- BPL will continue to offer core services and value-added programs for children, teenagers, adults and families.
- Library staff will continue to offer outreach activities and partnerships with community organizations to broaden the library's reach in our community.
- BPL will continue development of important collections, in the form of physical materials and digital resources, to support the educational and life-enriching needs of our library customers.
- Librarians will continue to implement professional standards promoting stewardship of resources, such as the Materials Recovery Program, and adapt operations or services to change and grow with our community.
- Library administration will continue to partner with the Friends of the Library and the Bentonville Library Foundation for supplementary funding sources that complement the City's operational budget supporting special programs and collections.
- Library staff will continue to focus on facility maintenance to keep the library building and grounds in excellent condition.

FUNDS AND DEPARTMENTS

LIBRARY

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 4,290 | 6,750 | 12,150 | 5,400 | 80.0% |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 54,796 | 58,000 | 55,000 | (3,000) | -5.2% |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 9,077 | 6,500 | 6,500 | - | 0.0% |
| Other Financing Sources | - | 38,500 | - | (38,500) | -100.0% |
| Total Revenues | 68,163 | 109,750 | 73,650 | (36,100) | -32.9% |
| Salaries & Wages | 782,936 | 839,969 | 896,314 | 56,345 | 6.7% |
| Benefits | 237,477 | 258,988 | 279,078 | 20,090 | 7.8% |
| Supplies & Materials | 251,876 | 289,050 | 269,100 | (19,950) | -6.9% |
| Professional Services | 143,977 | 177,855 | 194,840 | 16,985 | 9.5% |
| Property Services | 96,974 | 91,770 | 83,520 | (8,250) | -9.0% |
| Other Services | 29,153 | 33,840 | 37,750 | 3,910 | 11.6% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 10,074 | 38,500 | 38,250 | (250) | -0.6% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 1,552,467 | 1,729,972 | 1,798,852 | 68,880 | 4.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | <u>\$ (1,484,304)</u> | <u>\$ (1,620,222)</u> | <u>\$ (1,725,202)</u> | <u>\$ (104,980)</u> | <u>6.5%</u> |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and the reclassification of 1 part-time employee to a full-time employee.
- Benefits are up due to an increase in the City's health insurance premium and the change and the reclassification of 1 part-time employee to a full-time employee..
- Professional Services are up due to an increase in software maintenance fees.

FUNDS AND DEPARTMENTS

PUBLIC WORKS MAINTENANCE

TASK

The Public Works Maintenance Department through its dedicated employees provides responsive, thorough and efficient facility maintenance, grounds maintenance and custodial services. We also provide essential cemetery services to families and individuals with compassion and dignity.

2018 ACCOMPLISHMENTS

- Provide management for 2 mowing and landscape contracts
- Removed 17 dead or dangerous trees from the City's cemetery
- Created another custodial crew leaders position at the Bentonville Community Center to gain needed evening and weekend supervision

2019 GOALS & OBJECTIVES

- Acquire property for a Public Works Maintenance facility
- Plan for and design PWM facility
- Start construction on new PWM facility
- Plan for and design a committal shelter/columbarium at the Bentonville cemetery
- Continue to retrofit light fixtures from fluorescent to LED

FUNDS AND DEPARTMENTS

PUBLIC WORKS MAINTENANCE

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | 53,225 | 30,000 | 33,000 | 3,000 | 10.0% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 77 | - | - | - | -- |
| Other Income | 1,391 | - | - | - | -- |
| Other Financing Sources | 49,404 | - | 2,000,000 | 2,000,000 | -- |
| Total Revenues | 104,097 | 30,000 | 2,033,000 | 2,003,000 | 6676.7% |
| Salaries & Wages | 1,030,919 | 1,035,810 | 1,202,090 | 166,280 | 16.1% |
| Benefits | 440,062 | 441,691 | 523,095 | 81,404 | 18.4% |
| Supplies & Materials | 185,303 | 228,800 | 196,250 | (32,550) | -14.2% |
| Professional Services | 260,800 | 293,300 | 366,500 | 73,200 | 25.0% |
| Property Services | 111,846 | 160,600 | 165,100 | 4,500 | 2.8% |
| Other Services | 9,201 | 18,810 | 20,810 | 2,000 | 10.6% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 107,132 | 130,000 | 2,132,000 | 2,002,000 | 1540.0% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 2,145,263 | 2,309,011 | 4,605,845 | 2,296,834 | 99.5% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (2,041,166) | \$ (2,279,011) | \$ (2,572,845) | \$ (293,834) | 12.9% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and one new Assistant Manager position.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and one new Assistant Manager position.
- Professional Services are up due to increased temporary workers that will be used during the summer months for mowing and parks maintenance.
- Capital Expenditures is up due to the planned construction of a new facility for the department

PARKS AND RECREATION

TASK

The mission of Bentonville Parks and Recreation is to “Enrich lives through recreation, leisure and culture.”

2018 Accomplishments:

- Parks and Recreation hosted recreation programs that included more than 500,000 participants and produced more than 4M in gross revenue.
- Completed the installation of new artificial turf on softball fields at Memorial Park.
- Completed new fencing project at Memorial Park
- Created and adopted a new master plan for new 25 acre park on SW 28th Street
- Created and adopted a new master plan for Melvin Ford Aquatic Center.
- Completed new pavilion and amphitheater at Citizens Park
- Purchased and successfully installed new fitness equipment at the Bentonville Community Center.

2019 Goals and Objectives:

- Completion of new Citizens Park Tennis Complex
- Completion of new Citizens Park Inclusive Playground Structure
- Completion of Bicycle and Pedestrian Master Plan for the department.
- Completion of new parking lot and restroom facility at Bella Vista Lake.
- Completion of new Trailhead parking lot and Trail Bridge on Town Branch Creek at Slaughter Pen Mountain Bike Trails.

FUNDS AND DEPARTMENTS

PARKS AND RECREATION

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 270,720 | - | - | - | -- |
| Charge for Services | 3,515,347 | 3,348,480 | 3,976,101 | 627,621 | 18.7% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 992,266 | - | - | - | -- |
| Other Financing Sources | 462,778 | 1,360,000 | 300,000 | (1,060,000) | -77.9% |
| Total Revenues | 5,241,111 | 4,708,480 | 4,276,101 | (432,379) | -9.2% |
| Salaries & Wages | 2,436,852 | 2,300,717 | 2,621,709 | 320,992 | 14.0% |
| Benefits | 776,639 | 740,930 | 863,253 | 122,323 | 16.5% |
| Supplies & Materials | 909,750 | 998,681 | 983,319 | (15,362) | -1.5% |
| Professional Services | 1,304,770 | 1,358,919 | 1,446,505 | 87,586 | 6.4% |
| Property Services | 593,098 | 695,450 | 738,800 | 43,350 | 6.2% |
| Other Services | 104,443 | 132,000 | 132,010 | 10 | 0.0% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 1,738,757 | 1,656,000 | 837,375 | (818,625) | -49.4% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 7,864,309 | 7,882,697 | 7,622,971 | (259,726) | -3.3% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (2,623,198) | \$ (3,174,217) | \$ (3,346,870) | \$ (172,653) | 5.4% |

Budget Summary

- Revenues are up to due to an increase in recreational activities and the new community center that opened in 2015. Numerous programs have been added and some programs were highly successful.
- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and two new positions for facilities maintenance.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and two new positions for facilities maintenance.
- Supplies and Materials are up due to increased expenses in recreational services which are offset some by the increase in charge for services.
- Property Services are up due to additional parks facilities that were completed in the last couple of years.

PLANNING

TASK

To provide advice and technical expertise to assist elected officials, the planning commission, public agencies, and citizens in understanding key issues and priorities. To continue to focus our efforts on a long-term commitment to economic vitality, environmental integrity, and development design quality.

2018 ACCOMPLISHMENTS

- Approved the Bentonville Community Plan
- Gave away 800 trees at the spring and fall tree giveaways.
- Planted 430 trees as part of the 6th Annual Tree Planting Blitz.

2019 GOALS & OBJECTIVES

- Implement eTrackit software to accept online building permit applications
- Continue to provide support to the Planning Commission
- Prepare amendments to the development code as part of the bi-annual code review
- Hire a firm to continue updating and rewriting development codes for consistency with the new Community Plan.
- Encourage and promote implementation of the Bentonville Community Plan.
- Plant and/or giveaway 1,000 trees.

FUNDS AND DEPARTMENTS

PLANNING

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 4,000 | - | - | - | -- |
| Charge for Services | 79,148 | 61,815 | 66,725 | 4,910 | 7.9% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 25,006 | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 108,154 | 61,815 | 66,725 | 4,910 | 7.9% |
| Salaries & Wages | 521,758 | 556,807 | 573,830 | 17,023 | 3.1% |
| Benefits | 205,134 | 187,834 | 217,262 | 29,428 | 15.7% |
| Supplies & Materials | 27,325 | 39,650 | 38,375 | (1,275) | -3.2% |
| Professional Services | 324,188 | 351,104 | 365,097 | 13,993 | 4.0% |
| Property Services | 58,068 | 99,450 | 69,350 | (30,100) | -30.3% |
| Other Services | 59,210 | 74,265 | 75,765 | 1,500 | 2.0% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 241,498 | 35,000 | 110,255 | 75,255 | 215.0% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 1,437,181 | 1,344,110 | 1,449,934 | 105,824 | 7.9% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | <u>\$ (1,329,027)</u> | <u>\$ (1,282,295)</u> | <u>\$ (1,383,209)</u> | <u>\$ (100,914)</u> | <u>7.9%</u> |

Budget Summary

- Revenues are up due to a slight increase in growth.
- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019.
- Benefits are up due to the fact that the City's Health Insurance premium was increased
- Capital Expenditures increased due to the need to improve or replace the Community Development building's roof

POLICE

TASK

To make citizens and visitors feel free of the fear of crime, and safe from crime and disorder.

2018 Accomplishments

- Added (1) animal services officer to our current 2 man team to provide better coverage
- Added (1) Bomb Tech and obtained certification for this new squad member
- Added (1) School Resource Officer
- Replaced (1) K9 and trained a new handler
- Developed a Records Supervisor from existing Records personnel
- Developed a Public Information Sergeant from an existing position
- Utilized the newly added Captain's position to increase officer training, efficiency, and quality of services provided by Patrol
- Began construction on a new Dispatch Facility, which includes Criminal Investigations office space and a multi-use area.
- Began planning to repurpose existing areas in our existing facility for use by the Patrol and Operations Group
- Replaced the last remaining police sedans with new SUV platform vehicles with upgraded car camera systems
- Added additional electric assist bicycles to Bike Team to further extend Trail System coverage
- Provided local assistance through the transfer of surplus police vehicles to several area law enforcement agencies
- Delivered Active Shooter training to numerous local churches and businesses

2019 Goals

- Add (3) Police Officer positions to keep up with growing numbers of calls for service
- Add (2) Tele-communicator positions to keep up with growing numbers of calls for service
- Continue and complete the construction of the Emergency Communications and Criminal Investigations Center, bringing the Center on line by late summer
- Repurpose keys areas in existing building to best utilize vacated space
- Source and set up 8 new marked Tahoes for Patrol Division
- Plan for new city-wide radio system to better align with other public safety agencies
- Make employee training and development a priority, recognizing the number of staff members that are new to us

FUNDS AND DEPARTMENTS

POLICE

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|-----------------|-----------------|-------------------|-------------------|
| Taxes | \$ 311,773 | \$ 273,235 | \$ 315,000 | \$ 41,765 | 15.3% |
| Licenses and Permits | 4,673 | 4,460 | 4,460 | - | 0.0% |
| Intergovernmental Revenue | 218,611 | 214,450 | 206,160 | (8,290) | -3.9% |
| Charge for Services | 679,095 | 604,410 | 749,818 | 145,408 | 24.1% |
| Special Assessments/Fines | 24,504 | 31,375 | 24,500 | (6,875) | -21.9% |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 44,929 | - | - | - | -- |
| Other Financing Sources | - | - | 302,275 | 302,275 | -- |
| Total Revenues | 1,283,585 | 1,127,930 | 1,602,213 | 474,283 | 42.0% |
| Salaries & Wages | 6,193,673 | 6,431,313 | 6,732,338 | 301,025 | 4.7% |
| Benefits | 2,582,619 | 2,550,347 | 2,860,712 | 310,365 | 12.2% |
| Supplies & Materials | 478,066 | 808,500 | 795,381 | (13,119) | -1.6% |
| Professional Services | 318,686 | 419,731 | 373,867 | (45,864) | -10.9% |
| Property Services | 361,018 | 411,090 | 431,640 | 20,550 | 5.0% |
| Other Services | 236,107 | 259,275 | 282,077 | 22,802 | 8.8% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 367,460 | 372,312 | 796,890 | 424,578 | 114.0% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 10,537,629 | 11,252,568 | 12,272,905 | 1,020,337 | 9.1% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (9,254,044) | \$ (10,124,638) | \$ (10,670,692) | \$ (546,054) | 5.4% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and the budgeted addition of two new telecommunicators and three new police officers.
- Benefits are up due to the fact that the City's Health Insurance premium was increase and the new positions stated above.
- Capital Expenditures are up due to 3 new police vehicles for new officers and new equipment needed for the Emergency Communications Center that is set to open in 2019.

UTILITY FUND

FUNDS AND DEPARTMENTS

The Utility Fund is used to account for activities that are similar to those that may be found in the private sector. It is financed primarily through user charges from both residential and commercial customers. The activities include the departments associated with the Electric, Water, Sewer, and Wastewater systems of the city. Other departments, in addition to those mentioned, are Utility Director, Inventory, Utility Billing & Collection, Meter Reading, and Sanitation. The last one listed is not a staffed, operational department, but reflects revenue and expenses related to the city's contract with a waste disposal company.

The pages in this section present a two-page summary for each department that operates as part of the Utility Fund. The first page for each department provides a brief statement of the task of the department, some accomplishments for the past year, goals and objectives for the budget year, and a simple organization chart. The second page for each department shows a financial summary showing the information for the last two years and the budget year, including the change in dollars and percent from the previous year to the budget year. That is followed by explanations for the more significant changes.

The following departments are in the Utility Fund:

- Electric
- Water
- Wastewater
- Sewer Rehab
- Sanitation/Trash
- Public Works Director
- Inventory
- Billing and Collection
- Meter Reading

BILLING AND COLLECTION

TASK

To provide courteous service to customers, and to accurately maintain all billing records, issue utility bills, and collect money due to the city.

2018 Accomplishments

- Implemented objective credit based deposit tool to better protect the City from loss.
- Continued cross training program.
- Increased automatic payments 19% thanks to a 130% increase of customers using Auto Pay through the website.
- Continued to identify water and electric meters not communicating, notifying the Water department and preparing work orders for the Meter department for maintenance.
- Monitoring leak alerts for review and notifying customers of leaks verified.

2019 Goals & Objectives

- Present Cycle Boundary Proposal to have cycle lines moved in an effort to rebalance the four billing cycles.
- Fill the additional Meter Reader position to help manage the growth in meter counts and service.
- Continue to develop a Procedures Manual that will aid the upcoming software transition.
- Begin Phase 3 of the City's transition to Tyler Technologies software.
- Utilize increased infrastructure to improve the successful meter reporting percentage.

FUNDS AND DEPARTMENTS

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | 929,561 | 886,800 | 886,800 | - | 0.0% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 61,521 | 35,000 | 40,000 | 5,000 | 14.3% |
| Other Financing Sources | (9,381) | - | - | - | -- |
| Total Revenue | 981,701 | 921,800 | 926,800 | 5,000 | 0.5% |
| Salaries & Wages | 779,960 | 770,532 | 854,869 | 84,337 | 10.9% |
| Benefits | 289,819 | 311,874 | 364,264 | 52,390 | 16.8% |
| Supplies & Materials | 669,869 | 275,105 | 289,220 | 14,115 | 5.1% |
| Professional Services | 562,894 | 626,409 | 803,465 | 177,056 | 28.3% |
| Property Services | 28,582 | 38,280 | 53,880 | 15,600 | 40.8% |
| Other Services | 11,627 | 20,700 | 21,000 | 300 | 1.4% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 24,279 | 31,200 | 59,500 | 28,300 | 90.7% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | 542,357 | - | - | - | -- |
| Total Expenditures | 2,909,387 | 2,074,100 | 2,446,198 | 372,098 | 17.9% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (1,927,686) | \$ (1,152,300) | \$ (1,519,398) | \$ (367,098) | 31.9% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and a new meter reading position.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and a new meter reading position.
- Property Services is up due to an increase in communication costs for both the Utility Billing office and the Meter Reading office
- Professional Services is up largely due to an increase in credit card fees due to increased customer use of credit cards
- Professional services are up due to increased software maintenance.

