

Bentonville City Council
Meeting Minutes
January 23, 2007

The City Council of Bentonville, Arkansas met in regular session, Tuesday, January 23, 2007 at 6:00 p.m. in the City Council Chambers of City Hall, 115 West Central, Bentonville, Arkansas. Present were Council Members Ed Austin, Scott Comiskey, Mary Baggett, Chris Sooter, Jim Grider, James Smith, Bryan Bennett and Rod Sanders. Also present were Mayor Bob McCaslin, City Attorney George Spence, City Clerk Suzanne Grider, the press, city staff, and the audience.

Mayor Bob McCaslin called the meeting to order and asked everyone to join him in saluting our nation's flag. After the pledge, the invocation was given by Galen Percy of Radiant Life Church.

Motion was made by Council Member Baggett, seconded by Council Member Comiskey to approve the minutes of the regular meeting of January 9, 2007 as written. Motion carried (8-0).

Motion was made by Council Member Sanders, seconded by Council Member Baggett to suspend the rules regarding the reading of all ordinances and resolutions on three separate days and further move that they be read by title only. Motion carried (8-0).

Ia. City Attorney George Spence read by title only Ordinance #(2007-11) changing real estate in the City of Bentonville, Arkansas, from its present classification to R-C2. (Navarro Development LLC).

Motion was made by Council Member Sanders, seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0).. City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Grider, seconded by Council Member Comiskey that the ordinance do pass. Motion carried (8-0).

Ib. City Attorney George Spence read by title only Ordinance #(2007-12) accepting a property line adjustment of Lot 2, Block 3 and all of Block 4 of Gilmore Addition to the City of Bentonville, Arkansas.

Motion was made by Council Member Sanders, seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0). City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Grider, seconded by Council Member Comiskey that the ordinance do pass. Motion carried (8-0).

Ic. City Attorney George Spence read by title only Ordinance #(2007-13) accepting a property line adjustment of Edgmon Acres Lot 4 to the City of Bentonville, Arkansas.

Motion was made by Council Member Sanders, seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0). City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Grider seconded by Council Member Austin that the ordinance do pass. Motion carried (8-0).

Id. City Attorney George Spence read by title only Ordinance #(2007-14) accepting a lot split of Lot 8 and 9 Limestone Ranch Subdivision to the City of Bentonville, Arkansas.

Motion was made by Council Member Sanders seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0). City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Grider seconded by Council Member Comiskey that the ordinance do pass. Motion carried unanimously (8-0).

Ie. City Attorney George Spence read by title only Ordinance #(2007-15) accepting a lot split of Kum and Go L.C. , to the City of Bentonville, Arkansas.

Motion was made by Council Member Sanders seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0). City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Baggett seconded by Council Member Austin that the ordinance do pass. Motion carried unanimously (8-0).

If. City Attorney George Spence read by title only Ordinance #(2007-16) accepting a plat of Morrison Addition, Phase II , to the City of Bentonville, Arkansas.

Motion was made by Council Member Sanders seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0). City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Grider seconded by Council Member Baggett that the ordinance do pass. Motion carried unanimously (8-0).

II. City Attorney George Spence read by title only Resolution #(01-23-07A) expressing the City's intent to accept a donation of a completed Mountain Bike/Pedestrian Trail and associated lands for public use.

Motion was made by Council Member Grider, seconded by Council Member Baggett to adopt the resolution. Motion carried (8-0).

- III. City Attorney George Spence read by title only Resolution #(01-23-07B) authorizing the mayor and clerk to enter into Amendment No. 2 to the agreement with Crafton-Tull Engineers for storm water mapping services in an amount not to exceed \$35,000.**

Motion was made by Council Member Austin, seconded by Council Member Sooter to adopt the resolution. Motion carried (8-0).

- IV. City Attorney George Spence read by title only Resolution #(01-23-07C) authorizing the destruction of certain documents of the City of Bentonville.**

Motion was made by Council Member Baggett, seconded by Council Member Sooter to adopt the resolution. Motion carried (8-0).

- V. City Attorney George Spence read by title only Resolution #(01-23-07D) authorizing the mayor and clerk to enter into an agreement with American Municipal Services for collection of past due district court fees.**

Motion was made by Council Member Grider, seconded by Council Member Comiskey to adopt the resolution. Motion carried (8-0).

