



BENTONVILLE CITY COUNCIL AGENDA

**Regular City Council Meeting
Community Development
Planning Commission Meeting Room**

**Tuesday, September 24, 2019 6:00 p.m.
305 SW "A" Street**

**Public Comments on Tonight's Agenda Items (Limited Public Forum)
Questions, Comments and Discussion from City Council Members on Tonight's
Agenda
Call to Order
Pledge of Allegiance
Moment of Silence – For our Military Forces
Roll Call
Approval of Minutes: September 10, 2019**

AGENDA

1. Request that the City Council adopt a formal resolution to recognize, commend and congratulate Detective Corporal Tom Boyle's retirement. This resolution recognizes more than 19 years of law enforcement service with the Bentonville Police Department. This resolution also wishes Tom Boyle much health, happiness, and continued success in all of his future endeavors. See attached resolution. **(Pages 5-6)**
2. An ordinance accepting the annexation of certain territory to the City of Bentonville, Arkansas, and making same a part of the City of Bentonville, and assigning same to wards. (City of Bentonville-Trail Annexation) **(Pages 7-29)**
3. Planning:
- 3a. **Ordinance accepting a lot split of Lot 6 of Hogwild Subdivision Phase I and Lots 1-2 of Hogwild Subdivision Phase II, Rogers Warehouse Development IV, LLC, 2914 SE I Street, C-2, General Commercial.**
(Pages 31-37)
The Planning Commission voted 6-0, recommending approval.

A lot split of Lots 1 & 3 Hogwild Subdivision Phase I and previously unplatted land creating new Lot 6 (+/- 14.09 acres) of Hogwild Subdivision Phase 1 and Lots 1 (+/- 4.46 acres) & 2 (+/- 7.52 acres) of Hogwild Subdivision Phase 2. The plat dedicates multiple easements of varying widths. The plat dedicates additional right-of-way along the western lot line of Lot 1 to complete the previous dedication to the south.

- 3b. **Ordinance changing real estate from RC-2, Central Residential-Moderate Density to DN-3, Downtown High-Density Residential, Bentonville Redevelopment, LLC, 402 SE G Street.**

(Pages 38-41)

The Planning Commission voted 6-0, recommending approval.

The Future Land Use Plan currently depicts this property as High Density Residential. These areas typically include apartments, townhomes, and light commercial uses to serve tenants. The proposed rezoning can potentially be justified due to the site's surrounding uses, the general downtown location, and the general compatibility with the Future Land Use Plan.

- 3c. **Ordinance accepting a lot split of Lots 3-4 of Riverwalk Farms Commercial Subdivision, Rory Thompson, 3600 SW Regional Airport Boulevard, PUD, Planned Unit Development.**

(Pages 42-45)

The Planning Commission voted 6-0, recommending approval.

A lot split of Lot 1 of Riverwalk Farms Commercial Subdivision, creating Lots 3 (+/- 5.74 acres) & 4 (+/- 6.36 acres). The plat dedicates a 35-foot utility easement along SW Regional Airport Boulevard and a 30-foot public access easement.

4. Recognition by the Mayor and City Council of Red Barn located at 1500 NW A Street. Red Barn is the first multi-family development recipient of the City of Bentonville's "Grow with Trees Award". Matt O'Reilly with Green Circle Projects will accept the award on behalf of Red Barn. Please refer to memo. **(Pages 46-50)**
5. Public hearing and ordinance vacating an Alley Right of Way Vacation at 1110 NE Monroe of W.A. Burks Addition to the City of Bentonville, Arkansas, Benton County, Arkansas. **(Pages 51-54)**
6. Public hearing and ordinance vacating an Street Right of Way located in W.A. Burk's Addition (1110 NE Monroe) to the City of Bentonville, Arkansas, Benton County, Arkansas. **(Pages 55-58)**
7. Public hearing and ordinance vacating a public access easement requested for Greenwich Village Condominium Plat, to the City of Bentonville, Arkansas, Benton County, Arkansas. (2303 SE J Street) **(Pages 59-63)**
8. Public hearing and ordinance vacating utility easement requested for Greenwich Village Condominium Plat to the City of Bentonville, Arkansas, Benton County, Arkansas. (2303 SE J Street) **(Pages 64-67)**
9. Resolution setting a public hearing for October 8, 2019 for an Alley Right of Way Vacation at 431 SW B Street of TJ Hollands Subdivision. **(Pages 68-70)**
10. Resolution setting a public hearing for October 8, 2019 for Utility Easement Vacation requested by Rausch Coleman for Lot 147 of Providence Village Phase 1. **(Pages 71-73)**
11. Resolution setting a public hearing for October 8, 2019 for Utility Easement Vacation requested by Rausch Coleman for Lot 148 of Providence Village Phase 1. **(Pages 74-76)**

- 12a. Resolution for City Council approval of a contract amendment with Luttrell Enterprises increasing the maximum allowable annual fees to \$50,000.00.
(Pages 77-80)
- 12b. City Council approval of a budget adjustment to increase funds necessary for mowing of non-compliant properties within the City of Bentonville. The City has experienced a higher number of non-compliant properties than normal this year. The increase is due to the increase in rainfall.
(Pages 81-82)
13. Resolution to declare traffic signal items surplus in order to send to recycle. Please see attached memo.
(Pages 83-85)
14. Adopt resolution certifying the rate of taxation levied on real and personal property in the City of Bentonville. This resolution is required by the Quorum Court and County Clerk in order to facilitate the millage levy to be collected in 2020.
(Pages 86-89)
15. Submission of the annual audit to City Council. No action is required. According to page 2 (Independent Audit Report section) of the Audit Report/CAFR, BKD, LLC has issued this report with the following statement: In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bentonville, Arkansas as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.
(Pages 90-251)
16. Resolution declaring various additional items as surplus, and correction of the quantities items previously declared as surplus, to be sold at Public Auction. See attached list for more detail.
(Pages 252-254)
17. Ordinance recommending the creation of the new City of Bentonville Utility Board.
(Pages 255-263)
18. Change order related to Nabholz contract for new Emergency Communications and Criminal Investigations Center recognizing additional weather delays. See attached letter from WER Architects/Planners.
(Pages 264-267)
19. Budget adjustment to provide insurance (\$9,846.00) for new Emergency Communication and Criminal Investigations Center.
(Pages 268-270)
- 20a. Resolution authorizing the Mayor and Clerk to enter into an agreement with Ecological Design Group, in the amount of \$39,500.00, to redesign the damaged vehicle access to Slaughter Pen Mountain Bike Park.
(Pages 271-275)
- 20b. Budget adjustment in the amount of \$39,500.00, to redesign the damaged vehicle access to Slaughter Pen Mountain Bike Park.
(Pages 276-277)
21. Budget adjustment recognizing revenue and expenses of increased participation in recreation programming for Parks and Recreation Department.
(Pages 278-280)