ELECTRIC

TASK

To provide and maintain a safe, reliable and efficient source of electrical power; to be responsive to electrical emergencies and outages; and to represent the City of Bentonville in a courteous manner.

2018 Accomplishments

- 99.9981% reliability rate (2017- 99.99845%; 2016 – 99.9971%)
- Completed 8th St. electric relocation in anticipation of 8th St. widening.
- Completed takeover of Carroll Electric accounts in the SW section of town that allowed BEUD to provide power to the new 1.5M s.f. Wal-Mart Warehouse on Hwy 12.
- Performed a roadway lighting study to identify under lit primary and secondary roadways.
- Established a Small Cell Ordinance and permit process for any provider to construct a Small Cellular Site
- Maintained over 60 different developments in various phases (design/construction/inspection) along with various upgrades and maintenance
- Treated over 600 older poles to extend useful life.

2019 Goals & Objectives

- Oversee the establishing/training of a Utility Board.
- Begin the implementation of LED lighting throughout the City and begin lighting of dark primary/secondary roadways.
- Complete design/construction of fiber installation infrastructure to “F” Sub.
- Begin design of fiber loops that will allow BEUD to begin connecting all substations and other City facilities.
- Begin to take over more of the electric inspections, both development and residential. BEUD should inspect everything from the meter to the pole.
- New Safety Coordinator will perform a full department safety review and begin to address any shortfalls.
- New Safety Coordinator to be more community outreach.
- Design Water Tower road electric relocation in anticipation of Water Tower Road widening.
- Coordinate with Wal-Mart to begin design of the electric that will serve the new campus.

FUNDS AND DEPARTMENTS

ELECTRIC

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | 66,007,652 | 63,256,160 | 64,610,394 | 1,354,234 | 2.1% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 30,243 | - | - | - | -- |
| Other Income | 568,090 | 4,500,000 | - | (4,500,000) | -100.0% |
| Other Financing Sources | 348,419 | 4,500,000 | - | (4,500,000) | -100.0% |
| Total Revenues | 66,954,404 | 72,256,160 | 64,610,394 | (7,645,766) | -10.6% |
| Salaries & Wages | 3,053,389 | 3,076,861 | 3,382,208 | 305,347 | 9.9% |
| Benefits | 1,127,163 | 1,160,142 | 1,366,563 | 206,421 | 17.8% |
| Supplies & Materials | 411,918 | 389,405 | 466,030 | 76,625 | 19.7% |
| Professional Services | 241,124 | 272,469 | 294,335 | 21,866 | 8.0% |
| Property Services | 766,475 | 627,610 | 876,484 | 248,874 | 39.7% |
| Other Services | 210,141 | 185,275 | 195,375 | 10,100 | 5.5% |
| Utility Cost of Goods | 51,342,012 | 52,136,160 | 52,430,364 | 294,204 | 0.6% |
| Capital Expenditures | 4,868,034 | 12,625,000 | 3,607,500 | (9,017,500) | -71.4% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | 1,071,413 | 1,061,105 | 1,075,893 | 14,788 | 1.4% |
| Depreciation/Amortization | 2,686,169 | - | - | - | -- |
| Total Expenditures | 65,777,838 | 71,534,027 | 63,694,752 | (7,839,275) | -11.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 1,176,566 | \$ 722,133 | \$ 915,642 | \$ 193,509 | 26.8% |

Budget Summary

- Revenues are up due to increases in residential and commercial sales projections.
- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and the addition of 3 new employees to help manage the growing workload.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.
- Property Services is up due to new leases for equipment to provide additional crews to maintain workload.
- Utility Cost of Goods is up due to increased sales.

INVENTORY

TASK

To purchase, organize and maintain an appropriate inventory for all materials needed for construction operations by the City of Bentonville public works departments.

2018 Accomplishments:

- Successful year-end physical inventory
- Implementation of new software
- Maintaining a large inventory with success

2019 Goals/Objectives:

- Increase knowledge and understanding of material
- Continue to reduce costs by negotiating competitive bids
- Continue with the ongoing implementation of new software

FUNDS AND DEPARTMENTS

INVENTORY

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | 2,476 | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 2,476 | - | - | - | -- |
| Salaries & Wages | 139,860 | 179,805 | 175,501 | (4,304) | -2.4% |
| Benefits | 53,488 | 54,537 | 63,719 | 9,182 | 16.8% |
| Supplies & Materials | 208,631 | 31,700 | 45,655 | 13,955 | 44.0% |
| Professional Services | 5,679 | 13,570 | 22,837 | 9,267 | 68.3% |
| Property Services | 25,445 | 29,235 | 22,800 | (6,435) | -22.0% |
| Other Services | 8,665 | 10,810 | 6,000 | (4,810) | -44.5% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 8,674 | 53,000 | 7,000 | (46,000) | -86.8% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | 100,374 | - | - | - | -- |
| Total Expenditures | 550,816 | 372,657 | 343,512 | (29,145) | -7.8% |
| Transfers In | - | - | 25,763 | 25,763 | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | 25,763 | 25,763 | -- |
| Net | \$ (548,340) | \$ (372,657) | \$ (317,749) | \$ 54,908 | -14.7% |

Budget Summary

- Supplies & Materials has increased due to the routine replacement of computers
- Professional Services are up due to an increase in software maintenance fees.

SANITATION

TASK

The Sanitation department provides for recording revenue and expenses associated with the provision of trash service in the city. There are no personnel assigned to this department. The two departments of Billing & Collection and Accounting and Purchasing perform necessary tasks, with assistance as required from various departments.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

FUNDS AND DEPARTMENTS

SANITATION

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | 4,591,853 | 4,438,700 | 4,543,645 | 104,945 | 2.4% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 1,037 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 4,592,890 | 4,438,700 | 4,543,645 | 104,945 | 2.4% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | 17,651 | 17,660 | 35,301 | 17,641 | 99.9% |
| Utility Cost of Goods | 4,179,829 | 4,039,220 | 4,134,545 | 95,325 | 2.4% |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 4,197,480 | 4,056,880 | 4,169,846 | 112,966 | 2.8% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 395,410 | \$ 381,820 | \$ 373,799 | \$ (8,021) | -2.1% |

Budget Summary

- Revenues are up due to a rate adjustment that slightly increased the City's Residential and Commercial rates.
- Utility Cost of Goods is likewise up based on this increased revenue.

SEWER REHAB

TASK

To provide citizens of Bentonville prompt professional service in the collection of wastewater in an environmentally sound manner.

2018 ACCOMPLISHMENTS

- Robinhood Sub (Hendren Property)
- NW 6th
- Creekstone
- NE A St.
- Bella Vista Rd
- SE H St.
- South Main St.
- The Momentary project
- SE 3rd

With the projects above, 3853' of sewer main was upgraded. There were 26 manholes rebuilt and 3 fire hydrants replaced. All the sewer services on main lines received new taps.

- Our sewer team has CCTV'd 118,451' of main line and cleaned an additional 1,466,724'. They completed 68-point repairs and have taken on clearing sewer easements throughout town. Our team inspected and provided over site for the epoxy lining of 14 manholes and rebuilt an additional 4. The group has tackled the inspection and field verification of all the sewer system and manholes in the downtown corridor as well as the area of Walmart owned properties from Central to 102 and SE J to Moberly Lane. Our team assisted with another NACA sewer main repair and helped with an ovality evaluation of the entire pipeline.

2019 GOALS & OBJECTIVES

- Reduce inflow and infiltration
- Identify sources of fats, oils, and grease
- Update/Correct our GIS Map
- Repair/Replace sewer main deficiencies
- Improve and update our department literature
- Improve our customer outreach

FUNDS AND DEPARTMENTS

SEWER REHAB

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|----------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | 9,077 | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 501 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | 1,598,960 | - | - | - | -- |
| Total Revenues | 1,608,538 | - | - | - | -- |
| Salaries & Wages | 688,248 | 720,010 | 781,812 | 61,802 | 8.6% |
| Benefits | 303,882 | 342,991 | 376,769 | 33,778 | 9.8% |
| Supplies & Materials | 65,573 | 104,100 | 126,100 | 22,000 | 21.1% |
| Professional Services | 4,480 | 36,700 | 8,700 | (28,000) | -76.3% |
| Property Services | 193,361 | 254,400 | 314,100 | 59,700 | 23.5% |
| Other Services | 53,352 | 34,470 | 39,800 | 5,330 | 15.5% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 445,458 | 350,000 | 350,000 | - | 0.0% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | 547,114 | 547,120 | 547,266 | 146 | 0.0% |
| Depreciation/Amortization | 1,151,362 | - | - | - | -- |
| Total Expenditures | 3,452,830 | 2,389,791 | 2,544,547 | 154,756 | 6.5% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ (1,844,292) | \$ (2,389,791) | \$ (2,544,547) | \$ (154,756) | 6.5% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.
- Supplies & Materials is up mainly to routine replacement of computers.
- Property Services is up due to a larger need for Sewer Main materials and for general maintenance.

PUBLIC WORKS DIRECTOR

TASK

To direct the activities of all the water, wastewater and sewer public utility departments, to provide infrastructure and plans for growth. To keep the Mayor and City Council advised as appropriate with regard to activities in the public utility area. To initiate programs and policies to improve facilities and services, and to ensure compliance with state and federal regulatory agencies.

2018 ACCOMPLISHMENTS

- Continued providing assistance in furthering the goals of the City and the Northwest Arkansas Conservation Authority to provide a regional wastewater treatment option.
- Continued joint efforts with Rogers, Springdale, Fayetteville, and Siloam Springs as part of the Northwest Arkansas Intergovernmental Working Group on Water and Wastewater Discharge Issues (IWG) to monitor and make sure EPA follows correct TMDL processes on the Illinois River. The group was instrumental in solidifying an agreement between Arkansas and Oklahoma to perform a stressor response analysis to base any future decisions and permit limits on sound science.
- Completed relocation for water and sewer utilities for the **8th Street project** between I-49 and SW I Street.
- Started easement acquisition for water relocation to accommodate ARDOT's Walton/I-49 Interchange improvement project.
- Began a "Utility Summit" with local water utilities. This is a quarterly meeting we started in 2018 and have continued into 2019 between Bentonville, Rogers, Springdale and Fayetteville. The meeting is informal and is basically an opportunity to exchange information and discuss issues we may be facing. It has helped all attendees better address some issues while building and strengthening working relationships.

2019 GOALS & OBJECTIVES

- Continued providing assistance in furthering the goals of the City and the Northwest Arkansas Conservation Authority to provide a regional wastewater treatment option.
- Continued joint efforts with Rogers, Springdale, Fayetteville, and Siloam Springs as part of the Northwest Arkansas Intergovernmental Working Group on Water and Wastewater Discharge Issues (IWG) to monitor and challenge EPA's TMDL processes on the Illinois River. While hard documents can't be presented, this group has made positive impacts forcing EPA to do the right things to ensure an accurate working model and representative TMDL are ultimately obtained.
- Complete a comprehensive analysis of water and wastewater rates.

FUNDS AND DEPARTMENTS

PUBLIC WORKS DIRECTOR

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | - | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | 1,805 | - | - | - | -- |
| Total Revenues | 1,805 | - | - | - | -- |
| Salaries & Wages | 132,734 | 134,268 | 140,567 | 6,299 | 4.7% |
| Benefits | 49,527 | 52,017 | 53,988 | 1,971 | 3.8% |
| Supplies & Materials | 24,534 | 6,800 | 5,400 | (1,400) | -20.6% |
| Professional Services | 15,830 | 20 | 20 | - | 0.0% |
| Property Services | 38,271 | 93,900 | 129,205 | 35,305 | 37.6% |
| Other Services | 25,918 | 53,605 | 53,765 | 160 | 0.3% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 7,265,636 | - | 45,000 | 45,000 | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | 32,701 | - | - | - | -- |
| Total Expenditures | 7,585,151 | 340,610 | 427,945 | 87,335 | 25.6% |
| Transfers In | - | - | 64,747 | 64,747 | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | 64,747 | 64,747 | -- |
| Net | \$ (7,583,346) | \$ (340,610) | \$ (363,198) | \$ (22,588) | 6.6% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.
- Property services are up due to the new campus which will eventually be allocated to the various departments.

WASTEWATER

TASK

To protect the public health and environment through effective treatment of wastewater.

2018 ACCOMPLISHMENTS

- Rotors on the aeration basins are showing age. Rotor #90 inner & outer bearings were replaced in 2018.
- Thirteen metal doors on various plant buildings were replaced with aluminum doors due to age and corrosion.
- Maintenance and operations installed a new insulated building on a concrete pad for the Plant composite influent sampler, to protect it from weather and erosion of electrical components.
- To prevent soil erosion, operations and maintenance installed a base of concrete barriers and rip-rap on the hillside leading to compost and in areas around the facility that show a tendency to erode during rain events. The Wastewater Plant maintains a "No Exposure" Stormwater classification.
- Seven Valleys Construction replaced the gear drive on clarifier #1 after a catastrophic failure in the summer. They will replace the sweeps on clarifier #1, and the gear drive & sweeps on clarifier #2 in the summer of 2019. Gear drives are onsite, and sweeps are expected early in 2019.
- To prevent rain and snow from damaging concrete structures at the wastewater plant, deteriorated caulking was removed and replaced with waterproof sealant at digesters, clarifiers, and walkways.
- The influent control system received a much needed electrical upgrade including new stainless steel cabinet was sealed to prevent corrosion of the new electronics. This section is now controlled by our SCADA system.
- Two more lift station concrete interiors were coated with Raven Epoxy to protect the concrete surface from hydrogen sulfide damage.
- At McKissic, our largest lift station, 2018 improvements included replacing a 500 KW generator and the bar rack of the bar screen system. Old caulking was removed and replaced around both 2.2 million gallon equalization basins at the McKissic station. New main control breakers were installed due to water damage from a pipe rupture. A new water barrier installation will deflect spray from the electrical panels in the future.
- Maintenance & operations installed a large section of water pipe from the wastewater plant to the North Lift Station on NE 'A' Street. Maintenance replaced worn check valves on all pumps at the North Lift station.
- Four lift stations had fence replacements in 2018.
- Maintenance replaced corroded force mains on both sides of Blueberry lift station.
- The abandoned Shell Road lift station was disassembled, the pumps removed and the ferrous tank drained, cleaned and installed for use as an alum tank at the screw press building.

FUNDS AND DEPARTMENTS

- The Compost Facility added an OdorBoss machine that has greatly reduced the number of odor complaints. A change in leadership has increased the number of windrows production twofold, and the amount of screened compost has doubled. The overstock of mulch is becoming manageable by the increase in compost production.
- The recycle drop point at Compost was relocated to the west, and a flower garden is installed to replace an unkempt patch of ground. This greatly improved the view from the gate. The compost staff takes pride in the positive comments from the public.

2019 GOALS & OBJECTIVES

- The long awaited biosolids upgrade is underway, with start-up scheduled for the week of January 14th. We are anxious to begin using the next generation of bio-solids reduction equipment. The PW Tech Screw press is fully contained, stainless steel, it produces a drier product than a sludge belt press and our operators and electrical equipment will no longer work in a loud, misty environment.
- In early February delivery of the new sweeps, gears and motors for both clarifiers are scheduled. Installation of these critical components will be in spring or summer when there is substantial reduction in the mixed liquor solids necessary to produce optimum treatment.
- Early 2019 purchase of replacement rotors for the aeration ditches will facilitate expected delivery of these eight aeration assemblies shortly after the clarifier project is completed. These units supply the oxygen necessary for two tanks of two million gallons of process water. Proper preventive maintenance has maintained the lifespan of the current equipment to 35 years.
If weather and rotor manufacturing time allow, our goal is to begin rotor installation as soon as clarifier rehab is complete.
- A dump truck will be replaced at the Compost Facility in 2019. The new vehicle will have a reversible fan on the radiator which will reduce maintenance issues and cost of repair and a larger bed to increase solids hauled per load.
- Staff will work with an engineering firm to assess future plant upgrades for removal of pollutants of concern, including possible further reduction in phosphorous limits.
- Updates to the 2012 Pretreatment Ordinance are in process. The addition of a Policies section referring to the ordinance is included for easier access to construction and plumbing information. When complete the ordinance will go to Camille for her approval, and then presented to City Council.
- Some 2019 budgeted items for the Compost Facility are on hold pending notification of other upcoming city projects.