- VIa. City Attorney George Spence read by title only Ordinance #(2007-17) amending Sections 6.04.21, Paragraph (A) of the Bentonville Municipal Code pertaining to the impoundment of animals and repealing Section 6.04.22 of the Bentonville Municipal Code and declaring an emergency.**

Motion was made by Council Member Sanders seconded by Council Member Baggett to suspend the rules regarding the reading of this ordinance on three separate days and further move that this ordinance be read by title only. Motion carried (8-0). City Attorney George Spence read the ordinance by title only. Motion was made by Council Member Grider seconded by Council Member Baggett that the ordinance do pass. Motion was made by Council Member Sanders, seconded by Council Member Grider to approve the emergency clause. Motion carried unanimously (8-0).

- VIb. City Attorney George Spence read by title only Resolution #(01-23-07E) authorizing the mayor and clerk to enter into an agreement with the City of Rogers, Arkansas for animal services.**

Nancy Baine with Save Our Strays addressed the city council concerning the contract with Rogers. Ms. Baine asked if this issue could be revisited at a later date.

Mayor McCaslin stated that she or others with Save Our Strays come call his office and visit with him.

Ms. Marsha Casey asked the city council if they would have adequate space for the City of Bentonville animals.

Mayor McCaslin stated that he felt the city was entering into a professional agreement with the City of Rogers and they have a new facility.

Ms. Stephanie Beadle asked the city council to require the City of Rogers to keep a list of resource groups at their facility.

Motion was made by Council Member Comiskey, seconded by Council Member Grider to adopt the resolution. Motion carried (8-0).

VII. State of the City Report by Mayor Bob McCaslin. Below is a copy of his report.

**Bentonville
State of the City
January 23, 2007**

The City of Bentonville is strong and healthy. The first leadership change in more than a decade has taken place without negative impact on the City's ability to serve its citizens. Excitement about the future overshadows the challenges associated with meeting the City's many growth related needs. Families and individuals from across the United States and the world continue to come and call Bentonville their new home.

A special census completed in 2006 placed Bentonville's population at 28,600. Our own data indicates a January 2007 population of 29,800 based on more than 500 certificates of occupancy issued for new single family residences in 2006. Growth in building for 2006 was less than the previous two years and near even with 2003 results. The trends in local development are consistent, if not slightly better, than the trends within Arkansas and the U.S. as real estate moves through a market correction. Total building permits issued in 2006 were down from 2005 by less than 3%. Leading 2006 with an increase in permits were multi-family dwellings, up more than 239% over 2005. The total value of all permits issued in 2006 exceeded \$263 million. Additionally, this past year developers and builders donated to our City streets, sidewalks and improvements valued at \$24.5 million.

The Bentonville Community Development Department moved into new facilities that allow for a higher level of service to our community and development efforts. Bentonville adopted a Master Trail Plan and initiated an update of the City's General Plan while raising the technology level for planning. These improvements have allowed planners and commissioners to be better informed throughout their planning and decision making process.

Bentonville's City Utilities currently serve 16,861 active accounts with electricity, water, waste water, and sanitation. This is an increase of more than 800 accounts since 2005. Scheduled for completion by June of this year, a 48" transmission line connecting Bentonville directly to Beaver Lake is expected to serve our water needs beyond 2030. We do not anticipate having to curtail water consumption during the summer months going forward. Our Electric Department is marked with

January 23, 2007
City Council Minutes

growth related opportunities. We are investing in new lines and substations for our electric company as service moves into previously undeveloped areas. Bentonville's Wastewater Department has made improvements and upgrades and continues to provide exemplary protection for both public health and our environment. Bentonville has led the way for the development of a regional waste water treatment facility and continues to assist in finding state, and possible federal, funding necessary to get this off of the drawing board and operational.

Traffic remains a popular topic for discussion. We, as a City, have a great challenge before us to secure funding for our street & highway needs. Our needs far exceed our resources at the present time.

We have seen recent projects within the City . . .

SE "C" [near completion]

NE "J" [complete]

W. Central @ South Walton intersection [complete]

NW 3rd [underway]

Tiger Blvd. extension [underway]

Work has just begun. . .

Highway 72 East

and

Highway 102 West.

Both of these multi-million dollar projects are partnerships with the Arkansas Highway Department. The 1 cent City Sales Tax passed in 2003 will fund a line of credit to cover our portion of the cost for these improvements.