- 22. Change order to the existing contract with Morrison Shipley, in the amount of \$10,350.00, for extra additional design work and construction administration for the North Trail Parking Lot and trail improvement project. **(Pages 281-284)**
- 23a. Ordinance for City Council approval of a bid waiver, in the amount of \$48,706.00 to the City of Fayetteville to recognize revenue and allocated expenses from the Square to Square Bike Ride. **(Pages 285-291)**
- 23b. Budget adjustment, in the amount of \$48,706.00, to recognize revenue and expenses from the Square to Square Bike Rides. **(Pages 292-294)**
- 24a. Bid Award to Lights by Sparky in the amount of \$42,728.02 for square light installation. **(Pages 295-297)**
- 24b. Budget adjustment, in the amount of \$43,729.00, to recognize funding from Bentonville Advertising and Promotions Commission for new lights in the Downtown Bentonville Square. **(Pages 298-300)**
- 25. Mayor recommends appointment of Dennis Cherry to the Airport Advisory Board. Mr. Cherry's term will expire on September 27, 2022. **(Pages 301-303)**
- 26. Mayor recommends appointment of Jeff McClelland to the Northwest Arkansas Conservation Authority Board (NACA). Mr. McClelland will be filling Mike Bender's unexpired term, which will end on December 31, 2022. **(Pages 304-306)**



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jon Simpson

Department

Police

Phone

271-3172

ACTION REQUIRED:

Request that the City Council adopt a formal resolution to recognize, commend and congratulate Detective Corporal Tom Boyle's retirement. This resolution recognizes more than 19 years of law enforcement service with the Bentonville Police Department. This resolution also wishes Tom Boyle much health, happiness, and continued success in all of his future endeavors. See attached resolution.

COST TO CITY:

Cost of this Request: \$0

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

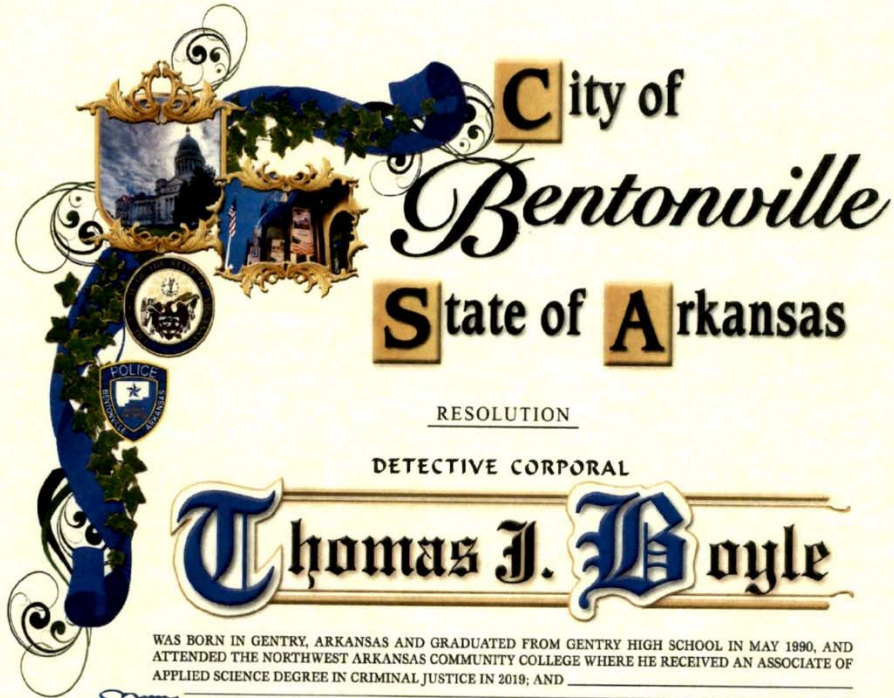
117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





WAS BORN IN GENTRY, ARKANSAS AND GRADUATED FROM GENTRY HIGH SCHOOL IN MAY 1990, AND ATTENDED THE NORTHWEST ARKANSAS COMMUNITY COLLEGE WHERE HE RECEIVED AN ASSOCIATE OF APPLIED SCIENCE DEGREE IN CRIMINAL JUSTICE IN 2019; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE BEGAN HIS TWENTY-ONE YEAR LAW ENFORCEMENT CAREER JUNE 1998, IN DENVER, COLORADO AS A DETENTION DEPUTY FOR THE DENVER COUNTY SHERIFF'S OFFICE; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE JOINED THE BENTON COUNTY SHERIFF'S OFFICE IN BENTONVILLE, ARKANSAS AS A DETENTION DEPUTY JULY 1999, AND LATER SERVED AS A COURT BAILIFF UNTIL 2001; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE JOINED THE BENTONVILLE POLICE DEPARTMENT ON MARCH 16, 2001, WHERE HE SERVED AS A PATROLMAN AND JUVENILE OFFICER, UNTIL HIS ASSIGNMENT TO THE CRIMINAL INVESTIGATIONS DIVISION OCTOBER 2004. WHERE HE FAITHFULLY SERVED, WITH THE PRESENT RANK OF DETECTIVE CORPORAL, UNTIL HIS AUGUST 9, 2019 RETIREMENT; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE, IN HIS CAPACITY AS DETECTIVE, SPECIALIZED IN THE AREA OF CRIMES AGAINST CHILDREN INVESTIGATIONS, WHERE HE WAS INVOLVED IN SEVERAL HIGH PROFILE AND VERY SERIOUS CASES, LEADING TO RECOGNITION AND COMMENDATIONS FROM BOTH THE BENTONVILLE POLICE DEPARTMENT AS WELL AS OUTSIDE AGENCIES; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE DEMONSTRATED GREAT EXPERTISE IN THE FIELD OF CRIMINAL INVESTIGATIONS, SOLVING NUMEROUS CASES THAT REPRESENTED THE HIGHEST SAFETY CONCERNS TO OUR COMMUNITY, AND EARNED MANY SPECIALIZED CERTIFICATIONS TO INCLUDE THOSE OF A CRIME SCENE TECHNICIAN AND A TRUTH VERIFICATION EXPERT; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE APPROACHED ALL OF HIS DUTIES AS ASSIGNED WITH AN UNCOMPROMISING LEVEL OF INTEGRITY AND CARE THAT DEFINE BOTH THE BEST STANDARD OF LAW ENFORCEMENT AND HIS INDIVIDUAL CHARACTER; AND

WHEREAS, DETECTIVE CORPORAL THOMAS J. BOYLE, THROUGH HIS COUNTLESS DUTIES AND ACCOMPLISHMENTS, DELIVERED TO THE BENTONVILLE POLICE DEPARTMENT AND THE CITIZENS OF BENTONVILLE AN UNPARALLELED LEVEL OF PROFESSIONALISM AND SERVICE.

NOW THEREFORE, BE IT RESOLVED THAT BY THE ADOPTION OF THIS RESOLUTION, THE CITY COUNCIL OF BENTONVILLE, HEREBY COMMENDS AND CONGRATULATES DETECTIVE CORPORAL THOMAS J. BOYLE FOR HIS TWENTY-ONE YEARS OF DEDICATED LAW ENFORCEMENT SERVICE AND EIGHTEEN YEARS OF SERVICE TO THE BENTONVILLE POLICE DEPARTMENT AND THE CITIZENS OF BENTONVILLE, AND WISHES HIM HEALTH, HAPPINESS, AND CONTINUED SUCCESS IN ALL HIS FUTURE ENDEAVORS.



GIVEN THIS 24th day of September 2019, in Bentonville, in the Great State of Arkansas, in the United States of America.