FUNDS AND DEPARTMENTS

WASTEWATER

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | 13,339,032 | 13,200,785 | 13,355,000 | 154,215 | 1.2% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 3,739 | - | - | - | -- |
| Other Income | 2,960 | - | - | - | -- |
| Other Financing Sources | (5,882) | 2,725,000 | 1,300,000 | (1,425,000) | -52.3% |
| Total Revenues | 13,339,849 | 15,925,785 | 14,655,000 | (1,270,785) | -8.0% |
| Salaries & Wages | 1,119,540 | 1,037,545 | 1,150,944 | 113,399 | 10.9% |
| Benefits | 478,519 | 495,943 | 509,422 | 13,479 | 2.7% |
| Supplies & Materials | 221,120 | 483,050 | 524,044 | 40,994 | 8.5% |
| Professional Services | 151,875 | 388,200 | 392,476 | 4,276 | 1.1% |
| Property Services | 569,855 | 398,150 | 298,106 | (100,044) | -25.1% |
| Other Services | 22,750 | 76,900 | 79,316 | 2,416 | 3.1% |
| Utility Cost of Goods | 5,686,253 | 5,760,030 | 5,760,030 | - | 0.0% |
| Capital Expenditures | 144,183 | 3,659,900 | 2,305,508 | (1,354,392) | -37.0% |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | 416,662 | 433,385 | 418,602 | (14,783) | -3.4% |
| Depreciation/Amortization | 724,084 | - | - | - | -- |
| Total Expenditures | 9,534,841 | 12,733,103 | 11,438,448 | (1,294,655) | -10.2% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 3,805,008 | \$ 3,192,682 | \$ 3,216,552 | \$ 23,870 | 0.7% |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and other promotions and raises that happened in 2018.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.

WATER

Task

To provide safe, dependable and high quality potable water to the citizens of Bentonville and other customers within the service area. Provide efficient and effective quality water service to customers at a reasonable price.

2018 ACCOMPLISHMENTS

- Robinhood Sub (Hendren Property)
- NW 6th
- Creekstone
- NE A St.
- Bella Vista Rd
- SE H St.
- South Main St.
- The Momentary project
- SE 3rd

With the projects above, 1700' of water main. There were 26 manholes rebuilt and 3 fire hydrants replaced. All the water services were upgraded to the meter tiles from the new water mains.

2019 GOALS & OBJECTIVES

- Reduce unaccounted for water
- Update/Correct our GIS Map
- Improve our leak detection infrastructure
- Improve our meter reporting network
- Maintain and improve water quality
- Maintain and improve our water storage facilities
- Improve and update our department literature
- Improve our customer outreach
- Complete 2019 Water Rate Study

FUNDS AND DEPARTMENTS

WATER

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | - |
| Licenses and Permits | - | - | - | - | - |
| Intergovernmental Revenue | 11,978 | - | - | - | - |
| Charge for Services | 10,616,476 | 10,203,468 | 10,438,436 | 234,968 | 2.3% |
| Special Assessments/Fines | - | - | - | - | - |
| Interest/Rent | 5,878 | - | - | - | - |
| Other Income | 88,081 | - | - | - | - |
| Other Financing Sources | 2,179,008 | - | - | - | - |
| Total Revenues | 12,901,421 | 10,203,468 | 10,438,436 | 234,968 | 2.3% |
| Salaries & Wages | 1,204,918 | 1,194,249 | 1,344,146 | 149,897 | 12.6% |
| Benefits | 503,612 | 551,008 | 638,543 | 87,535 | 15.9% |
| Supplies & Materials | 171,675 | 219,700 | 236,196 | 16,496 | 7.5% |
| Professional Services | 204,606 | 56,150 | 72,860 | 16,710 | 29.8% |
| Property Services | 481,824 | 519,800 | 522,600 | 2,800 | 0.5% |
| Other Services | 48,929 | 53,300 | 68,850 | 15,550 | 29.2% |
| Utility Cost of Goods | 5,531,191 | 5,104,990 | 5,226,317 | 121,327 | 2.4% |
| Capital Expenditures | 757,844 | 1,146,000 | 895,000 | (251,000) | -21.9% |
| Setasides - Capital Items | - | - | - | - | - |
| Debt Service | 730,000 | 733,150 | 730,143 | (3,007) | -0.4% |
| Depreciation/Amortization | 1,642,642 | - | - | - | - |
| Total Expenditures | 11,277,241 | 9,578,347 | 9,734,655 | 156,308 | 1.6% |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| Total Transfers | - | - | - | - | - |
| Net | \$ 1,624,180 | \$ 625,121 | \$ 703,781 | \$ 78,660 | 12.6% |

Budget Summary

- Revenue is up based on projections.
- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019 and the addition of 3 new personnel to help with growth in construction.
- Benefits are up due to the fact that the City's Health Insurance premium was increased and the addition of 3 new personnel to help with growth in construction.
- Professional Services is up due to the budgeting of a rate study in 2019.

FUNDS AND DEPARTMENTS

OTHER FUNDS

This section includes the Street Fund, Fire Impact Fee, Parks Impact Fee, Water Capacity Fee, and Wastewater Capacity Fee and the Debt Service Fund. Most of these are Special Revenues Funds and are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. A good example is state turnback funds for streets. Those funds cannot be used for any other function. Each of these funds has such restricted funds, which may be supplemented by transfers from the General Fund upon approval of the City Council.

There is one department in each of these funds. The pages in this section present a summary for each of those departments. The information includes a brief statement of the task of the department, some accomplishments for the past year, goals and objectives for the budget year, and an organization chart. Also provided are explanations for some of the expenses, and a financial summary showing information for the past two years and the budget year, along with the change in dollars and percent from the previous year to the budget year.

This section also includes information for capacity and impact fees. Until 2005, these were reported within the respective departments, but reporting and tracking was a bit cumbersome. Now we are keeping each of these in separate "departments" and funds are transferred as appropriate to their "target" departments as they are used in accordance with the provisions of the purpose of the fees.

The Debt Service Fund is new and will track 80% of the capital penny as well as related principal, interest, and service fees.

FUNDS AND DEPARTMENTS

FIRE IMPACT FEES

TASK

To account for Fire Impact Fees.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

BUDGET SUMMARY

These funds can only be used for capital items related to new growth. The fees are collected at the time a Certificate of Occupancy is issued, and are transferred to the Fire Department when qualifying expenses are incurred. Fees are as follows:

RESIDENTIAL (PER UNIT)

| | |
|-------------------------|-------|
| • SF Detached | \$318 |
| • All Other Residential | \$200 |

NON-RESIDENTIAL- (Per 1000 sf/per room (Hotel/Motel/Resort Hotel) Commercial/Retail Centers

| | |
|--------------|-------|
| • Commercial | \$357 |
| • Office | \$135 |
| • Industrial | \$ 47 |

FUNDS AND DEPARTMENTS

FIRE IMPACT FEES

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------------|----------------|----------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 439,908 | 300,000 | 300,000 | - | 0.0% |
| Interest/Rent | 69 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | <u>439,977</u> | <u>300,000</u> | <u>300,000</u> | - | 0.0% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | 300,000 | 300,000 | - | 0.0% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | <u>300,000</u> | <u>300,000</u> | - | 0.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | <u>\$ 439,977</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>--</u> |

FUNDS AND DEPARTMENTS

PARK IMPACT FEES

TASK

To account for Park Impact Fees.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

BUDGET SUMMARY

These funds can only be used for capital items related to new growth. Parks Impact Fees were passed by City Council in July of 2006 so this is the first year of budgeted revenue.

The fees are collected at the time a Certificate of Occupancy is issued, and are transferred to the Parks Department when qualifying expenses are incurred. Fees are as follows:

RESIDENTIAL (PER UNIT)

| | |
|-------------------------|--------|
| • SF Detached | \$2192 |
| • All Other Residential | \$1381 |

FUNDS AND DEPARTMENTS

PARKS IMPACT FEES

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|--------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 1,611,607 | 900,000 | 900,000 | - | 0.0% |
| Interest/Rent | - | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 1,611,607 | 900,000 | 900,000 | - | 0.0% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | 900,000 | 300,000 | (600,000) | -66.7% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | 900,000 | 300,000 | (600,000) | -66.7% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | (444,592) | - | - | - | -- |
| Total Transfers | (444,592) | - | - | - | -- |
| Net | \$ 1,167,015 | \$ - | \$ 600,000 | \$ 600,000 | -- |

FUNDS AND DEPARTMENTS

POLICE IMPACT FEES

TASK

To account for Police Impact Fees.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

BUDGET SUMMARY

These funds can only be used for capital items related to new growth. Police Impact Fees were passed by City Council in July of 2016 so this is the first year of budgeted revenue.

The fees are collected at the time a Certificate of Occupancy is issued, and are transferred to the Police Department when qualifying expenses are incurred. Fees are as follows:

RESIDENTIAL (PER UNIT)

| | |
|-------------------------|-------|
| • SF Detached | \$546 |
| • All Other Residential | \$344 |

NON-RESIDENTIAL

| | |
|--------------|-------|
| • Commercial | \$615 |
| • Office | \$233 |
| • Industrial | \$ 81 |

FUNDS AND DEPARTMENTS

POLICE IMPACT FEES

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 611,175 | 500,000 | 500,000 | - | 0.0% |
| Interest/Rent | 50 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 611,225 | 500,000 | 500,000 | - | 0.0% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | 500,000 | 500,000 | - | 0.0% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | 500,000 | 500,000 | - | 0.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | <u>\$ 611,225</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>--</u> |

FUNDS AND DEPARTMENTS

LIBRARY IMPACT FEES

TASK

To account for Library Impact Fees.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

BUDGET SUMMARY

These funds can only be used for capital items related to new growth. Library Impact Fees were passed by City Council in July of 2016 so this is the first year of budgeted revenue.

The fees are collected at the time a Certificate of Occupancy is issued, and are transferred to the Library Department when qualifying expenses are incurred. Fees are as follows:

RESIDENTIAL (PER UNIT)

| | |
|-------------------------|-------|
| • SF Detached | \$178 |
| • All Other Residential | \$112 |

FUNDS AND DEPARTMENTS

LIBRARY IMPACT FEES

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 107,482 | 85,000 | 85,000 | - | 0.0% |
| Interest/Rent | - | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 107,482 | 85,000 | 85,000 | - | 0.0% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | 85,000 | - | (85,000) | -100.0% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | 85,000 | - | (85,000) | -100.0% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 107,482 | \$ - | \$ 85,000 | \$ 85,000 | -- |

FUNDS AND DEPARTMENTS

WATER CAPACITY FEES

TASK

To account for Water Capacity Fees.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

BUDGET SUMMARY

These fees were discontinued at the end of 2016. They are still presented since the 2017 Actual and 2018 Budget are necessary for reconciliation purposes.

FUNDS AND DEPARTMENTS

WATER CAPACITY FEES

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|-------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 228,820 | - | - | - | -- |
| Interest/Rent | 27 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 228,847 | - | - | - | -- |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | - | - | - | -- |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 228,847 | \$ - | \$ - | \$ - | -- |

Discontinued

FUNDS AND DEPARTMENTS

WASTEWATER CAPACITY FEES

TASK

To account for Wastewater Capacity Fees.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

BUDGET SUMMARY

These fees were discontinued at the end of 2016. They are still presented since the 2017 Actual and 2018 Budget are necessary for reconciliation purposes.

FUNDS AND DEPARTMENTS

WASTEWATER CAPACITY FEES

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|-------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ - | \$ - | \$ - | \$ - | -- |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | 326,156 | - | - | - | -- |
| Interest/Rent | 99 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | - | - | - | - | -- |
| Total Revenues | 326,255 | - | - | - | -- |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | - | - | - | - | -- |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 326,255 | \$ - | \$ - | \$ - | -- |
| | | Discontinued | | | |

STREET

TASK

To maintain city streets in good condition, to keep the streets passable in inclement weather, and to keep them clean.

2018 ACCOMPLISHMENTS

- 1.6 miles of roads milled and repaved
- 1,785 L.F. (linear feet) of street saw cuts
- 1,104 tons of Asphalt placed to repair street cuts and potholes
- 4 miles of drainage ditches cleaned
- 287 miles of roadway swept
- 198 miles of right of way mowed
- 411 acres of detention ponds mowed
- 3 new traffic signals added for a total of 48 signals
- 4 sets of pedestrians crosswalk signals added

2019 GOALS & OBJECTIVES

- Continue to maintain and improve city wide drainage ways
- Maintain and improve city streets using industry wide best practices
- Maintain and improve city sidewalks
- Continue to support other city departments on in-house projects
- Continue to apply more cost efficient and effective methods for maintaining street infrastructure

FUNDS AND DEPARTMENTS

STREET

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|----------------|--------------|--------------|-------------------|-------------------|
| Taxes | \$ 4,317,889 | \$ 4,066,865 | \$ 4,317,889 | \$ 251,024 | 6.2% |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | 3,247,214 | - | - | - | -- |
| Charge for Services | 33,259 | 27,000 | 27,000 | - | 0.0% |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 6,045 | - | - | - | -- |
| Other Income | 1,205,209 | - | - | - | -- |
| Other Financing Sources | 10,934 | - | - | - | -- |
| Total Revenues | 8,820,550 | 4,093,865 | 4,344,889 | 251,024 | 6.1% |
| Salaries & Wages | 1,047,236 | 1,170,592 | 1,207,202 | 36,610 | 3.1% |
| Benefits | 454,856 | 519,997 | 546,026 | 26,029 | 5.0% |
| Supplies & Materials | 182,739 | 133,600 | 178,550 | 44,950 | 33.6% |
| Professional Services | 70,602 | 72,936 | 117,880 | 44,944 | 61.6% |
| Property Services | 393,285 | 438,695 | 488,211 | 49,516 | 11.3% |
| Other Services | 26,537 | 40,835 | 38,510 | (2,325) | -5.7% |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | 8,893,549 | 993,600 | 918,000 | (75,600) | -7.6% |
| Setasides - Capital Items | - | 723,610 | 760,000 | 36,390 | 5.0% |
| Debt Service | - | - | - | - | -- |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 11,068,804 | 4,093,865 | 4,254,379 | 160,514 | 3.9% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | (90,510) | (90,510) | -- |
| Total Transfers | - | - | (90,510) | (90,510) | -- |
| Net | \$ (2,248,254) | \$ - | \$ - | \$ - | -- |

Budget Summary

- Salaries and Wages are up due to the fact that a COLA of 3% was budgeted for 2019.
- Benefits are up due to the fact that the City's Health Insurance premium was increased.
- Supplies and Materials has increased due to a budgeted increase in minor equipment purchases.
- Professional Services is up due to utilizing temporary staffing to help with seasonal mowing of transportation assets.
- Property Services are up due to increased maintenance costs in public works projects as well leases for additional equipment.

FUNDS AND DEPARTMENTS

DEBT SERVICE FUND

TASK

To account for 80% of the receipts on the capital penny as well as the principal, interest, and service fees on the bond money.