Needed improvements to State Highways 12 & 112 have become significantly more pronounced as growth has moved to the southwest area of our City. Talks have begun with the Arkansas Highway Department regarding this opportunity. Improvements are not currently on the schedule for this \$20 million plus project.

2007 contains aggressive plans to complete:

January 23, 2007
City Council Minutes

Tiger Blvd. East to McCollum
SE "J" from Highway 102 South to Walton Blvd.
NW 3rd Street

and

to begin the following:

SW "I" from Hwy 102 West to Walton Blvd [including 8th Street from "I" to South Walton Blvd.]

John de Shields extension from "S" Street to Hwy 72 East

SE "C" Street from SE 22nd to SE 28th

Highway 72 East from "J" Street to I-540 [including intersection improvements at SE "J" and SE 8th Street]

Highway 102 West from Walton Blvd. to Greenhouse Road.

Additionally, the City will resurface approximately 2.5 miles of City street surface and construct 2,000 feet of sidewalks. Other projects include design, upgrades and construction related to drainage issues.

The design of the 8th Street project should begin soon. This project is comprised of both federal and private funding. Completion of this multi-year project will provide a much needed additional east - west traffic option.

Discussions have been conducted with state and federal officials regarding the need to consider improvements to the I-540 & Highway 102 interchange and a new interchange at I-540 and "J". Both projects would provide increased opportunities for additional growth on the I-540 corridor north.

All of the improvements mentioned are critical to the future of our City - we must secure the infrastructure if we are to attract the type of growth that will improve our tax revenue and provide the City with much needed funding.

2006 saw the opening of the new Bentonville Library. A beautiful state of the art facility with more than 38,000 square feet of space available for both library patrons and community use... Bentonville is fortunate to have generous citizens who came together to privately fund the vast majority of this project. The addition of a children's librarian is planned for 2007. This addition will allow the establishment of new educational programs for users in and around Bentonville. Forty-five public use computers have been added to library along with 10,600 new books, videos and sound recordings.

January 23, 2007
City Council Minutes

2007 is expected to be the first year in which more than 100,000 people will be served by our public library.

The City of Bentonville prosecuted more than 2,800 criminal and traffic cases, with charges ranging from traffic offenses to DWI and battery. The 2006 conviction rate was an impressive 92%, a significant increase over 2005. The Staff Attorney and her staff also prepared in excess of 100 ordinances and resolutions, processed 9 annexations and prepared 570 legal documents. Regular meetings and consultations with City officials and staff provide top quality legal service and risk management to the City.

March 2006 brought to our area one of the most devastating storms on record. Destruction within Bentonville was concentrated on our public school facilities and our municipal airport. Fortunately no lives were lost in Bentonville or in neighboring Centerton and Little Flock. Losses at our airport included the terminal and attached maintenance hangar, runway lighting and T-hangars. Several individuals experienced damage or loss to their aircraft. Planning to rebuild the terminal and maintenance hangar has begun. Funding for the rebuilding effort will come from a combination of State grants and proceeds from insurance along with income from the airport. FAA grant monies were used to complete, in January, 2007, a taxiway on the westside of the runway. Several individuals have expressed their intent to build private hangars near the new taxiway as soon as City utilities are made available. The potential for growth of this City asset is extremely high due our continued economic growth and the increased interest in corporate and general aviation in northwest Arkansas.

The completion of a new Master Parks Plan is expected within the 1st calendar quarter of 2007. The new plan will address, and in some cases readdress, needed improvements and additions to our parks system. We have added to our Trail system through annexation of the “Bella Vista” trail and lake area. Due to the generosity of a local family, we will soon be able to add to our trail system more than 4 miles of mountain bike and rugged walking trails near North Walton Blvd. and I-540. Bentonville parks offer great opportunities to families and individuals who are looking for outdoor activities. Host to baseball, softball, football, soccer, swimming, tennis and skateboarding Memorial and Phillips parks are busy Spring to Fall. The City is lacking park facilities in the growing Southwest area of our City and we will be focusing on opportunities to improve this in 2007. Bentonville will serve as the proud host of the Babe Ruth World Series in 2007. This event will bring significant economic impact while showcasing our City to many first time visitors.

The new Parks Master Plan will also include recommendations for development of the “Price-Coffey” property located East of I-540. Funding for the development of this property is not available at the present time.