Stephanie Orman, Mayor

Linda Spence, City Clerk



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☒	Ordinance	
☐	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jim Wheelless

Department

Phone

271-3112

ACTION REQUIRED:

An ordinance accepting the annexation of certain territory to the City of Bentonville, Arkansas, and making same a part of the City of Bentonville, and assigning same to wards. (City of Bentonville-Trail Annexation)

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



ORDINANCE NO. _____

AN ORDINANCE ACCEPTING THE ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF BENTONVILLE, ARKANSAS, AND MAKING SAME A PART OF THE CITY OF BENTONVILLE, AND ASSIGNING SAME TO WARDS.

WHEREAS, petition was filed with the County Clerk of Benton County, Arkansas by all of the owners of the hereinafter described territory, said owners being listed in Exhibit "A" to this ordinance, praying that said territory be annexed to, and made a part of the City of Bentonville, Arkansas, and

WHEREAS, on the 1st day of August, 2019, the County Court of Benton County, Arkansas, entered an order authorizing annexation pursuant to § 14-40-609 of the Arkansas Code, finding that the petition met the requirements for annexation under that provision and directed the Clerk to forward the order to the Mayor of the City of Bentonville; and

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BENTONVILLE, ARKANSAS:

Section 1. That the land described on the attached Exhibit "B," which includes both the territory sought to be annexed by the petitioners and the dedicated public roads and rights of way abutting or traversing the property proposed to be annexed, is territory contiguous to and adjoining the City of Bentonville, Arkansas, and the petition to annex that property is hereby granted and the property described in Exhibit "B" is hereby accepted as part of and annexed to and made a part of the City of Bentonville.

Section 2. That the above described territory shall be annexed to and made a part of Ward 2 of the City of Bentonville, and the same shall henceforth be a part of said ward as fully as existing parts of said ward.

Section 3. That the above described territory shall be zoned A-1, to be used in accordance with City zoning laws and the laws of the State of Arkansas.

Section 4: That this ordinance shall become effective 30 days from its passage and approval.

PASSED AND APPROVED THIS _____ DAY OF September, 2019.

APPROVED: _____
HON. STEPHANIE ORMAN, Mayor

ATTEST: _____
HON. LINDA SPENCE, City Clerk

City of Bentonville (Trail) Annexation
EXHIBIT "A"

City of Bentonville

18-07526-000

City of Bentonville (Trail) Annexation
Exhibit "B"

Part of the NW ¼ of the SW ¼ of Section 20, Township 20N, Range 30W, Benton County, Arkansas and more particularly described as follows.

Beginning at the NE Corner of said NW ¼ of the SW ¼.

Thence S02°45'16"W, 455.62';

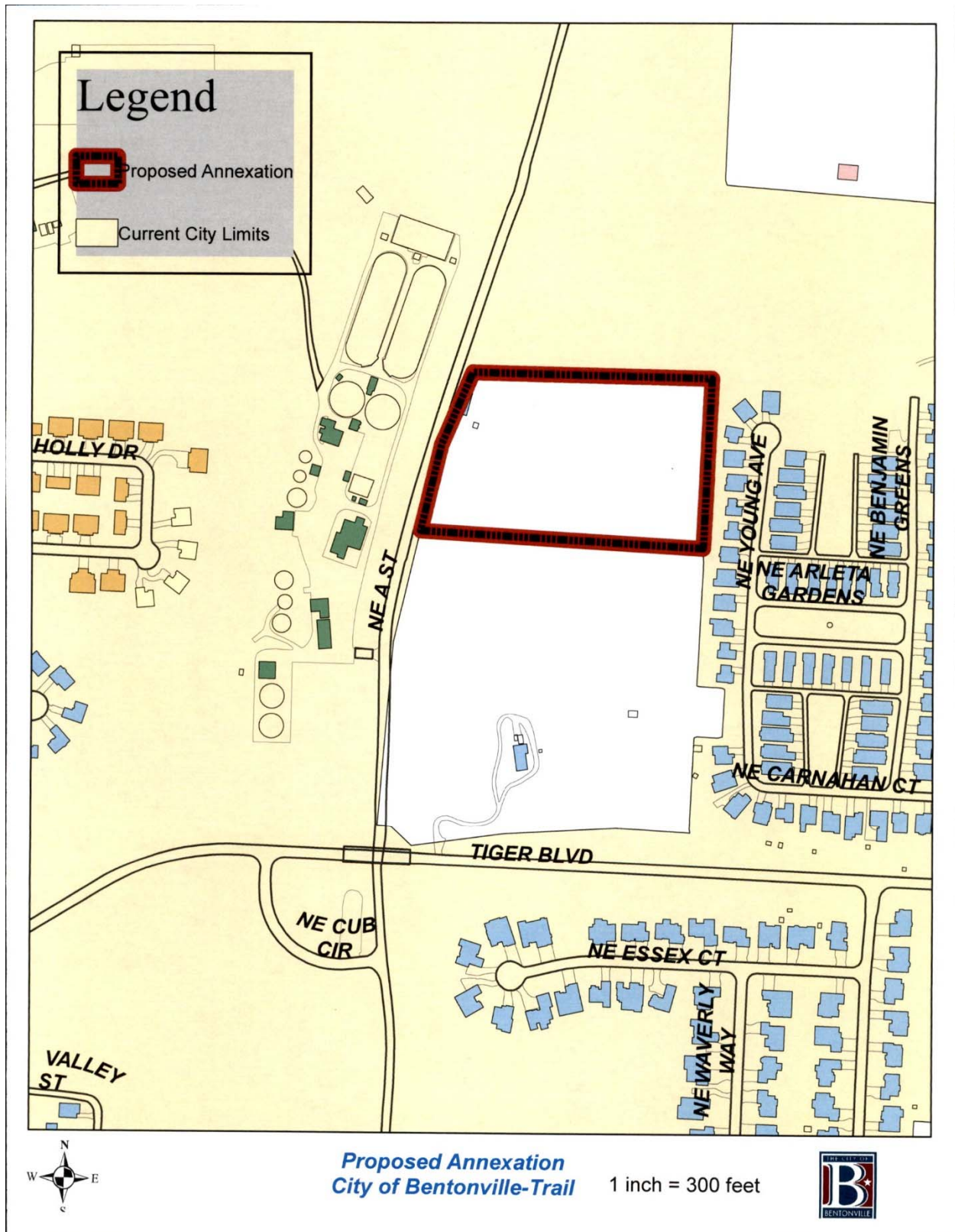
Thence N86°42'37"W, 760.77';

Thence N13°34'03"E, 239.62';

Thence N23°24'10"E, 209.37';

Thence S88°47'00"E, 642.18' to the point of beginning.

Containing 7.23 Acres more or less.



BENTON COUNTY

STATE OF ARKANSAS

RECEIVED AUG 08 2019

BETSY HARRELL

COUNTY CLERK & VOTER REGISTRAR

215 EAST CENTRAL, SUITE 217
BENTONVILLE, AR 72712-5373
479-271-1013
Fax: 479-271-1019

PROBATE COURT CLERK

COURTHOUSE, 102 N.E. "A" STREET
BENTONVILLE, AR 72712-5350
479-271-5727
FAX: 479-271-1712

August 2, 2019

Honorable Stephanie Orman
City of Bentonville
117 W. Central Ave
Bentonville, AR 72712

Re: In the Matter of Annexing to the City of Bentonville, Arkansas Certain
Territory Contiguous To Said City of Bentonville, Arkansas

Dear Mayor Orman:

The County has received and processed a proposed annexation pursuant to ACA § 14-40-609 related to annexations by 100% of the property owners. I am transmitting to you a copy of the documents relating to the proposed annexation for consideration by the Bentonville City Council.