2018 ACCOMPLISHMENTS

N/A

2019 GOALS & OBJECTIVES

N/A

FUNDS AND DEPARTMENTS

DEBT SERVICE FUND

| Description | 2017 Actual | 2018 Budget | 2019 Request | Change in Dollars | Change in Percent |
|---------------------------|---------------|--------------|---------------|-------------------|-------------------|
| Taxes | \$ 11,878,939 | \$ 8,080,000 | \$ 10,000,000 | \$ 1,920,000 | 23.8% |
| Licenses and Permits | - | - | - | - | -- |
| Intergovernmental Revenue | - | - | - | - | -- |
| Charge for Services | - | - | - | - | -- |
| Special Assessments/Fines | - | - | - | - | -- |
| Interest/Rent | 44,603 | - | - | - | -- |
| Other Income | - | - | - | - | -- |
| Other Financing Sources | 1,327,377 | - | - | - | -- |
| Total Revenues | 13,250,919 | 8,080,000 | 10,000,000 | 1,920,000 | 23.8% |
| Salaries & Wages | - | - | - | - | -- |
| Benefits | - | - | - | - | -- |
| Supplies & Materials | - | - | - | - | -- |
| Professional Services | - | - | - | - | -- |
| Property Services | - | - | - | - | -- |
| Other Services | - | - | - | - | -- |
| Utility Cost of Goods | - | - | - | - | -- |
| Capital Expenditures | - | - | - | - | -- |
| Setasides - Capital Items | - | - | - | - | -- |
| Debt Service | 10,239,991 | 8,080,000 | 10,000,000 | 1,920,000 | 23.8% |
| Depreciation/Amortization | - | - | - | - | -- |
| Total Expenditures | 10,239,991 | 8,080,000 | 10,000,000 | 1,920,000 | 23.8% |
| Transfers In | - | - | - | - | -- |
| Transfers Out | - | - | - | - | -- |
| Total Transfers | - | - | - | - | -- |
| Net | \$ 3,010,928 | \$ - | \$ - | \$ - | -- |

CAPITAL

CAPITAL INTRODUCTION

As a part of the budget process, a separate form is completed to request any capital item. To qualify as a capital item the cost must be at least \$5,000 and the item must have an expected useful life of more than one year. The capital request form is available to our department heads in electronic form on our network. The form provides information on whether the item is a replacement or additional item, the cost, an explanation of why the item is needed, information on the item (if any) being replaced, and other pertinent information to justify the request. Each department ranks its requests by priority to enable the Mayor and Director of Finance and Administration to have a better understanding of the priorities if items must be cut or placed on the "not recommended" list.

In August of 2003, voters approved an additional "one-cent" sales tax with the funds dedicated to capital needs. The tax was effective October 1, 2003, and would have expired September 30, 2013, with at least seventy percent of it dedicated to streets for the first seven and one-half years. In August of 2007, a special election was held that extended the tax for 25 years and authorizes the City to issue up to \$110 million in bonds. The first series was issued in November of 2007 in the amount of \$36.3 million. 80% of the capital penny will be used for debt service. Based on current spending of the first series, series two was issued in December of 2009 and series three was issued in November of 2010.

In addition, there are capacity/impact funds for police, parks, library, wastewater/sewer, water, and fire that can only be spent in those respective departments on capital that can be attributed to new growth in the City.

Prioritizing capital projects when faced with limited resources is always challenging for cities. The City of Bentonville takes an analytical approach when reviewing the list of requests.

- Can the project be funded with capacity/impact fees? If so, that money would be used first.
- Is there other money available to assist with funding such as development agreements, grants, cost sharing ventures with interested parties, set asides from prior years, or regular operating revenues? Debt is not looked to first unless the scope of the project(s) is of such a magnitude that debt is the only solution.

A list of the requested capital items is presented on the following pages. The list is then supplemented by an explanation of significant and non-recurring capital requests.

CAPITAL

CAPITAL ITEMS

| Department | Description | Requested | Type | Notes |
|--------------------------|--|--------------|------|-------|
| Administration | Windows Server Software | \$ 16,500 | Impr | |
| Administration | Internet Security Software | \$ 13,000 | Impr | |
| Administration | VSphere Software Upgrade | \$ 10,000 | Impr | |
| Administration | Firewall Software Upgrade | \$ 5,500 | Impr | |
| Administration | Network Core Upgrade | \$ 140,000 | Impr | |
| Administration | DR Site Servers x 2 | \$ 40,000 | Addl | |
| Administration | Video Storage Server x 2 | \$ 30,000 | Addl | |
| Administration | Network Upgrades | \$ 30,000 | Impr | |
| | | \$ 285,000 | | |
| District Court | Replacement of 5 - 21 YR old HVAC Units | \$ 50,000 | Impr | |
| | | \$ 50,000 | | |
| Planning | Roof Repairs | \$ 60,000 | Impr | |
| Planning | Tree Planting Blitz | \$ 35,000 | Impr | |
| Planning | Lanier Wide Format Digital Imaging System | \$ 15,255 | Addl | |
| | | \$ 110,255 | | |
| Engineering | Bogle Park Drainage Imp. Design | \$ 50,000 | Impr | |
| Engineering | Storm Water Mapping Updates | \$ 20,000 | Impr | |
| Engineering | Traffic Counters | \$ 30,000 | Addl | |
| | | \$ 100,000 | | |
| Police | OPS, Replacement K9 (1) | \$ 20,000 | Repl | |
| Police | Patrol, Replacement Pursuit Marked Units (3) | \$ 144,000 | Repl | |
| Police | Patrol, Pursuit Marked, New Officers (3) | \$ 144,000 | Addl | |
| Police | Patrol, Pursuit Marked, Backfill 2018 Adds (2) | \$ 96,000 | Addl | |
| Police | Panasonic in Car Cam Replacement (3) | \$ 18,000 | Repl | |
| Police | Panasonic in Car Cam, Backfill 2018 Adds (2) | \$ 12,000 | Repl | |
| Police | Mobile Radios, New Officers (3) | \$ 3,600 | Addl | |
| Police | Mobile Radios, Backfill 2018 Adds (2) | \$ 2,400 | Addl | |
| Police | Patrol, Panasonic Car Cam, New Officers (3) | \$ 18,000 | Addl | |
| Police | CID, Furniture & Fixtures, New Building | \$ 172,000 | Addl | |
| Police | Patrol, Briefing Room Fixtures | \$ 6,500 | Repl | |
| Police | Network Closet Equip - New Building | \$ 10,790 | Addl | |
| Police | Cisco 3850 48 Port Switch - New Building | \$ 21,685 | Addl | |
| Police | Arbitrator Interview Room CPU's CID | \$ 30,115 | Addl | |
| Police | Access Door Controls - New Building | \$ 64,000 | Addl | |
| Police | Bosch Camera Storage - New Building | \$ 25,000 | Addl | |
| Police | Additional Network Drops - New Building | \$ 8,800 | Addl | |
| | | \$ 796,890 | | |
| Fire | Construction of Station 7 | \$ 2,200,000 | Addl | |
| Fire | Self Contained Breathing Apparatus (3) SCBA | \$ 17,000 | Addl | |
| Fire | Power Cots (5) | \$ 288,000 | Addl | |
| Fire | 2nd Set of Bunker Gear for All Firefighters | \$ 300,000 | Addl | |
| Fire | Bunker Gear Washer & Dryer - Station 7 | \$ 20,000 | Addl | |
| Fire | SCBA Air Compressor - Station 7 | \$ 51,000 | Addl | |
| Fire | Replacement of Engine 1 | \$ 660,000 | Repl | |
| Fire | Fiber Connectivity - Station 7 | \$ 34,000 | Addl | |
| | | \$ 3,570,000 | | |
| Building Inspection | Modular Cubicals for 1st Floor | \$ 25,000 | Repl | |
| Building Inspection | Selectron Selectxt | \$ 24,250 | Addl | |
| Building Inspection | Selectron Replay Services Outbound | \$ 15,750 | Addl | |
| Building Inspection | Imagerunner Advance Copier | \$ 10,105 | Repl | |
| | | \$ 75,105 | | |
| Public Works Maintenance | Grasshopper Zero Turn Mower (1) | \$ 15,000 | Repl | |
| Public Works Maintenance | Hustler Zero Turn Mower (1) | \$ 15,000 | Repl | |
| Public Works Maintenance | Side By Side UTV for Street Crew (1) | \$ 17,000 | Addl | |
| Public Works Maintenance | Public Works Maintenance Facility | \$ 2,000,000 | Addl | |

CAPITAL

| Department | Description | Requested | Type | Notes |
|---------------------------|---|--------------|------|---------------------|
| Public Works Maintenance | Side By Side for Cemetery Crew (1) | \$ 17,000 | Addl | |
| Public Works Maintenance | 1/2 Ton 4x4 Crew Cab | \$ 26,000 | Repl | 100K miles |
| Public Works Maintenance | 3/4 Ton 4x4 Crew Cab with Maint Utility Bed | \$ 42,000 | Repl | 84K miles |
| | | \$ 2,132,000 | | |
| Parks Recreation | Dave Peel Park Tile Repair | \$ 100,000 | Impr | |
| Parks Recreation | Automatic Gate for BPR Maint Shop | \$ 15,000 | Addl | |
| Parks Recreation | Citizens Park - Inclusive Play Structure | \$ 300,000 | Addl | |
| Parks Recreation | Memorial Park - Tennis Courts Resurface | \$ 20,000 | Impr | |
| Parks Recreation | Phillips Park Field 1 - Scorebooth (remove current) | \$ 10,000 | Repl | |
| Parks Recreation | Soccer Field Renovation | \$ 15,000 | Impr | |
| Parks Recreation | Ochards Park - Stone Work East Berm | \$ 7,000 | Impr | |
| Parks Recreation | Phillips Park - Field 1,2,3 Recrown/Grade/Sod | \$ 60,000 | Impr | |
| Parks Recreation | MFAC Diving Platform (2) Diving Board Project | \$ 30,000 | Repl | |
| Parks Recreation | Lawrence Plaza Fiber | \$ 20,000 | Impr | |
| Parks Recreation | Lawrence Plaza Fountain Retrofit | \$ 20,000 | Impr | |
| Parks Recreation | 16' Rotary Mower M17 | \$ 100,275 | Repl | 2012 with 1,280 Hrs |
| Parks Recreation | 60" Zero Turn Mower M10 | \$ 12,000 | Repl | 2013 with 1,085 Hrs |
| Parks Recreation | 5' Brush Hog | \$ 7,000 | Addl | |
| Parks Recreation | Tractor | \$ 47,500 | Repl | 2008 with 2,386 Hrs |
| Parks Recreation | UTV | \$ 12,500 | Repl | 2009 with 2,526 Hrs |
| Parks Recreation | UTV | \$ 12,500 | Repl | 2009 with 1,420 Hrs |
| Parks Recreation | Sandpro | \$ 13,600 | Addl | |
| Parks Recreation | 3/4 Ton Crew Cab Truck | \$ 35,000 | Repl | 2008 with 39K Miles |
| | | \$ 837,375 | | |
| Library | Shelving Expansion Project | \$ 23,500 | Impr | |
| Library | Entrance Mat Replacement | \$ 14,750 | Repl | |
| | | \$ 38,250 | | |
| Transportation and Street | Overlay | \$ 350,000 | Impr | |
| Transportation and Street | Ashphalt Zipper (Milling Machine) | \$ 143,000 | Addl | |
| Transportation and Street | Pothole Patching Truck | \$ 200,000 | Repl | |
| Transportation and Street | Replace 2007 450 Truck | \$ 75,000 | Repl | 105,371 miles |
| Transportation and Street | Replace 2009 450 Truck | \$ 75,000 | Repl | 71,147 miles |
| Transportation and Street | Replace 2006 1500 Truck | \$ 75,000 | Repl | 89,107 miles |
| | | \$ 918,000 | | |
| Electric | Underground Primary | \$ 2,200,000 | Addl | |
| Electric | L&G Focus Meters | \$ 300,000 | Addl | |
| Electric | Easement Purchases | \$ 50,000 | Addl | |
| Electric | Scada Upgrades | \$ 50,000 | Impr | |
| Electric | Carroll Purchases | \$ 50,000 | Addl | |
| Electric | Overhead Primary | \$ 370,000 | Addl | |
| Electric | Shelving for Utility Complex | \$ 50,000 | Addl | |
| Electric | Substation Testing Equipment | \$ 50,000 | Addl | |
| Electric | Bucket Truck Replacement | \$ 222,500 | Repl | |
| Electric | Digger Derrick Replacement | \$ 250,000 | Repl | |
| Electric | Computer Hardware | \$ 15,000 | Repl | |
| | | \$ 3,607,500 | | |
| Water | Water Storage Tank Maintenance Agreement | \$ 350,000 | Impr | |
| Water | I Street Pump Replacement | \$ 20,000 | Repl | |
| Water | AMI Meters | \$ 50,000 | Addl | |
| Water | Large AMI Meters and Replacements | \$ 250,000 | Repl | |
| Water | Southwest Area Water Main Extension | \$ 120,000 | Impr | |
| Water | Trimble GPS Receiver | \$ 25,000 | Addl | |
| Water | New 1/2 4x4 Truck for New Position | \$ 40,000 | Addl | |
| Water | New 1/2 4x4 Truck for New Position | \$ 40,000 | Addl | |
| | | \$ 895,000 | | |

CAPITAL

| Department | Description | Requested | Type | Notes |
|------------------------|--|-----------------------------|------|-------|
| Wastewater | Flooring Tile or Wastewater Admin Building | \$ 25,000 | Impr | |
| Wastewater | Prep & Asphalt 270' x 165 ' Compost Area | \$ 107,018 | Repl | |
| Wastewater | Compost 3 Phase 200AMP 480V Service Atupper Level | \$ 35,000 | Addl | |
| Wastewater | Engineering Services for WW Plant Upgrade | \$ 275,000 | Repl | |
| Wastewater | Tandem Axel Dump Truck w/ 15' Dump Bed | \$ 115,000 | Repl | |
| Wastewater | Stainless Steel Ladder for Digester #1 | \$ 20,000 | Repl | |
| Wastewater | Rotor Assy's in Oxidation Ditches (8) | \$ 1,500,000 | Repl | |
| Wastewater | 185 CFM Sullair Air Compressor | \$ 25,000 | Addl | |
| Wastewater | QSI Controller for UV System | \$ 21,000 | Repl | |
| Wastewater | Buchi K360 Distillation Unit | \$ 20,000 | Repl | |
| Wastewater | Mettler Toledo Balanec (spare) | \$ 6,800 | Addl | |
| Wastewater | Teledyne ISCO Sampler w/Battery, Charger, Cables | \$ 14,500 | Addl | |
| Wastewater | Pressure Washer | \$ 6,000 | Repl | |
| Wastewater | UTV for Operations | \$ 16,000 | Repl | |
| Wastewater | 100 HP Blower (spare) | \$ 15,000 | Addl | |
| Wastewater | 24" Mag Mtr for McKissic Lift Station | \$ 12,000 | Repl | |
| Wastewater | Srew Press Pump (spare) | \$ 7,500 | Repl | |
| Wastewater | Auger for McKissic Lift Station Influent Grindings | \$ 13,000 | Addl | |
| Wastewater | Grinder for McKissic Lift Station | \$ 35,000 | Repl | |
| Wastewater | #27 & #28 Lift Station Concrete Coating | \$ 11,200 | Impr | |
| Wastewater | Omi 1200 CFM Vapor Phase System for Odor Control | \$ 25,490 | Addl | |
| | | <u>\$ 2,305,508</u> | | |
| Sewer Rehab | SW 2nd Sewer Main Replacement SW A to SW G | \$ 175,000 | Repl | |
| Sewer Rehab | Manhole Rebuild and Replacement | \$ 55,000 | Impr | |
| Sewer Rehab | Camera Truck Equipment | \$ 120,000 | Repl | |
| | | <u>\$ 350,000</u> | | |
| Public Works Director | Bi-Directional Amplifier w/Antenna for Municipal Complex | \$ 25,000 | Addl | |
| Public Works Director | Commercial Signal Booster Kit for Municipal Compex | \$ 20,000 | Addl | |
| | | <u>\$ 45,000</u> | | |
| Inventory | New Barcode Scanners (2) | \$ 7,000 | Addl | |
| | | <u>\$ 7,000</u> | | |
| Billing and Collection | Network Upgrades | \$ 30,000 | Impr | |
| Billing and Collection | MI Tech Handheld with Install Kit | \$ 6,500 | Addl | |
| Billing and Collection | 1/2 Ton Short Bed 4x4 w/ Tool Box (New Position) | \$ 23,000 | Addl | |
| | | <u>\$ 59,500</u> | | |
| Grand Total | | <u>\$ 16,182,383</u> | | |

CAPITAL

SIGNIFICANT AND NON-RECURRING CAPITAL ITEMS EXPLANATIONS

The capital items listed on the previous pages were discussed individually with the respective department heads in meetings with the Mayor prior to meetings with City Council. They were also covered individually during budget meetings with the Council. Below is a more detailed explanation of capital items that are non-recurring and are considered significant.

| | | |
|---|---|--------------|
| Fire | Construction of Station 7 | \$ 2,200,000 |
| This is for construction of a fire station in the southwest portion of the City and provide for better response time. This station will require 12 new personnel. 6 of the personnel will be hired in 2019 and 6 will be hired in 2020. | | |
| Public Works Maintenance | Public Works Maintenance Facility | \$ 2,000,000 |
| This is for construction of a facility that will allow the Public Works Maintenance department to move out of a shared facility with the Parks and Recreation department and provide much needed space for both departments | | |
| Parks & Recreation | Citizens Park - Inclusive Play Structure | \$ 300,000 |
| This will provide a play structure for kids and families of all abilities to play. | | |
| Street and Transportation | Ashphalt Zipper (Milling Machine) | \$ 143,000 |
| This piece of equipment will help the City recycle and reuse asphalt. | | |
| Street and Transportation | Pothole Patching Truck | \$ 200,000 |
| This piece of equipment will help the City extend the useful life of various streets in the City. | | |
| Wastewater | Rotor Assemblies in Oxidation Ditches (8) | \$ 1,500,000 |
| This is a replacement piece of equipment that will help provide proper processing at our Wastewater facility. | | |

CAPITAL

EFFECTS OF CAPITAL ON OPERATING BUDGET

Most of the capital items will not materially affect operating budgets because they are replacements for current items or they are infrastructure. Others, such as vehicles, will have no material affect on O & M. The following departmental summaries will briefly address those that have some impact, although most are not significant. Most are for new items of equipment that will add insurance, fuel, and/or routine maintenance expenses.