The quality of life we enjoy in Bentonville is due in part to the unusually safe environment that we live in. Our Police Department can easily be judged successful due to the lack of crime and disorder.

January 23, 2007
City Council Minutes

The growth in population has resulted in an increase of over 9,500 calls to the Emergency Communications Center during 2006. However, most crime categories are down versus 2005. Crimes involving DWI and drug offenses were up only slightly. The addition of an Accident Reduction Unit, with two new officers, has reduced the workload on thirty officers assigned to street patrol duty. We expect that this new unit will ultimately reduce the accident rate within our city. The 52 uniformed officers of the Bentonville Police Department offer our city the highest level of professional service and law enforcement 24 hours per day, seven days a week.

Bentonville is fortunate to have an enviable "Class 2" ISO fire rating. This rating is based on very strict criteria and benefits Bentonville property owners through lower insurance rates. More importantly, it means that we have a highly trained and disciplined team of 65 career fire personnel ready to meet the emergency needs of our community in a state-of-the-art manner. The construction of a new #1 fire station at the corner of 8th and "A" will begin in a few weeks. This facility will be funded, in part, with impact fees collected on new construction. All City career fire personnel are required to be at least basic EMT's however, some of our personnel have chosen to attain the training necessary to qualify as a Paramedic. Property for station #6 has been purchased in the southwest area of the City. Bentonville Fire department responded to a total of 3,547 emergency calls in 2006, 300 more calls than handled in 2005. Growth patterns indicate that the City consider securing land for a 7th station in the 2007 budget year.

Preliminary 2006 financial results show improved sales tax revenue. The 1 cent capital sales tax raised \$6,738,000, an increase of 17% over 2005 and \$438,000 more than the 2006 budget estimate. 2006 revenue from property taxes rose 22% over 2005, for a total of \$2.7 million. Although all of the 2006 budget items are not finalized, the City is expected to close out 2006 with total revenue slightly better than projection and total expenses slightly less than projection. The City continues to maintain a 10% minimum balance of our Operating and Maintenance Budget. This balance is calculated to be \$6.5 million for 2007.

Capital expenditures in 2006 totaled in excess of \$39 million. Major capital expenditures included: \$12 million for the new water line and water storage tank, \$12.2 million for streets, \$2.2 million for new electric substations and \$2.7 million for underground primary electric lines. The City's debt remained basically flat at \$31 million rising only \$600,000 due to the sale and construction of our water pipelines and the retirement of \$4.3 million in Utility Bonds. Capital expenditures planned for 2007 will focus primarily on street construction and street improvements. The Highway 72 East project and the Highway 102 West projects will consume the vast majority of our current \$21 million line of credit for capital improvements.

Revenue for 2007 is projected to increase but will not be adequate to satisfy the City's capital needs. Needs that not only raise quality of life, but needs that allow current commerce to thrive and future commerce to be attracted to our City. The months ahead will require careful planning and analysis to determine how best to address these needs. I will be meeting with state and federal agencies and lawmakers to share our challenge and request funding assistance. Reality is, that we, Bentonville, will have to find a way to make this happen without significant outside help.

January 23, 2007
City Council Minutes

The future is bright and opportunities to grow responsibly have never been better. With work underway on a world class museum of American art, we must be prepared to capture and capitalize on the opportunities that will come with an additional 250,000 visitors per year. We not only have the previously mentioned capital needs but we as a City have opportunities to clean-up and spruce-up. We need to raise the level of pride in the way we look and the way we take care for our resources. I want to see Bentonville implement a recycling program that will set a new standard of excellence in Arkansas and the U.S. I want to see improved esthetics at each of the gateways into our City. Bentonville truly is a unique and special place to live; we need to treat it that way.

I am grateful to the citizens for the privilege to serve as mayor. To the professional staff and all of the employees who have assisted in my transition over the past three weeks, I am indebted. Thanks too to the City Council members for their willingness to serve. To all of the board and commission members and volunteers who spend hundreds of hours annually in public service, thank you - you are what makes this a great place to live.

Bob McCaslin

Mayor

Bentonville, Arkansas

Motion was made by Council Member Grider, seconded by Council Member Baggett to adjourn the meeting. Motion carried (8-0).

Bob McCaslin, Mayor

Suzanne Grider, City Clerk