If your council and you approve the annexation, please ask your clerk or recorder to return to me one (1) certified copy of the plat of the annexed property and one (1) certified copy of the ordinance or resolution approving the annexation so that I can send those on to the Secretary of State as required by the statute.

Please feel free to contact me if you have questions.

Sincerely,


BETSY HARRELL, County Clerk

enc

ROGERS OFFICE
2111 W. WALNUT
(479) 636-3727
FAX (479) 636-4922

ROGERS ARCHIVES
2111 W. WALNUT
(479) 636-1037
FAX (479) 636-1053

SILAM SPRINGS OFFICE
707 S. LINCOLN
479-271-1013
FAX (479) 524-8534

IN THE MATTER OF ANNEXING TO THE
CITY OF BENTONVILLE, ARKANSAS
CERTAIN TERRITORY CONTIGUOUS TO SAID
CITY OF BENTONVILLE, ARKANSAS

FILED

2019 AUG -1 PM 4:34

BETSY HARRELL
CO. & PROBATE CLERK
BENTON COUNTY, AR

COUNTY COURT ORDER NO. CC 2019-11

ORDER AUTHORIZING ANNEXATION PURSUANT TO ACA § 14-40-609

I, Barry Moehring, County Judge of Benton County, having reviewed the attached petition for annexation and verification of petition, hereby find that the petition:

- 1) is in writing;
- 2) contains an attestation signed before a notary or notaries by the property owner or owners of the relevant property or properties confirming their desire to be annexed;
- 3) contains an accurate description of the relevant property or properties;
- 4) contains a letter or title opinion from a certified abstractor or title company verifying that the petitioners are all owners of record of the relevant property or properties;
- 5) contains a letter or verification from a certified surveyor or engineer verifying that the relevant property or properties are contiguous with the annexing city or town and that no enclaves will be created if the property or properties are accepted by the city or town – additionally a copy of the letter from the State of Arkansas GIS office approving the legal description for the annexation was provided; and
- 6) includes a schedule of services of the annexing city or town that will be extended to the area within three (3) years after the date the annexation becomes final.

The County Clerk is directed to forward a copy of this order and the related Petition to the Mayor of the City of BENTONVILLE.



HON. BARRY MOEHRING, County Judge

Date

Aug 1, 2019

2019 2454

FILED

2019 JUL 29 PM 2:20

BETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR

IN THE MATTER OF ANNEXING TO THE CITY
OF BENTONVILLE, ARKANSAS CERTAIN TERRITORY
CONTIGUOUS TO SAID CITY

NO. CC 2019-11

PETITION FOR ANNEXATION – 100 % OF OWNERS PETITIONING

DATE: July 9, 2019

Come now the undersigned petitioners, and state as follows:

1. That we, owning 100% of the property in the following described area, do hereby petition, pursuant to A.C.A. §14-40-609, the City Council of Bentonville, Arkansas, to annex the following lands to the City of Bentonville, Arkansas.

Refer to Exhibit "A"

2. We further state that this petition is signed by one hundred percent (100%) of the real estate owners owning one hundred percent (100%) of the acreage in said area and that the area to be annexed does not contain property whose owners do not wish to have their property annexed.

3. That said property description herein is contiguous to and adjoining the present City of Bentonville city limits, as shown on the map attached hereto as Exhibit "B".

4. That no enclaves will be created if this petition is accepted and the territory annexed into the City of Bentonville.

5. That the following schedule of services shall be extended to the area by the City of Bentonville within three (3) years after the date the annexation becomes final:

All properties annexed into the City of Bentonville are provided with Police, Fire and EMS services.

Additional services such as water and sewer may be provided if readily available. Such services are provided in accordance with existing ordinances and terms of service, including but not limited to the payment of required fees, the necessary permits, inspections and approvals.

FILED

6. That a letter or title opinion from a certified abstractor or title company verifying that the petitioners are all owners of record of the relevant property or properties is attached hereto as Exhibit "C" and is made part of this petition as if set out word for word herein.

2019 JUL 26 PM 2:20
JESSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR

7. That a letter or verification from a certified surveyor or engineer verifying that the relevant property or properties are contiguous with the City of Bentonville and that no enclaves will be created if the property or properties are accepted by the City of Bentonville is attached hereto as Exhibit "D" and is made part of this petition as if set out word for word herein.

8. That each of the undersigned persons executing this petition has confirmed by their signature a desire that their property, which is included in the property described above, be annexed into the City of Bentonville.

I confirm my desire that property owned by me, which is to be included in a petition to annex property, be annexed into the City of Bentonville.

FILED

2019 JUL 29 PM 2:20

If the property being annexed is owned jointly, I attest that all owners of the property are signing a copy of this confirmation.

JOSEY HARBELL
CO & PROBATE CLERK
BENTON COUNTY, AR

If the property is owned by a trust, I attest either that I have the authority to sign this confirmation on behalf of the trust, or that all persons required to do so by the trust are signing a copy of this confirmation.

If the property is owned by a corporation, limited liability company or other entity I attest either that I have the authority to sign this confirmation on behalf of the entity, or that all persons required to do so by the entity's governing documents are signing a copy of this confirmation.

[Redacted Signature]

Signature of Property Owner or
Legal Representative of Property Owner,
Petitioner

Mayer

Title, if applicable (i.e. Trustee,
(Managing Member, President,
Secretary)

18-07526-000

Parcel number of property to be annexed

ACKNOWLEDGMENT

State of Arkansas)
) ss.
County of Benton)

On this the 9th day of July, 2019, before me, the undersigned officer, personally appeared Stephanie Orman, known to me (or satisfactorily proven) to be the person whose name is subscribed above and acknowledged and attested that it was executed for the purposes therein apparent.

[Redacted Signature]

NOTARY PUBLIC

My Commission Expires:

5/24/2026



City of Bentonville (Trail) Annexation
Exhibit "A"