Administration

No major changes in O & M are anticipated in conjunction with the capital projects. However, increasing technology continues to put a strain on staffing levels. Eventually, more personnel will have to be added to keep up with the demands.

Planning

No major changes in O & M are anticipated in conjunction with the trees project. However, the growth of trees does cause staffing levels in parks and public works maintenance to increase.

Engineering

No major changes in O & M are anticipated in conjunction with the drainage projects.

Airport

No major changes in O & M are anticipated in conjunction with the capital projects. FAA grants have been on going for years and only minor fluctuations have occurred in O and M.

Fire

With the construction of Fire Station 7 we anticipate an increase in personnel and operating/maintenance costs for the operation of the facility. We also anticipate a one time capital cost for fire equipment to be located at the facility.

Police

No major changes in O & M are anticipated in conjunction with the capital. In 2018 we did start construction of a Emergency Communication Center that will increase O&M costs in facility maintenance and property insurance.

Parks and Recreation

Due to the expansion of the Parks, additional mowers and equipment will increase O & M costs somewhat for routine maintenance, fuel, etc. The bond money has increased our park system and over the next 5-10 years, we will be looking at adding personnel. It is our plan to have programs that will also generate revenue to help offset some of the increased costs as we see with the opening of the new community center in 2015. Expenses were increased but so were revenues.

Public Works Maintenance

With the construction of a new facility we do anticipate an increase in O&M costs in facility maintenance and property insurance.

Library

No major changes in O & M are anticipated in conjunction with the satellite office at the new community center.

Street

No major changes in O & M are anticipated in conjunction with the capital projects. Most of the projects are one time capital outlays with little O and M required.

Electric

No major changes in O & M are anticipated in conjunction with the electric capital projects since many are what the City refers to as mandatory capital. However, some of the equipment will involved increased fuel costs as well as insurance and maintenance.

Utility Billing

The network equipment is a shared cost with Administration and will not have an effect on the O and M.

CAPITAL

Sewer Rehab

No major changes in O & M are anticipated in conjunction with the capital projects. Most of the items are routine in nature as we consistently improve and rebuilt the sewer lines around the City.

Wastewater

No major changes are anticipated in O and M due to the capital.

Water

No major changes in O & M are anticipated in conjunction with the capital projects.

STAFFING

PERSONNEL INTRODUCTION

In the initial budget presented to the Council, personnel dollars for all departments are based on existing staffing and new positions. The Accounting Department utilizes our software to compute the amounts. Live payroll files are copied into the budget module. Related variables are updated for the coming year for retirement, FICA, insurance, and similar variables. Each department head is responsible for reviewing information for his/her department, and either verifying it or seeing that it is corrected.

A separate form is completed, as a part of the budget process, to request any changes in personnel staffing, whether for additional positions or upgrades. The form provides information on why the position is needed, which alternatives have been considered, and the costs, including all benefits and associated costs. The Human Resources Manager reviews those requests. If the position classification requested does not exist, a simple salary "survey" is done, a job description prepared, and the position is assigned to a grade in the pay plan.

The succeeding pages present the following information:

- A staffing table for 2019
- A schedule of key personnel
- Organization chart

STAFFING

PERSONNEL REQUESTS

STAFFING

| Department | Position | FT/PT | Base Pay |
|--------------------------|-------------------------------|-------|------------------|
| Administration | Part-Time Courier | PT | \$ 16,000 |
| Administration | Deputy Staff Attorney | FT | \$ 66,747 |
| | | | <hr/> \$ 82,747 |
| Engineering | Staff Engineer | FT | \$ 57,221 |
| Building Inspection | Chief Building Official | FT | \$ 66,747 |
| Police | Police Officer II | FT | \$ 42,390 |
| Police | Police Officer II | FT | \$ 42,390 |
| Police | Police Officer II | FT | \$ 42,390 |
| Police | Telecommunicator I | FT | \$ 31,054 |
| Police | Telecommunicator I | FT | <hr/> \$ 31,054 |
| | | | \$ 189,278 |
| Fire | Fire Inspector | FT | \$ 50,752 |
| Fire | Fire Inspector | FT | \$ 50,752 |
| Fire | Firefighter I/II | FT | \$ 39,139 |
| Fire | Firefighter I/II | FT | \$ 39,139 |
| Fire | Firefighter I/II | FT | \$ 39,139 |
| Fire | Firefighter I/II | FT | \$ 39,139 |
| Fire | Firefighter I/II | FT | \$ 39,139 |
| Fire | Firefighter I/II | FT | \$ 39,139 |
| Fire | Firefighter I/II | FT | <hr/> \$ 39,139 |
| | | | \$ 336,338 |
| Public Works Maintenance | Assistant Manager | FT | \$ 52,978 |
| Parks and Recreation | Facility Maint. Technician II | FT | \$ 38,896 |
| Parks and Recreation | Facility Maint. Technician II | FT | <hr/> \$ 38,896 |
| | | | \$ 77,792 |
| Public Library | Library Specialist I | FT | \$ 29,120 * |
| Electric | Construction Coordinator | FT | \$ 65,749 |
| Electric | Safety Compliance Officer | FT | \$ 65,749 |
| Electric | Administrative Assistant I | FT | <hr/> \$ 28,588 |
| | | | \$ 160,086 |
| Water | Water Distribution Inspector | FT | \$ 52,299 |
| Water | New Service Coordinator | FT | <hr/> \$ 52,299 |
| Water | Water Utility Systems Tech | FT | \$ 56,711 ** |
| | | | <hr/> \$ 161,309 |
| Billing and Collection | Meter Reader I/II | FT | \$ 33,342 |

* This position is an upgrade of a Part-Time Library Clerk position

** This position is an upgrade of an Administrative Technician position

STAFFING

STAFFING CHANGES

For 2019, the City Council approved a Cost of Living Adjustment (COLA) of 3%.

Administration

Administration requested a part-time courier to help make the City more efficient as our facilities expand.

The City Attorney's office requested one Deputy Staff Attorney to help manage the growing workload.

Engineering

Engineering requested a staff engineer to help manage the workload in the engineering department related to growth in construction.

Building Inspection

Building Inspection requested a Chief Building Official to help coordinate the overall process of the building permit and inspection process.

Police Department

Police requested three additional Police Officers and two additional Telecommunicators. The City's population continues to grow and increases the demands on public safety.

Fire Department

Fire Department requested the addition of two Fire Inspectors to help manage the growing workload of the fire inspections.

Fire Department also requested six firefighters for Fire Station 7 that will begin construction in 2019. Another six firefighters will be need in 2020 when the facility is operational.

Public Works Maintenance

Public Works Maintenance requested an Assistant Manager to help better manage the growing city facilities and responsibilities of the department.

Parks and Recreation

Parks and Recreation has requested two Facility Maintenance Technicians to add to the staff located at the Community Center to help with proper upkeep of the facility.

Public Library

Public Library requested an upgrade of a Part-Time Library Clerk position to a full-time Library Specialist to help with the growing attendance and usage of the Library.

Electric Department

Electric Department requested one Construction Coordinator, one Safety Compliance Officer and one Administrative Assistant to help the department manage the growth of workload related to construction in the City and better increase staff oversight for Safety.

Water Department

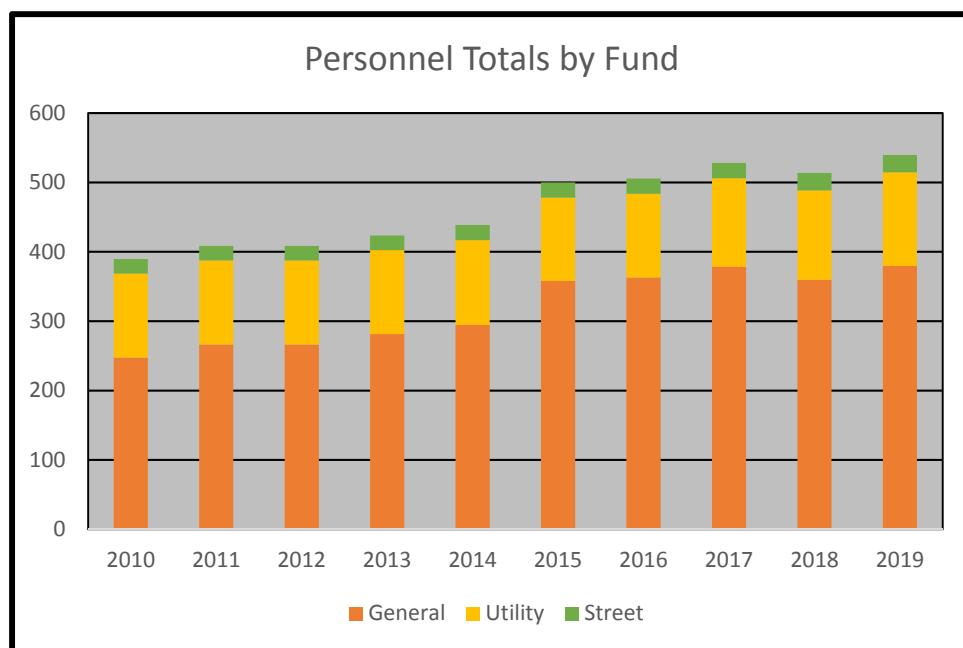
Water Department requested one Water Distribution Inspector and one New Service Coordinator the department manage the growth of workload related to construction in the City.

Water Department also requested an upgrade of an Administrative Technician position to a Water Utility Systems Tech to better align with department needs.

STAFFING

FULL TIME EQUIVALENTS (FTEs)

The following graph shows the FTE strength by fund as shown in the table on the next page. The growth trend is clearly shown as employees have been added to be able to maintain service levels as our population grew from around 15,000 in 1995 to over 48,000 today.



STAFFING

FULL TIME EQUIVALENTS (FTEs)

| Authorized Strength - Total FTEs | | | | |
|----------------------------------|--------------|--------------|-------------|--------------|
| Year | 2017 | 2018 | Add | 2019 |
| General Fund | | | | |
| Administration | 17.0 | 17.0 | 1.5 | 18.5 |
| Accounting | 7.5 | 8.0 | - | 8.0 |
| District Court | 12.0 | 11.5 | - | 11.5 |
| Parks | 79.0 | 72.0 | 2.0 | 74.0 |
| Public Works Maintenance | 30.5 | 30.5 | 1.0 | 31.5 |
| Library | 23.0 | 25.0 | 0.5 | 25.5 |
| Police | 110.0 | 110.0 | 5.0 | 115.0 |
| Fire | 84.0 | 84.0 | 8.0 | 92.0 |
| Building Inspection | 8.0 | 8.0 | 1.0 | 9.0 |
| Planning | 7.5 | 7.5 | - | 7.5 |
| Engineering | 8.0 | 8.0 | 1.0 | 9.0 |
| Fund Total | 386.5 | 381.5 | 16.5 | 401.5 |
| Utility Fund | | | | |
| Pub Works Director | 1.0 | 1.0 | - | 1.0 |
| Electric | 41.0 | 42.0 | 3.0 | 45.0 |
| Sewer | 15.0 | 15.0 | - | 15.0 |
| Water | 27.0 | 27.0 | 3.0 | 30.0 |
| Wastewater | 25.0 | 25.0 | - | 25.0 |
| Inventory Warehouse | 3.0 | 4.0 | - | 4.0 |
| Utility Billing/Collection | 18.5 | 19.0 | 1.0 | 20.0 |
| Fund Total | 130.5 | 133.0 | 7.0 | 140.0 |
| Street | 22.0 | 24.0 | - | 25.0 |
| City Total | 539.0 | 538.5 | 23.5 | 566.5 |

STAFFING

FULL TIME EQUIVALENTS (FTEs)

| | Full-time | Other | Total |
|--|-------------|------------|-------------|
| Administration | | | |
| Secretary | 1.0 | | 1.0 |
| GIS Coordinator | 1.0 | | 1.0 |
| GIS Tech | 2.0 | | 2.0 |
| Human Resources Clerk | 1.0 | | 1.0 |
| Human Resources Manager | 1.0 | | 1.0 |
| Part-time Courier | | 0.5 | 0.5 |
| Staff Attorney | 1.0 | | 1.0 |
| Paralegal | 1.0 | | 1.0 |
| Deputy Staff Attorney | 1.0 | | 1.0 |
| Mayor | 1.0 | | 1.0 |
| Secretary to the Mayor | 1.0 | | 1.0 |
| Network Administrator | 1.0 | | 1.0 |
| Systems Administrator | 1.0 | | 1.0 |
| Systems Manager | 1.0 | | 1.0 |
| Systems Technician | 4.0 | | 4.0 |
| Department Total | 18.0 | 0.5 | 18.5 |
| Accounting and Purchasing | | | |
| Accountant | 1.0 | | 1.0 |
| Accounting Specialist III (Accounts Payable) | 2.0 | | 2.0 |
| Accounting Specialist III (Payroll Clerk) | 1.0 | | 1.0 |
| Assistant Finance Director | 1.0 | | 1.0 |
| Finance Director | 1.0 | | 1.0 |
| Purchasing Agent | 2.0 | | 2.0 |
| Department Total | 8.0 | - | 8.0 |
| District Court | | | |
| Chief Court Clerk | 1.0 | | 1.0 |
| Chief Deputy Court Clerk | 1.0 | | 1.0 |
| Deputy Court Clerk | 6.0 | | 6.0 |
| Part Time Court Clerk | | 0.5 | 0.5 |
| Probation Officer | 1.0 | | 1.0 |
| Probation Officer/Bailiff | 2.0 | | 2.0 |
| Department Total | 11.0 | 0.5 | 11.5 |

STAFFING

FULL TIME EQUIVALENTS (FTEs)

| | Full-time | Other | Total |
|--------------------------------|--------------|-------|--------------|
| Fire | | | |
| Fire Battalion Chief | 3.0 | | 3.0 |
| Deputy Fire Battalion Chief | 3.0 | | 3.0 |
| Division Chief - Fire Marshall | 1.0 | | 1.0 |
| Division Chief - Training | 1.0 | | 1.0 |
| Fire Chief | 1.0 | | 1.0 |
| Fire Inspector | 3.0 | | 3.0 |
| Firefighter | 64.0 | | 64.0 |
| Fire Captains | 15.0 | | 15.0 |
| Secretary | 1.0 | | 1.0 |
| Department Total | 92.0 | - | 92.0 |
| Police | | | |
| Animal Control Officer | 3.0 | | 3.0 |
| Dispatch Supervisor | 1.0 | | 1.0 |
| Dispatchers | 20.0 | | 20.0 |
| Lead Dispatchers | 3.0 | | 3.0 |
| Police Chief | 1.0 | | 1.0 |
| Police Corporal | 8.0 | | 8.0 |
| Police Lieutenant | 3.0 | | 3.0 |
| Police Officers | 65.0 | | 65.0 |
| Police Sergeant | 5.0 | | 5.0 |
| Records Clerk | 4.0 | | 4.0 |
| Secretary | 2.0 | | 2.0 |
| Department Total | 115.0 | - | 115.0 |
| Building Inspection | | | |
| Building Inspector | 2.0 | | 2.0 |
| Chief Building Official | 1.0 | | 1.0 |
| Chief Building Inspector | 1.0 | | 1.0 |
| Code Enforcement Officer | 1.0 | | 1.0 |
| Building Permit Clerk | 2.0 | | 2.0 |
| Building Plan Examiner | 1.0 | | 1.0 |
| Building Permit Administrator | 1.0 | | 1.0 |
| Department Total | 9.0 | - | 9.0 |

STAFFING

FULL TIME EQUIVALENTS (FTEs)

| | Full-time | Other | Total |
|-------------------------------------|-------------|------------|-------------|
| Planning | | | |
| Community Development Director | 1.0 | | 1.0 |
| Economic Development Manager | 1.0 | | 1.0 |
| Summer Intern | | 0.5 | 0.5 |
| Planning Services Manager | 1.0 | | 1.0 |
| Planner | 3.0 | | 3.0 |
| Administrative Assistant | 1.0 | | 1.0 |
| Department Total | 7.0 | 0.5 | 7.5 |
| Engineering | | | |
| City Engineer | 1.0 | | 1.0 |
| Administrative Assistant | 1.0 | | 1.0 |
| Construction Inspector | 3.0 | | 3.0 |
| Engineering Project Manager | 1.0 | | 1.0 |
| Staff Engineer | 2.0 | | 2.0 |
| Stormwater Coordinator | 1.0 | | 1.0 |
| Department Total | 9.0 | - | 9.0 |
| Public Works Director | | | |
| Public Works Director | 1.0 | | 1.0 |
| Department Total | 1.0 | - | 1.0 |
| Electric | | | |
| Electric Manager - Special Projects | 1.0 | | 1.0 |
| Engineering Director | 1.0 | | 1.0 |
| Administrative Assistant | 2.0 | | 2.0 |
| Apprentice Powerline Electrician | 3.0 | | 3.0 |
| Assistant Elec Utility Manager | 2.0 | | 2.0 |
| Construction Coordinator | 1.0 | | 1.0 |
| Safety Compliance Officer | 1.0 | | 1.0 |
| Engineering Technician | 2.0 | | 2.0 |
| Heavy Equipment Operator | 2.0 | | 2.0 |
| Electric Technician | 3.0 | | 3.0 |
| Powerline Electrician | 3.0 | | 3.0 |
| Tree Trimmer | 3.0 | | 3.0 |
| Field Electric Supervisor | 5.0 | | 5.0 |
| 1st Class Powerline Electrician | 16.0 | | 16.0 |
| Department Total | 45.0 | - | 45.0 |

STAFFING

FULL TIME EQUIVALENTS (FTEs)

| | Full-time | Other | Total |
|----------------------------------|-------------|-------|-------------|
| Sewer Rehab | | | |
| Assistant Manager | 1.0 | | 1.0 |
| Crew Leader | 4.0 | | 4.0 |
| Collection Foreman | 1.0 | | 1.0 |
| System Specialist I | 9.0 | | 9.0 |
| Department Total | 15.0 | - | 15.0 |
| Water | | | |
| Administrative Technician | 1.0 | | 1.0 |
| Crew Leader | 5.0 | | 5.0 |
| Distribution Inspector | 2.0 | | 2.0 |
| Distribution Operator | 2.0 | | 2.0 |
| Distribution Specialist | 8.0 | | 8.0 |
| Field Operations Supervisor | 1.0 | | 1.0 |
| Foreman | 1.0 | | 1.0 |
| Line Locator | 3.0 | | 3.0 |
| Manager | 1.0 | | 1.0 |
| Meter Technician | 2.0 | | 2.0 |
| New Service Coordinator | 1.0 | | 1.0 |
| Water Utility Systems Technician | 1.0 | | 1.0 |
| Secretary | 2.0 | | 2.0 |
| Department Total | 30.0 | - | 30.0 |
| Wastewater | | | |
| Compost Foreman | 1.0 | | 1.0 |
| Lab Technician | 3.0 | | 3.0 |
| Lab/Pretreatment Supervisor | 1.0 | | 1.0 |
| Maintenance Foreman | 1.0 | | 1.0 |
| Maintenance Technician | 1.0 | | 1.0 |
| Manager | 1.0 | | 1.0 |
| Operations Foreman | 1.0 | | 1.0 |
| Operator | 15.0 | | 15.0 |
| Secretary | 1.0 | | 1.0 |
| Department Total | 25.0 | - | 25.0 |

STAFFING

FULL TIME EQUIVALENTS (FTEs)

| | Full-time | Other | Total |
|---------------------------------|-------------|-------|-------------|
| Inventory | | | |
| Warehouse Assistant | 1.0 | | 1.0 |
| Warehouse Worker | 3.0 | | 3.0 |
| Department Total | 4.0 | - | 4.0 |
| Billing/Collection | | | |
| Customer Account Representative | 8.0 | | 8.0 |
| Billing and Collection Manager | 1.0 | | 1.0 |
| Meter Reader | 7.0 | | 7.0 |
| Meter Reading Foreman | 1.0 | | 1.0 |
| Utility Service Representative | 1.0 | | 1.0 |
| Accounting Specialist | 1.0 | | 1.0 |
| Utility Billing Analyst | 1.0 | | 1.0 |
| Department Total | 20.0 | - | 20.0 |
| Street | | | |
| Crew Leader | 4.0 | | 4.0 |
| Heavy Equipment Operator | 12.0 | | 12.0 |
| Mechanic | 1.0 | | 1.0 |
| Secretary | 2.0 | | 2.0 |
| Sign Shop Technician | 1.0 | | 1.0 |
| Street Manager | 1.0 | | 1.0 |
| Traffic Signal Technician | 2.0 | | 2.0 |
| Transportation Technician | 1.0 | | 1.0 |
| Transportation Director | 1.0 | | 1.0 |
| Department Total | 25.0 | - | 25.0 |

STAFFING

FULL TIME EQUIVALENTS (FTEs)

| | Full-time | Other | Total |
|---------------------------------------|--------------|-------------|--------------|
| Parks Public Works Maintenance | | | |
| Assistant Manager | 1.0 | | 1.0 |
| Crew Leader | 6.0 | | 6.0 |
| Custodians | 14.0 | | 14.0 |
| Heavy Equipment Operator | 1.0 | | 1.0 |
| Seasonal Groundkeeper | - | 0.5 | 0.5 |
| Maintenance Worker | 7.0 | | 7.0 |
| Mechanic | 1.0 | | 1.0 |
| PW Maintenance Supervisor | 1.0 | | 1.0 |
| Department Total | 31.0 | 0.5 | 31.5 |
| Parks | | | |
| Parks and Rec Director | 1.0 | | 1.0 |
| Parks Maint Supervisor | 1.0 | | 1.0 |
| Recreation Program Supervisor | 4.0 | | 4.0 |
| Recreation Program Manager | 1.0 | | 1.0 |
| Heavy Equipment Operator | 1.0 | | 1.0 |
| Secretary | 2.0 | | 2.0 |
| Horticulturist | 2.0 | | 2.0 |
| Crew Leader | 4.0 | | 4.0 |
| Maintenance Worker | 10.0 | | 10.0 |
| Facility Maintenance Technician | 4.0 | | 4.0 |
| Recreation Specialist | 4.0 | | 4.0 |
| Part-Time and Seasonal Workers | 40.0 | | 40.0 |
| Department Total | 34.0 | 40.0 | 74.0 |
| Library | | | |
| Director | 1.0 | | 1.0 |
| Librarian | 4.0 | | 4.0 |
| Library Clerk Part Time | | 12.5 | 12.5 |
| Library Specialist | 7.0 | | 7.0 |
| Secretary | 1.0 | | 1.0 |
| Department Total | 13.0 | 12.5 | 25.5 |
| City Total | 512.0 | 54.5 | 566.5 |

STAFFING

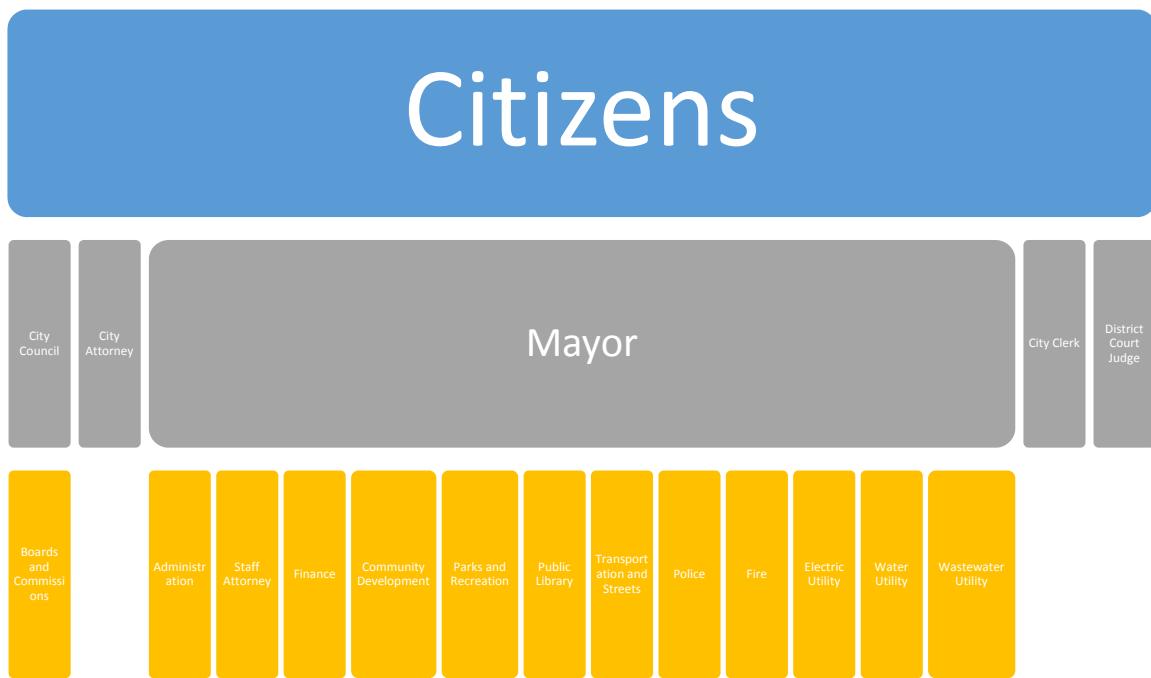
SCHEDULE OF KEY PERSONNEL

| POSITION | NAME | PHONE |
|--------------------------------|------------------|--------------|
| Mayor | Stephanie Orman | 479-271-5966 |
| Community Development Director | Troy Galloway | 479-271-3122 |
| Chief Building Inspector | Lance Blasi | 479-271-3125 |
| Parks & Recreation Director | David Wright | 479-271-6813 |
| Maintenance Supervisor | Crant Osborne | 479-271-6826 |
| Finance Director | Jake Harper | 479-271-6781 |
| Human Resources Coordinator | Ed Wheeler | 479-271-3191 |
| Systems Manager | Jonathan Rogers | 479-271-5911 |
| Assistant Finance Director | Jessica Thurman | 479-418-8649 |
| Billing and Collection Manager | Gary Wilson | 479-271-3104 |
| District Judge | Ray Bunch | 479-271-5923 |
| Fire Chief | Brent Boydston | 479-271-3155 |
| Library Director | Hadi Dudley | 479-271-3194 |
| Police Chief | Jon Simpson | 479-271-3172 |
| Staff Attorney | Camille Thompson | 479-271-5914 |
| Transportation Engineer | Dennis Birge | 479-271-6840 |
| Street Manager | Tony Davis | 479-271-3130 |
| Public Works Director | Mike Bender | 479-271-6720 |
| Wastewater Manager | Nancy Busen | 479-271-3160 |
| Water Utilities Manager | Preston Newbill | 479-271-3142 |
| Public Works Maint. Manager | Bart Mahony | 479-271-3109 |
| Engineering Director | Travis Matlock | 479-271-6720 |
| Asst Electric Utility Manager | Wayman Thurman | 479-271-5943 |
| Asst Electric Utility Manager | Doug Charest | 479-271-5985 |
| City Engineer | Ellen Norvell | 479-271-3166 |

STAFFING

CITY ORGANIZATION CHART

The organization chart for the City is shown below.



APPENDIX

ELECTRIC RATES

Residential Electric Rates

| | | |
|------------------------------|--------------------------------|-----------------------|
| Monthly Facilities Charge | Winter: November through April | Summer: May - October |
| | \$12.70 | \$12.70 |
| First 800 kWh used per month | \$0.1086 per kWh | \$0.1086 per kWh |
| Over 800 kWh used per month | \$0.0824 per kWh | \$0.0998 per kWh |
| Minimum Charge | \$12.70 per month | \$12.70 per month |

Commercial Electric Rates

| | | |
|--------------------------------|--------------------------------|-----------------------|
| Monthly Facilities Charge | Winter: November through April | Summer: May - October |
| | \$13.80 | \$13.80 |
| First 2,000 kWh used per month | \$0.1170 per kWh | \$0.1170 per kWh |
| Next 2,000 kWh used per month | \$0.0872 per kWh | \$0.1170 per kWh |
| Minimum Charge | \$13.80 per month | \$13.80 per month |

Medium Electric Rates

| | | |
|---------------------------|--------------------------------|-----------------------|
| Monthly Facilities Charge | Winter: November through April | Summer: May - October |
| | \$13.80 | \$13.80 |
| Demand Charge (All kW) | \$7.25/kW | \$7.25/kW |
| Energy Charge | \$0.0684 per kWh | \$0.0721 per kWh |
| Minimum Bill | \$183.75 per month | \$183.75 per month |

Large Power Electric Rates

| | | |
|-------------------------------|--|------------------|
| Demand Charge | All kW | \$7.25 per kW |
| Energy Charge: | First 200 kWh per kW of billing demand | \$0.0712 per kWh |
| | Over 200 kWh per kW of billing demand | \$0.0655 per kWh |
| Minimum monthly charge: | | |
| The highest of the following: | | |
| (a) | \$725.00 or | |
| (b) | The maximum demand charge established during the preceding eleven (11) months. | |

Discount of three percent of metered kWh when supplied at primary distribution voltage and only one transformer bank is installed.