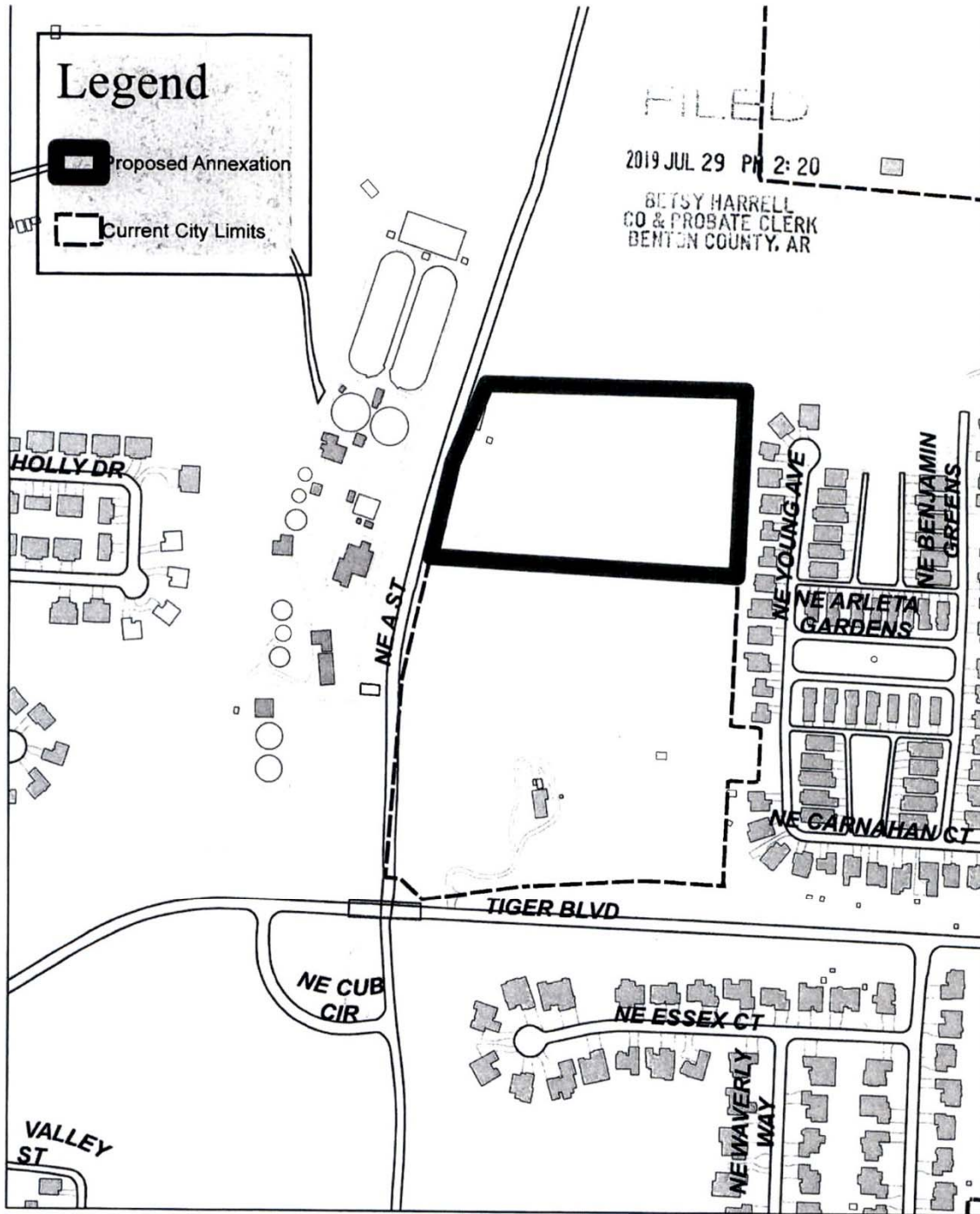
FILED

2019 JUL 29 PM 2:20

Part of the NW ¼ of the SW ¼ of Section 20, Township 20N, Range 30W, Benton County, Arkansas and more particularly described as follows. BETSY HARRELL
CLERK & PROBATE CLERK
BENTON COUNTY, AR

Beginning at the NE Corner of said NW ¼ of the SW ¼.

Thence S02°45'16"W, 455.62';
Thence N86°42'37"W, 760.77';
Thence N13°34'03"E, 239.62';
Thence N23°24'10"E, 209.37';
Thence S88°47'00"E, 642.18' to the point of beginning.
Containing 7.23 Acres more or less.



FILED
2019 JUL 29 PM 2:20
BETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR



EXHIBIT "B"
Proposed Annexation
City of Bentonville-Trail

1 inch = 300 feet



Benton
216 W Sevier Street
Benton, AR 72015

Bentonville
300 SW 28th Street
Bentonville, AR 72712

Eureka Springs
70 S. Main Street, Suite 2
Eureka Springs, AR 72632

Fayetteville
1420 Augustine Lane, Suite 1
Fayetteville, AR 72703

Sheridan
206 N Rose Street
Sheridan, AR 72150



EXHIBIT "C"

Faulkner County Title Company
A Division of
First National Title Company
Conway
711 Locust Street
Conway, AR 72034

Little Rock Title Company
A Division of
First National Title Company
Little Rock
1001 W. Markham Street #100
Little Rock, AR 72201

First National
Title Company

Headquarters
First National Title Company
Little Rock
415 N McKinley Street Suite 1200
Little Rock, AR 72205

2019 JUL 23 PM 2:20
BETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR

July 23, 2019

Greetings,

This letter is given in connection with what is understood to be an effort to voluntarily annex certain real property into the City of Bentonville. Based on our review, we verify that the persons listed in Exhibit C-1 to this letter are all the owners of record of the real property described in Exhibit C-2 to this letter.



Steve Fangle

Benton County Manager

First National Title

www.firstnationaltitle.net

City of Bentonville (Trail) Annexation
EXHIBIT "C-1"

FILED

2019 JUL 29 PM 2:20

BETSY HARRELL
CO. & PROBATE CLERK
AR 07525-000
BENTON COUNTY, AR

City of Bentonville

City of Bentonville (Trail) Annexation
Exhibit "C-2"

FILED

2019 JUL 29 PM 2: 21

BETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR

Part of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 20, Township 20N, Range 30W, Benton County, Arkansas and more particularly described as follows.

Beginning at the NE Corner of said NW $\frac{1}{4}$ of the SW $\frac{1}{4}$.

Thence S02°45'16"W, 455.62';
Thence N86°42'37"W, 760.77';
Thence N13°34'03"E, 239.62';
Thence N23°24'10"E, 209.37';
Thence S88°47'00"E, 642.18' to the point of beginning.
Containing 7.23 Acres more or less.

EXHIBIT "D"

FILED

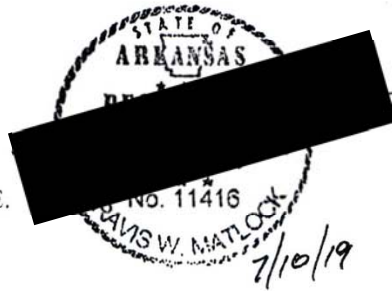
Greetings:

2019 JUL 29 PM 2: 21

This letter is given in connection with what is understood to be an effort to voluntarily annex certain real property (City of Bentonville Trail Annexation) into the City of Bentonville. I am a licensed Professional Engineer in the State of Arkansas. Based on my review, I verify that the real property described in Exhibit D-1 to this letter is contiguous with the City of Bentonville and that no enclaves will be created if the described property is accepted by the City of Bentonville.

Sincerely,

Travis Matlock, P.E.



City of Bentonville (Trail) Annexation
Exhibit "D-1"

FILED

2019 JUL 29 PM 2: 21

BETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR

Part of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 20, Township 20N, Range 30W, Benton County, Arkansas and more particularly described as follows.

Beginning at the NE Corner of said NW $\frac{1}{4}$ of the SW $\frac{1}{4}$.

Thence S02°45'16"W, 455.62';

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Thence N23°24'10"E, 209.37';

Thence S88°47'00"E, 642.18' to the point of beginning.

Containing 7.23 Acres more or less.