APPENDIX

WATER AND WASTEWATER RATES

Water

Residential Water

| | <u>Inside City</u> | <u>Outside City</u> |
|-----------------------------|--------------------|---------------------|
| Up to 4,000 gallons | \$3.27 | \$3.89 |
| Next 6,000 gallons | \$3.74 | \$4.46 |
| Over 10,000 gallons | \$5.41 | \$6.46 |
| Safe Water Fee | \$0.30 | \$0.30 |
| Outside City Service Charge | - | \$4.00 |

Commercial Water

| | <u>Inside City</u> | <u>Outside City</u> |
|-----------------------------|--------------------|---------------------|
| All Consumption | \$3.74 | \$4.46 |
| Safe Water Fee | \$0.30 | \$0.30 |
| Outside City Service Charge | - | \$4.00 |

Irrigation

| | <u>Inside City</u> | <u>Outside City</u> |
|-----------------------------|--------------------|---------------------|
| All Consumption | \$4.39 | \$5.24 |
| Safe Water Fee | \$0.30 | \$0.30 |
| Outside City Service Charge | - | \$4.00 |

Wastewater

| | <u>Inside City</u> | <u>Outside City</u> |
|-----------------------------|--------------------|---------------------|
| Residential All Consumption | \$7.69 | \$9.23 |
| Outside City Service Charge | - | \$4.00 |
| Commercial All Consumption | \$8.22 | \$9.86 |
| Outside City Service Charge | - | \$4.00 |

Meter Rates:

| Meter Size | Water | | Wastewater | |
|-------------------|-----------------|-------------------|--------------------|-------------------|
| | Domestic | Irrigation | Residential | Commercial |
| 5/8" | \$7.71 | \$8.89 | \$13.41 | \$14.33 |
| 1" | \$19.28 | \$22.50 | \$44.16 | \$47.19 |
| 1 1/2" | \$83.55 | \$96.41 | \$164.05 | \$175.31 |
| 2" | \$89.98 | \$103.91 | \$175.15 | \$187.17 |
| 3" | \$134.97 | \$155.32 | \$257.30 | \$274.95 |
| 4" | \$385.63 | \$444.55 | \$721.32 | \$770.81 |
| 6" | \$835.54 | \$964.08 | \$1,553.89 | \$1,660.50 |

SANITATION RATES

Sanitation service is provided once each week for residential and small commercial service, and as scheduled for individual dumpster service. The City provides residential customers two cart, one for refuse and one for recycling. Small commercial customers are provided with one cart for refuse.

| Customer | Type Charge |
|------------------------------|-------------------|
| Residential | \$13.89 per Month |
| Small Commercial | \$17.39 per Month |
| Large Commercial – Dumpsters | \$4.87 per Cu Yd |

APPENDIX

Incorporated – January 1873
 Form of Government – Mayor/Council
 Area (Sq. Miles) – 31.5

| <u>Fire Protection</u> | | <u>Wastewater</u> | | |
|---|------------|---|--------------------------------|-------------|
| Stations | 6 | Lift Stations | | 46 |
| Uniformed Employees | 94 | Avg Daily Flow (Gallons) | | 3,129,000 |
| <u>Police Protection</u> | | | <u>Public Education System</u> | |
| Stations | 1 | Elementary | | 11 |
| Uniformed Employees | 75 | Middle | | 5 |
| | | Junior High | | 3 |
| | | High School | | 2 |
| <u>Parks and Recreation</u> | | | <u>Building Permits</u> | |
| Parks | 18 | Certified Staff | | 900 |
| Playgrounds | 10 | Total Staff | | 1,649 |
| Tennis Courts | 6 | Enrollment | | 17,238 |
| Basketball Goals | 4 | | | |
| Baseball/Softball Fields | 24 | | | |
| Community Centers | 1 | Year | Number | Value |
| Swimming Pools | 2 | 2018 | 1732 | 500,000,000 |
| Soccer Fields | 13 | 2017 | 1562 | 395,100,000 |
| Volleyball Courts | 1 | 2016 | 1471 | 372,728,437 |
| Recreational Complexes | 2 | 2015 | 1375 | 321,885,167 |
| Acres of Parks Land | 432.5 | 2014 | 1227 | 321,836,524 |
| Pavilions | 4 | 2013 | 1225 | 237,944,732 |
| | | 2012 | 1253 | 222,071,462 |
| <u>Streets</u> | | | 2011 | 155,488,400 |
| Miles City Roads and Streets | 200+ | 2010 | 812 | 95,993,001 |
| Miles of State Highway in City | 31 | 2009 | 832 | 169,473,127 |
| Miles of Interstate in City | 16 | | | |
| <u>Water</u> | | <u>Benton County - Rate of Unemployment</u> | | |
| Meters | 18,011 | Year | Rate | |
| Irrigation Meters | 3,571 | 2018 | 2.6 | |
| Beaver Water Pumping Capacity (Gallons) | 80,000,000 | 2017 | 3.1 | |
| Pumping Capacity to Bentonville/Rogers | 36,000,000 | 2016 | 2.6 | |
| Average Daily Use | 7,500,000 | 2015 | 3.4 | |
| Storage Capacity | 10,500,000 | 2014 | 3.9 | |
| Miles of Water Mains | 190 | 2013 | 4.4 | |
| Fire Hydrants | 1,500 | 2012 | 4.8 | |
| | | 2011 | 7.4 | |
| <u>Electric</u> | | 2010 | 7.4 | |
| Meters | 23,448 | 2009 | 7.4 | |
| Substations | 9 | | | |
| Miles of Lines | 146 | | | |

APPENDIX

CENSUS DATA

The information on the following page is from the U.S. Census Bureau, Special Census 2006. In 2005, the City Council authorized staff to contract with the Census Bureau to conduct a special census.

For a special census, the Census Bureau is responsible for testing and identifying the persons who will work on the enumeration process; and the City paid the Census Bureau a fee and also paid for the workers that performed the Special Census.

The enumeration began in March 2006, with expectations for a new population of at least 28,000 to be certified as a result. Results were certified to the State of Arkansas in July, 2006 and the City's population had increased to 28,621. The state turnback, which is a per capita payment in both the General Fund and the Street Fund, was increased accordingly.

By the end of 2007, the additional revenue covered the cost of the special census.

The regular federal census in 2010 will set our official population for the following years and it is estimated to be 35,301.

APPENDIX

CENSUS DATA

Census Data of Bentonville, Arkansas 2010

| Subject | Number | Percent | Subject | Number | Percent |
|--------------------|--------|---------|--|--------|---------|
| SEX AND AGE | | | White; American Indian and Alaska Native [3] | 294 | 0.8 |
| Total population | 35,301 | 100 | White; Asian [3] | 181 | 0.5 |
| Under 5 years | 3,247 | 9.2 | White; Black or African American [3] | 122 | 0.3 |
| 5 to 9 years | 3,274 | 9.3 | White; Some Other Race [3] | 134 | 0.4 |
| 10 to 14 years | 2,903 | 8.2 | Race alone or in combination with one or more other races: [4] | | |
| 15 to 19 years | 2,305 | 6.5 | White | 29,520 | 83.6 |
| 20 to 24 years | 2,105 | 6 | Black or African American | 1,036 | 2.9 |
| 25 to 29 years | 3,380 | 9.6 | American Indian and Alaska Native | 775 | 2.2 |
| 30 to 34 years | 3,268 | 9.3 | Asian | 3,214 | 9.1 |
| 35 to 39 years | 3,042 | 8.6 | Native Hawaiian and Other Pacific Islander | 134 | 0.4 |
| 40 to 44 years | 2,608 | 7.4 | Some Other Race | 1,559 | 4.4 |
| 45 to 49 years | 2,391 | 6.8 | HISPANIC OR LATINO | | |
| 50 to 54 years | 1,827 | 5.2 | Total population | 35,301 | 100 |
| 55 to 59 years | 1,325 | 3.8 | Hispanic or Latino (of any race) | 3,074 | 8.7 |
| 60 to 64 years | 1,109 | 3.1 | Mexican | 1,982 | 5.6 |
| 65 to 69 years | 771 | 2.2 | Puerto Rican | 144 | 0.4 |
| 70 to 74 years | 536 | 1.5 | Cuban | 54 | 0.2 |
| 75 to 79 years | 457 | 1.3 | Other Hispanic or Latino [5] | 894 | 2.5 |
| 80 to 84 years | 345 | 1 | Not Hispanic or Latino | 32,227 | 91.3 |
| 85 years and over | 408 | 1.2 | HISPANIC OR LATINO AND RACE | | |
| Median age (years) | 30.6 | (X) | Total population | 35,301 | 100 |
| 16 years and over | 25,369 | 71.9 | Hispanic or Latino | 3,074 | 8.7 |
| 18 years and over | 24,329 | 68.9 | White alone | 1,527 | 4.3 |
| 21 years and over | 23,214 | 65.8 | Black or African American alone | 26 | 0.1 |
| 62 years and over | 3,142 | 8.9 | American Indian and Alaska Native alone | 19 | 0.1 |
| 65 years and over | 2,517 | 7.1 | Asian alone | 17 | 0 |
| Male population | 17,282 | 49 | Native Hawaiian and Other Pacific Islander alone | 9 | 0 |
| Under 5 years | 1,670 | 4.7 | Some Other Race alone | 1,318 | 3.7 |
| 5 to 9 years | 1,711 | 4.8 | Two or More Races | 158 | 0.4 |
| 10 to 14 years | 1,448 | 4.1 | Not Hispanic or Latino | 32,227 | 91.3 |
| 15 to 19 years | 1,182 | 3.3 | White alone | 27,193 | 77 |
| 20 to 24 years | 982 | 2.8 | Black or African American alone | 850 | 2.4 |
| 25 to 29 years | 1,660 | 4.7 | American Indian and Alaska Native alone | 417 | 1.2 |
| 30 to 34 years | 1,665 | 4.7 | Asian alone | 2,919 | 8.3 |
| 35 to 39 years | 1,545 | 4.4 | Native Hawaiian and Other Pacific Islander alone | 69 | 0.2 |
| 40 to 44 years | 1,328 | 3.8 | Some Other Race alone | 48 | 0.1 |
| 45 to 49 years | 1,137 | 3.2 | Two or More Races | 731 | 2.1 |
| 50 to 54 years | 900 | 2.5 | RELATIONSHIP | | |
| 55 to 59 years | 598 | 1.7 | Total population | 35,301 | 100 |
| 60 to 64 years | 496 | 1.4 | In households | 35,043 | 99.3 |
| 65 to 69 years | 319 | 0.9 | Householder | 13,253 | 37.5 |
| 70 to 74 years | 223 | 0.6 | Spouse [6] | 7,059 | 20 |
| 75 to 79 years | 179 | 0.5 | Child | 11,815 | 33.5 |
| 80 to 84 years | 116 | 0.3 | Own child under 18 years | 10,301 | 29.2 |
| 85 years and over | 123 | 0.3 | Other relatives | 1,313 | 3.7 |
| Median age (years) | 30 | (X) | Under 18 years | 482 | 1.4 |
| 16 years and over | 12,195 | 34.5 | 65 years and over | 192 | 0.5 |
| 18 years and over | 11,666 | 33 | Nonrelatives | 1,603 | 4.5 |
| 21 years and over | 11,111 | 31.5 | Under 18 years | 126 | 0.4 |
| 62 years and over | 1,248 | 3.5 | 65 years and over | 21 | 0.1 |
| 65 years and over | 960 | 2.7 | Unmarried partner | 758 | 2.1 |

APPENDIX

CENSUS DATA

Census Data of Bentonville, Arkansas 2010

| Subject | Number | Percent | Subject | Number | Percent |
|--|--------|---------|--|--------|---------|
| Female population | 18,019 | 51 | In group quarters | 258 | 0.7 |
| Under 5 years | 1,577 | 4.5 | Institutionalized population | 179 | 0.5 |
| 5 to 9 years | 1,563 | 4.4 | Male | 57 | 0.2 |
| 10 to 14 years | 1,455 | 4.1 | Female | 122 | 0.3 |
| 15 to 19 years | 1,123 | 3.2 | Noninstitutionalized population | 79 | 0.2 |
| 20 to 24 years | 1,123 | 3.2 | Male | 30 | 0.1 |
| 25 to 29 years | 1,720 | 4.9 | Female | 49 | 0.1 |
| 30 to 34 years | 1,603 | 4.5 | HOUSEHOLDS BY TYPE | | |
| 35 to 39 years | 1,497 | 4.2 | Total households | 13,253 | 100 |
| 40 to 44 years | 1,280 | 3.6 | Family households (families) [7] | 9,137 | 68.9 |
| 45 to 49 years | 1,254 | 3.6 | With own children under 18 years | 5,558 | 41.9 |
| 50 to 54 years | 927 | 2.6 | Husband-wife family | 7,059 | 53.3 |
| 55 to 59 years | 727 | 2.1 | With own children under 18 years | 4,121 | 31.1 |
| 60 to 64 years | 613 | 1.7 | Male householder, no wife present | 542 | 4.1 |
| 65 to 69 years | 452 | 1.3 | With own children under 18 years | 336 | 2.5 |
| 70 to 74 years | 313 | 0.9 | Female householder, no husband present | 1,536 | 11.6 |
| 75 to 79 years | 278 | 0.8 | With own children under 18 years | 1,101 | 8.3 |
| 80 to 84 years | 229 | 0.6 | Nonfamily households [7] | 4,116 | 31.1 |
| 85 years and over | 285 | 0.8 | Householder living alone | 3,326 | 25.1 |
| Median age (years) | 31.3 | (X) | Male | 1,470 | 11.1 |
| 16 years and over | 13,174 | 37.3 | 65 years and over | 163 | 1.2 |
| 18 years and over | 12,663 | 35.9 | Female | 1,856 | 14 |
| 21 years and over | 12,103 | 34.3 | 65 years and over | 669 | 5 |
| 62 years and over | 1,894 | 5.4 | Households with individuals under 18 years | 5,855 | 44.2 |
| 65 years and over | 1,557 | 4.4 | Households with individuals 65 years and over | 1,837 | 13.9 |
| RACE | | | Average household size | 2.64 | (X) |
| Total population | 35,301 | 100 | Average family size [7] | 3.21 | (X) |
| One Race | 34,412 | 97.5 | HOUSING OCCUPANCY | | |
| White | 28,720 | 81.4 | Total housing units | 14,693 | 100 |
| Black or African American | 876 | 2.5 | Occupied housing units | 13,253 | 90.2 |
| American Indian and Alaska Native | 436 | 1.2 | Vacant housing units | 1,440 | 9.8 |
| Asian | 2,936 | 8.3 | For rent | 783 | 5.3 |
| Asian Indian | 2,038 | 5.8 | Rented, not occupied | 22 | 0.1 |
| Chinese | 186 | 0.5 | For sale only | 324 | 2.2 |
| Filipino | 100 | 0.3 | Sold, not occupied | 41 | 0.3 |
| Japanese | 18 | 0.1 | For seasonal, recreational, or occasional use | 94 | 0.6 |
| Korean | 56 | 0.2 | All other vacants | 176 | 1.2 |
| Vietnamese | 275 | 0.8 | Homeowner vacancy rate (percent) [8] | 4.2 | (X) |
| Other Asian [1] | 263 | 0.7 | Rental vacancy rate (percent) [9] | 11.8 | (X) |
| Native Hawaiian and Other Pacific Islander | 78 | 0.2 | HOUSING TENURE | | |
| Native Hawaiian | 17 | 0 | Occupied housing units | 13,253 | 100 |
| Guamanian or Chamorro | 17 | 0 | Owner-occupied housing units | 7,419 | 56 |
| Samoan | 7 | 0 | Population in owner-occupied housing units | 21,306 | (X) |
| Other Pacific Islander [2] | 37 | 0.1 | Average household size of owner-occupied units | 2.87 | (X) |
| Some Other Race | 1,366 | 3.9 | Renter-occupied housing units | 5,834 | 44 |
| Two or More Races | 889 | 2.5 | Population in renter-occupied housing units | 13,737 | (X) |

X Not applicable.

[1] Other Asian alone, or two or more Asian categories.

[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

[3] One of the four most commonly reported multiple-race combinations nationwide in Census 2000.

[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six

Source: U.S. Census Bureau, 2010 Census.

APPENDIX

BUDGET GLOSSARY

A

Account Group: A self-balancing set of accounts, which are not a fund or a fiscal entity. General Fixed Assets Account Group and General Long-Term Debt Account Group are such examples.

Accounting System: Records and procedures that discover, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds.

Accrual Accounting: A basis of accounting in which revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred.

Ad Valorem: Latin for “value of”. Refers to the tax assessed against real property (land and buildings) and personal property (equipment and furniture).

ADFA: Arkansas Development Finance Authority is an agency of the state that provides low interest loans to local governments for public works projects such as water system infrastructure, wastewater plants, etc.

Agency Fund: A fund consisting of resources received and held by the governmental unit as an agent for others.

AHTD: Arkansas Highway and Transportation Department.

AML: The Arkansas Municipal League is an organization in Arkansas that serves all member cities with assistance in various areas, such as insurance, investments, legal issues, legislative items, etc.