**ARKANSAS
GIS OFFICE**

FILED

2019 JUL 29 PM 2:21

DETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR

June 27, 2019

Mr. Jim Wheeless
GIS Coordinator - City of Bentonville
305 SW A Street
Bentonville, AR 72712

RE: City of Bentonville Annexation Coordination Requirement

Mr. Wheeless,

Thank you for coordinating with our office as you seek to annex property into the City of Bentonville, AR located in Section 20, Township 20 North, Range 30 West. This letter represents confirmation that you have properly coordinated with our office (Arkansas GIS Office) as specified in § 14-40-101 (Act 914 of 2015) of the 90th General Assembly.

Our office will wait completion of any additional steps necessary for the proposed boundary change, which normally comes from the Arkansas Secretary of State Elections Division after any appropriate filing by your County Clerk.

Thank you,



Jennifer Wheeler, GIS Analyst
/jw

Attachments:
GIS Office Map of Proposed Annexation
Legal Description
Secretary of State Municipal Change Checklist

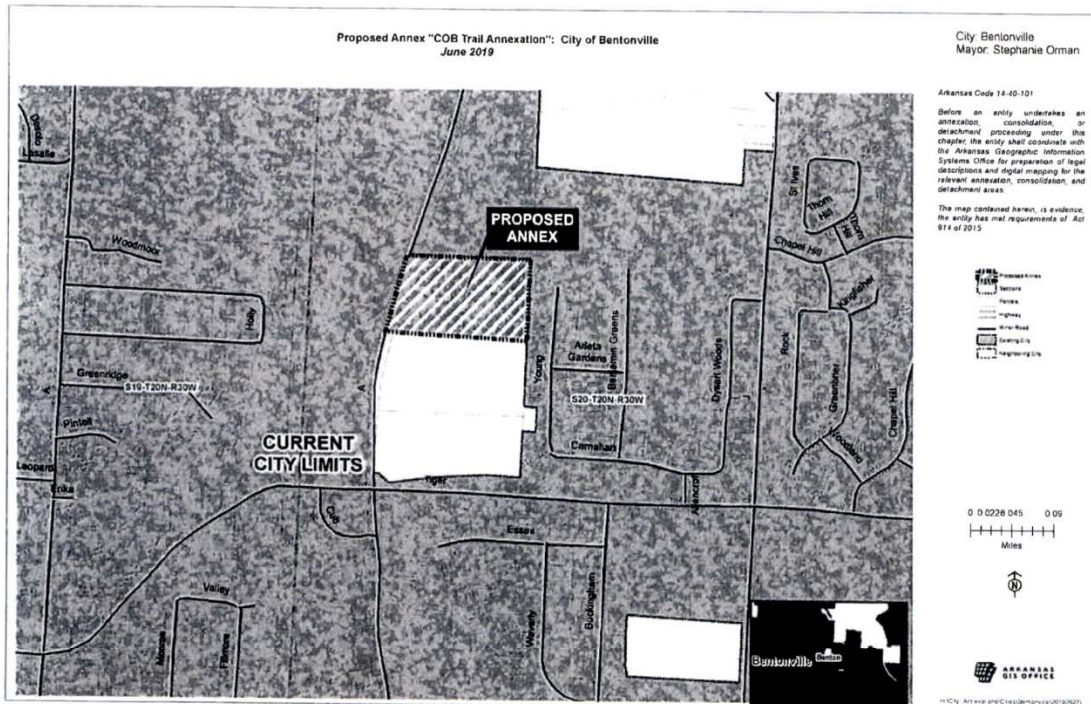
H:\City_Annexations\Cities\Bentonville\20190627\Doc\20190627_Bentonville_Annexation_Coordination_Letter.docx

ARKANSAS GIS OFFICE · 1 CAPITOL MALL SUITE 6D · LITTLE ROCK · ARKANSAS · 72201
PHONE (501) 682-2767 · www.gis.arkansas.gov · FAX (501) 682-6077

FILED

2019 JUL 29 PM 2:21

BETSY HARRELL
CO & PROBATE CLERK
BENTON COUNTY, AR



COB Trail Annexation

Exhibit "A"

FILED

2019 JUL 29 PM 2:21

Part of the NW ¼ of the SW ¼ of Section 20, Township 20N, Range 30W, Benton County, Arkansas and more particularly described as follows.

BETSY HARRELL
CLERK
BENTON COUNTY, AR

Beginning at the NE Corner of said NW ¼ of the SW ¼.

Thence S02°45'16"W, 455.62';

Thence N86°42'37"W, 760.77';

Thence N13°34'03"E, 239.62';

Thence N23°24'10"E, 209.37';

Thence S88°47'00"E, 642.18' to the point of beginning.

Containing 7.23 Acres more or less.

City of Bentonville (Trail) Annexation
EXHIBIT "A"

City of Bentonville

18-07526-000

City of Bentonville (Trail) Annexation
Exhibit "B"

Part of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 20, Township 20N, Range 30W, Benton County, Arkansas and more particularly described as follows.

Beginning at the NE Corner of said NW $\frac{1}{4}$ of the SW $\frac{1}{4}$.

Thence S02°45'16"W, 455.62';

Thence N86°42'37"W, 760.77';

Thence N13°34'03"E, 239.62';

Thence N23°24'10"E, 209.37';

Thence S88°47'00"E, 642.18' to the point of beginning.

Containing 7.23 Acres more or less.



City Council Agenda Items

For City Council Meeting of September 24, 2019

From the September 17, 2019 Planning Commission Meeting

- a. Ordinance accepting a lot split of Lot 6 of Hogwild Subdivision Phase I and Lots 1-2 of Hogwild Subdivision Phase II, Rogers Warehouse Development IV, LLC, 2914 SE I Street, C-2, General Commercial.**

The Planning Commission voted 6-0, recommending approval.

A lot split of Lots 1 & 3 Hogwild Subdivision Phase I and previously unplatted land creating new Lot 6 (+/-14.09 acres) of Hogwild Subdivision Phase 1 and Lots 1 (+/- 4.46 acres) & 2 (+/- 7.52 acres) of Hogwild Subdivision Phase 2. The plat dedicates multiple easements of varying widths. The plat dedicates additional right-of-way along the western lot line of Lot 1 to complete the previous dedication to the south.