Amortization: Gradual reduction, redemption, or liquidation of the balance of an account, according to a specified schedule of times and amounts. Provision for the extinguishment of a debt by means of a debt service fund.

AMR: Automatic Meter Reading refers to technology that precludes manual reading of an electric meter or a water meter.

APERS: Arkansas Public Employees Retirement System.

Appraised Value: An estimate of value for the purpose of taxation. (Property values are established by the Benton County Assessor).

Appropriation: An authorization made by the City Council that permits the City to incur obligations and to make expenditures of resources.

Appropriation Ordinance: The official enactment, by City Council, to legally authorize City staff to obligate and expend resources.

Assets: Probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events.

Assessment Ratio: The ratio at which a tax rate is applied to a tax base. The assessment ratio is currently set at 20%.

B

Balance Sheet: A basic financial statement, usually accompanied by appropriate disclosures that describe the basis of accounting used in its preparation and presentation of a specified date the entity's assets, liabilities and the equity of its owners. Also known as a Statement of Financial Condition.

Balanced Budget: A budget where the total sum of money a government collects in a year is equal to the amount it spends on goods, services and debt service.

Basis of Accounting: The timing of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid). Basis of accounting is an essential part of measurement focus because of a particular timing of recognition is necessary to accomplish a particular measurement focus.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, on a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.

Bonded Debt: That portion of indebtedness represented by outstanding bonds.

Budget: A financial plan, for a specified period, of operations that matches all planned revenues and expenditures with the services provided the residents of the City.

Budget Calendar: The schedule of key dates that the City follows in the preparation and adoption of the budget.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

Budget Message: A general discussion of the proposed budget as presented in writing by the Mayor to the City Council. The message contains an explanation of the principal budget items and recommendations regarding the financial policy for the coming year.

Budgetary Basis of Accounting: The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Budgetary Control: The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

BWD: Beaver Water District. This is the supplier of wholesale water for the City of Bentonville and several other cities in northwest Arkansas. The water is taken out of Beaver Lake, a Corp of Engineers lake that was formed in 1960 by a dam on the White River. C

CAD: Computer Aided Design.

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Capacity/Impact Fees: A fee charged by the City to developers/builders as partial compensation for the cost of providing additional facilities or services needed as a result of new development (e.g., facilities for expanding water capacity, facilities for expanding wastewater capacity, fire protection facilities and equipment, etc.).

Capital Budget: A budget that deals with large expenditures for capital items normally financed by borrowing. Usually capital items have long-range returns, useful life spans, are relatively expensive, and have physical presence such as buildings, roads, sewage systems, etc.

Capital Equipment: Generally, equipment with an expected life of more than one year and costing at least \$5,000.

Capital Improvement Fund: A fund created to accumulate revenues from current taxes levied for major repairs and maintenance to fixed assets of a nature not specified at the time the revenues are levied.

Capital Improvement Program: A plan for purchasing capital expenditures over a period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Outlay: Expenditures that result in the acquisition of or addition to fixed assets.

Capital Projects Fund: A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.

Capital Setaside: A designation of funds from the current year project to be earmarked for a future project in either the current year or subsequent years.

CDBG: Community Development Block Grant provides federal funding for qualifying projects.

CERT: Community Emergency Response Team.

CIP: Capital Improvement Program (see above).

City Charter: The document of a city that is similar to a constitution, which establishes the City's government structure and provides for the distribution of powers and duties among the various branches of government.

City Council: The eight (8) elected council members collectively acting as the legislative and policy making body of the City.

COLA: An annual increase in pay, the Cost of Living Adjustment is typically based on the Consumer Price Index. An annual item for consideration by the City Council during the budget process.

Construction Work In Progress: The cost of construction work that has been started but not completed.

Contingency Fund: Funds set aside for unforeseen expenses of uncertain amounts or funds set aside for known expenses, such as salary increases, but uncertain amounts.

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Contractual Services: The costs related to services performed for the City by individuals, businesses, or utilities.

Contributed Capital: Capital received from investors for stock, equal to capital stock plus paid-in capital, NOT that capital received from earnings or donations. Also called Paid-in Capital.

CPI: Consumer Price Index.

Current Asset: An asset that one can reasonably expect to convert into cash, sell, or consume in operations within a single operating cycle, or within a year if more than one cycle is completed each year.

Current Liability: An obligation whose liquidation is expected to require the use of existing resources classified as current assets, or the creation of other current liabilities.

Current Financial Resources Measurement Focus: Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and used solely for reporting the financial position and results of operations of governmental funds.

Current Taxes: Taxes levied and due within one year.

D

DEA: The Drug Enforcement Agency is a branch of the Federal government.

Debt Service: Expenditures for principal and interest on outstanding bond issues.

Debt Service Fund: A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Deferred Revenue: Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Deficit: The difference between revenues and expenses when revenues are less.

Delinquent Taxes: Taxes that remain unpaid after the date on which a penalty for nonpayment is attached.

Department: A major administrative organizational unit of the City, which indicates overall management responsibility for one or more activities.

Depreciation: Expiration in the service life of fixed assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and obsolescence.

Designated Fund: Funds created to account for assets set aside for a specific purpose.

DFA: Director of Finance and Administration.

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E

Effectiveness: Effectiveness data enables decision-makers to see that quality does not suffer as productivity increases, and that constituents are satisfied with services.

EMS: Emergency Medical Service, provided by the Fire Department staff and ambulance fleet.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund: A fund established to account for operations of the water, sewer, and electric systems. It is operated in a manner similar to private business enterprises where the intent is cost recovery.

Estimated Revenue: The amount of projected revenues to be collected during the fiscal year.

EWS: Electric, Water, and Sewer.

Exempt: Personnel not eligible to receive overtime pay as determined by the Fair Labor Standards Act (FLSA).

Expendable Trust Fund: A governmental fiduciary fund held in a trustee capacity by a governmental agency that accounts for assets and activities restricted to a specific purpose in accordance to formal intent. The principal of the fund can be expended towards only the activity specified, e.g., Unemployment Compensation Fund, Employee Benefits Fund, etc.

Expenditure: Accounts that are kept on either the accrual basis or modified accrual basis of accounting and designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses and capital outlays.

Expense: Charges incurred for operation, maintenance, interest, and other charges that will benefit the current year.

F

FBO: Fixed Base Operator. This person is contracted to be in charge of day-to-day operations of the airport.

FEMA: Federal Emergency Management Agency.

Fiduciary: Person or organization who is responsible for the administration of property owned by others. Corporate management is a fiduciary with respect to corporate assets that are beneficially owned by the stockholders and creditors. Similarly, a trustee is the fiduciary of a trust and partners owe fiduciary responsibility to each other and to their creditors.

Fiduciary Fund: Any fund held by a governmental unit as an agent or trustee.

FIRM: Flood Insurance Rate Map.

Fiscal Year: A 12-month period to which the Annual Budget applies. The City of Bentonville's fiscal year corresponds to the calendar year.

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Fixed Asset: Long-term assets that are intended to be held or used, such as land, buildings, machinery, furniture, and other equipment.

FLSA: Fair Labor Standards Act.

Franchise Fee: A fee paid by utilities for use of public property in providing services to the citizens of the city.

FTE (Full-Time Equivalent Position): A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a summer lifeguard working for four months, or 690 hours, would be equivalent to .33 FTE.

Fund: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities, or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Accounting: A governmental accounting system that is organized and operated on a fund basis.

Fund Balance: Fund equity available for appropriation.

Fund Equity: The excess of assets over liabilities. A portion of the equity may be reserved or designated; the remainder is Fund Balance.

Fund Type: In governmental accounting, all funds are classified into eight fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust and Agency.

G

GAAP: Generally Accepted Accounting Principles as determined through common practice or as promulgated by the Governmental Accounting Standards Board, Financial Accounting Standards Board, or various other accounting standard setting bodies.

GASB: Governmental Accounting Standards Board. According to the GASB web site: The mission of the Governmental Accounting Standards Board is to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

General Fixed Assets Account Group: A self-balancing group of accounts set up to account for the general fixed assets of a governmental unit.

General Fund: The fund used to account for all financial resources except those required to be accounted for in another fund.

General Obligation Bonds: Bonds that finance a variety of public projects, which pledge the full faith, and credit of the City.

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GFOA: The Government Finance Officers Association (GFOA) is the professional association of state/provincial and local finance officers in the United States and Canada, which has served the public finance profession since 1906.

GIS: Geographic Information System is a system that links spatial data contained within a database to a mapping platform. It enables the user to create “smart maps” or to map information contained within the database.

Goals: Broad, general statements of each department’s desired social or organizational outcomes.

Governmental Fund: A generic classification adopted by the National Council on Governmental Accounting to refer to all funds other than proprietary and fiduciary funds. General fund, special revenue funds, capital projects funds, debt service funds, and special assessment funds are all examples of governmental fund types.

GPS: Global Positioning System equipment allows users to map objects on the ground using a network of satellites that send signals to the receiver. This technology allows for quick, sub-meter accuracy in mapping. The information that is gathered can then be instantly downloaded to an AutoCAD or GIS platform.

Grant: A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

I

Infrastructure: The underlying permanent foundation or basic framework.

Interest Earnings: The earnings from available funds invested during the year in U.S. Treasury Bonds, Government agencies, and Certificates of Deposits.

Intergovernmental Revenues: Revenues from other governments in the form of grants, entitlements, shared revenues, or payments in lieu of taxes.

Internal Service Funds: Funds established to finance and account for services and commodities furnished by a designated department to other departments within a single governmental unit or to other governmental units. Amounts expended by the fund are restored thereto, either from operating earnings or by transfers from other funds, so that the original fund capital is kept intact.

Investments: Securities, bonds, and real property (land or buildings) held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in the normal course of government operations.

ISDN: Integrated Services Digital Network. A set of communications standards to allow one wire or fiber to carry voice, digital network services, and video.

IS: Information Systems.

ISTEA: The Intermodal Surface Transportation Efficiency Act. This Federal Transportation Appropriation passed in 1991 mandated that a portion of federal transportation funds be earmarked for alternative modes of transportation and transportation enhancement programs.

L

LAN: Local Area Network is a group of computers hooked together to form a network. For example, our computers in City Hall are connected to form a Local Area Network.

Liabilities: Debts or other legal obligations arising out of transactions in the past that must be liquidated renewed or refunded at some future date.

Line Items: Expenditure classifications established to account for approved appropriations. Line item budgets for all departments are available upon request.

Long-Term Debt: Unmatured debt, with a maturity of more than one year after the date of issuance, of a government expected to be repaid from government funds. An average repayment schedule is 20 years.

LOPFI: The Local Option Police and Fire retirement plan is the statewide system that includes our firefighters.

M

Maintenance: All materials or contract expenditures covering the repair and upkeep of City buildings, machinery and equipment, systems, and land.

Materials and Supplies: Expendable materials and operating supplies necessary to conduct departmental activity.

Measurement Focus: The objective of a measurement, that is, what is being expressed in reporting an entity's financial performance and position. A particular measurement focus is accomplished by considering not only which resources are measured (for example, financial or economic resources), but also when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

Modified Accrual Accounting: A basis of accounting in which revenues are recognized in the accounting period when they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

N

NACA: Northwest Arkansas Conservation Authority. This organization was formed by several cities in northwest Arkansas with the intent to develop a regional wastewater facility.

Net Current Assets: Current assets minus current liabilities. Also called working capital.

NEXTEA: This term was used for the new Transportation Bill before it was passed into law. It was actually passed as TEA 21, meaning Transportation Efficiency Act for the 21st Century. It is essentially the same concept as ISTEA with changes primarily made in the appropriation formulas.

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NFPA: National Fire Protection Association.

Non-operating Expense: Proprietary fund expenses incurred in performance of activities not directly related to supplying the basic service by a governmental enterprise.

Non-operating Income: Proprietary fund income that is not derived from the basic operation of such enterprises.

O

O & M: Operations and Maintenance.

Objective: An objective is a decision about the amount of progress to be made within a specified period. It states in measurable and quantitative terms the results to be achieved within a specified time and plans the incremental steps to achieve the goal.

Operating Budget: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending, and service delivery activities of a government are controlled. The use of an annual operating budget is usually required by law.

Operating Costs: Outlays for such current period items as expendable supplies, contractual services, and utilities.

Operating Transfer: Legally authorized interfund transfers from a fund receiving revenue to the fund that makes expenditures.

Ordinance: A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, universally require ordinances.

Other Financing Source: An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

Other Financing Use: A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

P

Part-Time: Part-time employees work less than 30 hours per week and are not entitled to full-time employee benefits.

PCA: Power Cost Adjustment. A portion of the charge on a customer's electric bill.

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Performance Measures: Specific quantitative measures of work performed within an activity or program. They may also measure results obtained through an activity or program.

Personnel Services: The costs associated with compensating employees for their labor. This includes salaries, wages, FICA, retirement contributions, health, dental, life, disability, unemployment insurance, and Workers' Compensation coverage.

POA: Property Owners Association.

Productivity: Unit cost (productivity data) enables decision-makers to measure efficiency, as opposed to total expenditures. Productivity unit costs can also be used to quickly estimate the cost of adding more service, or the savings to be realized from reductions in service.

Property Taxes: Used to describe all revenues received in a period from current taxes, delinquent taxes, penalties, and interest on delinquent taxes. Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Proprietary Funds: Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Public Hearing: The portions of open meetings held to present evidence and provide information on both sides of an issue.

R

Reserve: An account that records a portion of the fund equity that must be segregated for some future use and which is not available for further appropriation or expenditure.

Retained Earnings: The accumulated earnings of an enterprise or internal service fund that have been retained in the fund and that are not reserved for any specific purpose.

Revenue: Funds that the government receives as income.

Revenue Bonds: Bonds whose principal and interest are payable exclusively from a revenue source pledged as the payment source before issuance.

Revenue Recognition: A method of determining whether or not income has met the conditions of being earned and realized or is realizable.

RFID: Radio Frequency Identification is a system that utilizes small computer chips to identify and track items such as packages, library books, etc.

Risk Management: An organized attempt to protect a government's assets against accidental loss in the most economic method.

RLF: Revolving Loan Fund is a source of low cost loans from the state for public works projects such as wastewater plants, water lines, sewer lines, etc.

R.O.W. or ROW: Right-of-way for infrastructure.

S

SCADA: Supervisory Control and Data Acquisition. These are automated systems used in our water, electric and wastewater operations, that collect data, detect problems, and provide some ability to take corrective and/or controlling actions from a central location rather than having to have an employee go to the actual site. A SCADA system may also include alarms and automatic dialing of key personnel in emergencies.

Special Assessment: A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

SRO: School Resource Officer is an officer assigned to a local school to serve as a liaison between the school and the City, and to establish a rapport with the students to help reduce crime.

SRT: Special Response Team is a unit within the Police Department that has special equipment and training to meet unusual needs that may arise, such as a hostage situation or a mass shooting.

State Tax Turnback: The State of Arkansas returns a portion of its tax receipts to incorporated cities within the state. Certain turnback revenues may be used for general purposes, while other turnback funds are restricted to street improvements. The amount paid is on a per capita basis.

SWEPCO: Southwest Electric Power Company is the company that sells electricity to the City of Bentonville for resale to our customers through our electric system.

T

T-1: A high-speed digital network.

Tax Base: The total value of all real and personal property in the City as of January 1 each year.

Tax Levy: The resultant product when the tax rate is multiplied by the tax base.

TEA 21: The Transportation Efficiency Act for the 21st Century is a federal act to provide funds to communities to aid in transportation improvements.

TIF: Tax Increment Financing is a way for governments (usually municipal authorities) to help finance new capital projects by taking advantage of expected property tax. A city, for example, may designate as a TIF district a plot of land that is planned to be redeveloped. Then the city can borrow against expected increased tax revenues to build infrastructure such as sewers and transportation services.

Trust Fund: A fund where there is a fiduciary relationship calling for a trustee to hold the title to assets, usually monetary, for the benefit of the beneficiary.

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U

Unreserved Fund Balance: The amount remaining in a fund that is not reserved for some future use and which is available for further appropriation or expenditure.

W

W.S. Abbreviation used within the City to mean Water and Sewer.