- b. Ordinance changing real estate from RC-2, Central Residential-Moderate Density to DN-3, Downtown High-Density Residential, Bentonville Redevelopment, LLC, 402 SE G Street.**

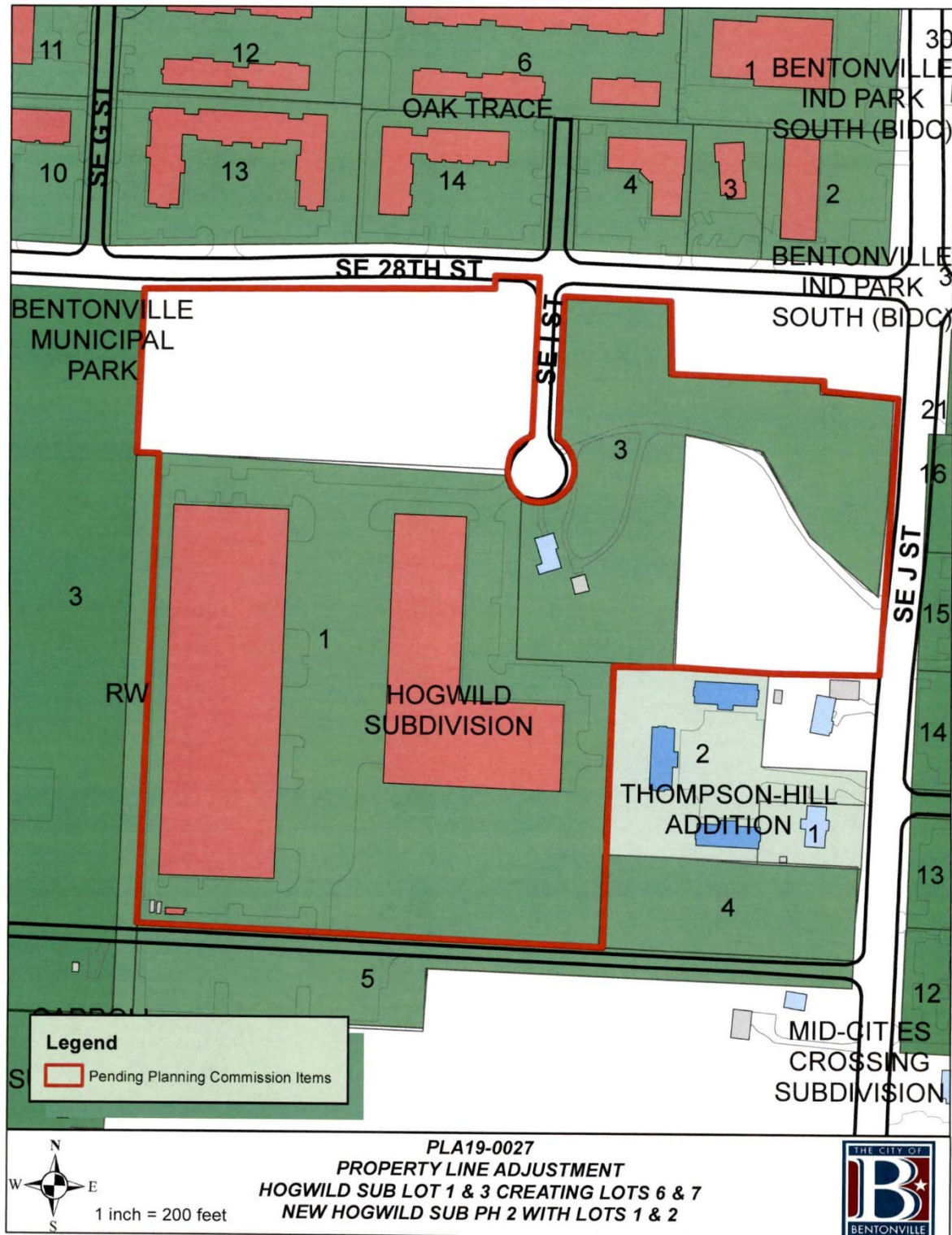
The Planning Commission voted 6-0, recommending approval.

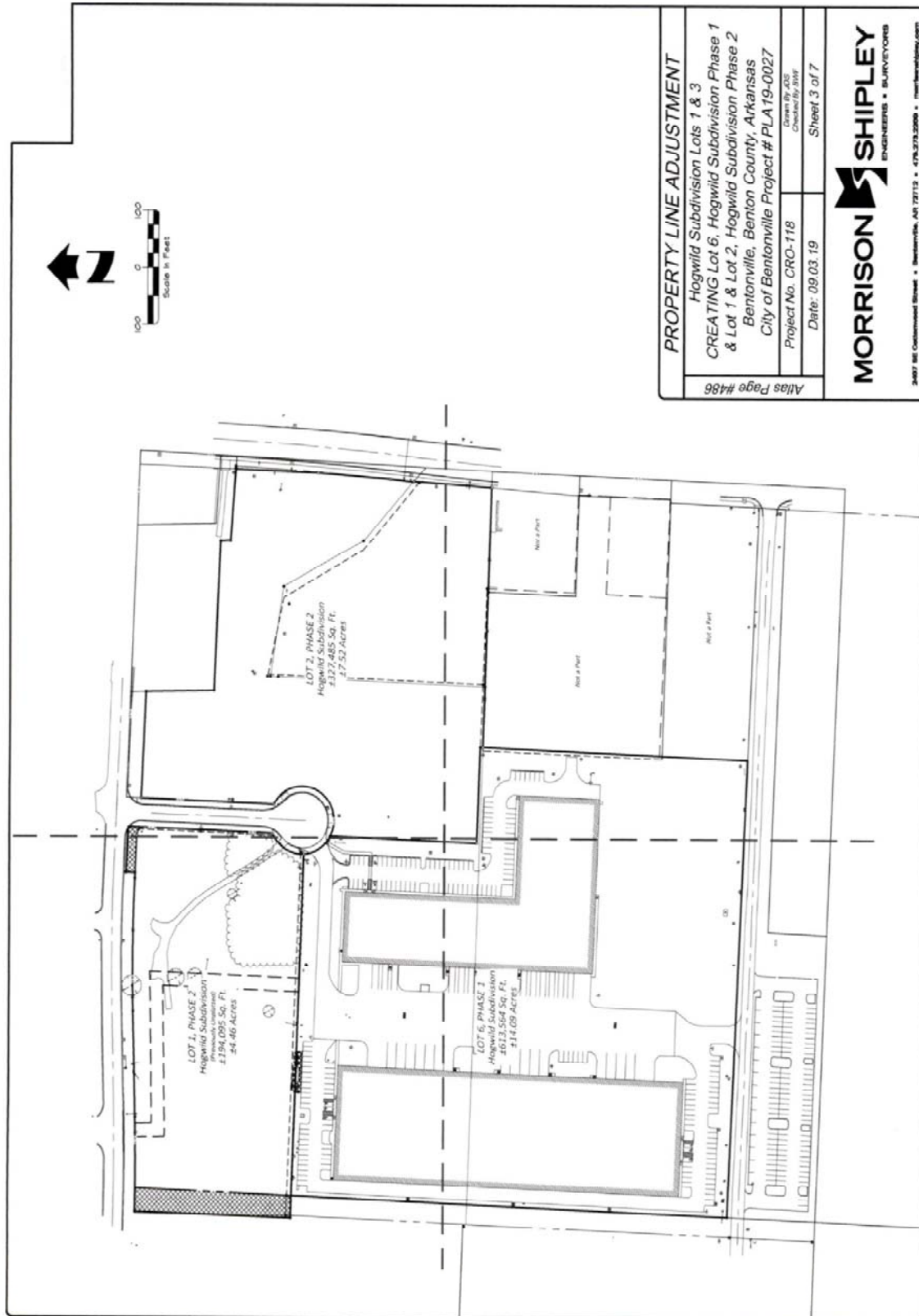
The Future Land Use Plan currently depicts this property as High Density Residential. These areas typically include apartments, townhomes, and light commercial uses to serve tenants. The proposed rezoning can potentially be justified due to the site's surrounding uses, the general downtown location, and the general compatibility with the Future Land Use Plan.

- c. Ordinance accepting a lot split of Lots 3-4 of Riverwalk Farms Commercial Subdivision, Rory Thompson, 3600 SW Regional Airport Boulevard, PUD, Planned Unit Development.**

The Planning Commission voted 6-0, recommending approval.

A lot split of Lot 1 of Riverwalk Farms Commercial Subdivision, creating Lots 3 (+/- 5.74 acres) & 4 (+/- 6.36 acres). The plat dedicates a 35-foot utility easement along SW Regional Airport Boulevard and a 30-foot public access easement.





PROPERTY LINE ADJUSTMENT	
Hogwild Subdivision Lots 1 & 3 CREATING Lot 6, Hogwild Subdivision Phase 1 & Lot 1 & Lot 2, Hogwild Subdivision Phase 2 Bentonville, Benton County, Arkansas City of Bentonville Project # PLA 19-0027	
Project No. CRO-118	Drawn By: JCS Checked By: JSM
Date: 09.03.19	Sheet 3 of 7
MORRISON SHIPLEY ENGINEERS • SURVEYORS 2407 NE Commercial Street • Bentonville, AR 72713 • 479-373-2800 • morrisonshipley.com	

ORDINANCE NO. _____

AN ORDINANCE ACCEPTING A LOT SPLIT OF LOT 6 OF HOGWILD SUBDIVISION PHASE I AND LOTS 1-2 OF HOGWILD SUBDIVISION PHASE II TO THE CITY OF BENTONVILLE, ARKANSAS (PROJECT NUMBER: PLA19-0027).

WHEREAS, pursuant to the provisions of Title 15 of the Bentonville Municipal Code, the lot split of Lot 6 of Hogwild Subdivision Phase I and Lots 1-2 of Hogwild Subdivision Phase II, Benton County, Arkansas, was submitted to the Bentonville Planning Commission on September 17, 2019; and,

WHEREAS, said lot split is attached hereto as Exhibit "A"; and,

WHEREAS, the Bentonville Planning Commission considered said lot split on the date stated, and at other times, and voted to recommend the approval of said lot split to the City Council; and,

WHEREAS, the lot split of real property as described herein has been submitted to the City Council of the City of Bentonville and, after consideration and deliberation, said Council is of the opinion that said lot split should be approved.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: That the lot split of Lot 6 of Hogwild Subdivision Phase I and Lots 1-2 of Hogwild Subdivision Phase II to the City of Bentonville, Arkansas, should be and the same is hereby accepted and approved for all purposes.

Section 2: That the Mayor and City Clerk be and are hereby authorized and directed to evidence the acceptance of said lot split by certifying said acceptance on the approved lot split.

PASSED AND APPROVED this _____ day of _____, 2019.

APPROVED:

ATTEST:

MAYOR

CITY CLERK

REZONING STAFF REPORT



Bentonville Redevelopment, LLC

402 SE G Street

PC Date: 9/17/2019

Reviewer: Ali Worley, Planning Technician

Project Number	RZ19-0028
Applicant / Current Owner	Bentonville Redevelopment, LLC 1706 Carolyn Street Bentonville, AR 72712
Site Area	+/- 0.51 acres
Current Zoning	RC-2, Central Residential-Moderate Density
Requested Zoning	DN-3, Downtown High-Density Residential
Future Land Use Map Designation	High Density Residential

Property Description

This property is located at the southeast corner of SE G Street and SE 4th Street. The site is currently zoned RC-2, Central Residential-Moderate Density. Adjacent zonings are RC-2 to the north, R-ZL, Residential Zero-Lot Line to the east, and R-3, Medium-Density Residential to the south and west.

Relationship to the General Plan

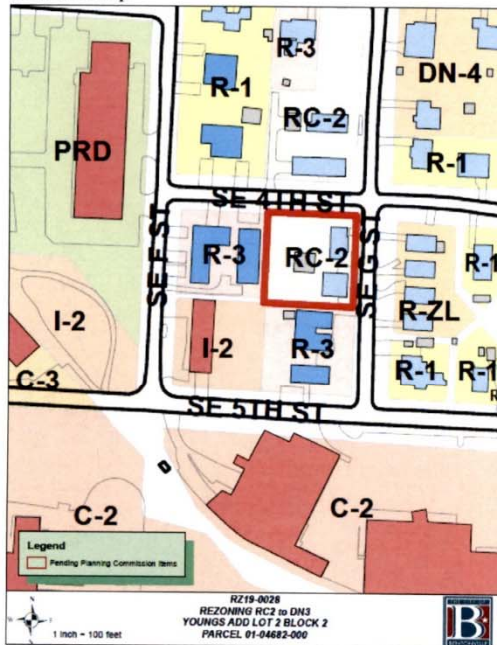
The Future Land Use Plan currently depicts this property as High Density Residential. These areas typically include apartments, townhomes, and light commercial uses to serve tenants.

Analysis

The proposed rezoning can potentially be justified due to the site's surrounding uses, the general downtown location, and the general compatibility with the Future Land Use Plan.

<http://geo.bentonvillear.com/mgweb/PZpending/>

Location Map



Rezoning Narrative
402 SE G Street, Bentonville, AR 72712

Current Zoning Designation: R- C2- Central Residential Moderate Density

Proposed Zoning Designation: DN-3- Downtown Mixed Use Residential

Explanation: Newell Development, LLC proposes to rezone the property at 402 SE G Street (Parcel # 01-04682-000), from R-C2 to DN-3, in order to develop a real estate project in compliance with DN development standards.

The current owners are: Downtown RE Development, LLC who endeavor to sell the property to Newell Development, LLC.

Reason to Rezone: The rezone would allow for future owners to build higher density multifamily housing.

Statement of how the property will relate to surrounding properties: The development proposed for the property will fit in form and scale with the SE side of Downtown Bentonville.

Use: This residential development will fit into the Downtown Core development plan.

Traffic: The additional units should not impact current traffic patterns.

Signage: None proposed.

Appearance: Infill multi-family construction similar to other small multi-family projects on SW side of town.

Water/ Sewer/ Electric: On-Site

ORDINANCE NO. _____

AN ORDINANCE CHANGING REAL ESTATE IN THE CITY OF BENTONVILLE, ARKANSAS, FROM ITS PRESENT ZONING CLASSIFICATION OF R-C2, CENTRAL RESIDENTIAL - MODERATE DENSITY TO DN-3, DOWNTOWN HIGH DENSITY RESIDENTIAL (PROJECT NUMBER: RZ19-0028).

WHEREAS, Bentonville Redevelopment, LLC duly filed a petition with the Planning Commission requesting that the hereinafter described property situated in Benton County, Arkansas, be changed from its present zoning classification of R-C2, Central Residential - Moderate Density to DN-3, Downtown High Density Residential to be used in accordance with city zoning laws and state laws, which property is described as follows:

LOT 2, BLOCK 2, YOUNG'S ADDITIONS TO THE CITY OF BENTONVILLE, BENTON COUNTY, ARKANSAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A FOUND IRON PIN ON THE SE CORNER OF SAID LOT 2, THENCE N87°15'02"W 143.13 FEET TO A SET IRON PIN; THENCE N02°15'09"E 151.53 FEET TO A SET IRON PIN, THENCES88°08'04"E 141.68 FEET TO A SET IRON PIN, THENCE S01°42'40"W 153.74 FEET TO THE POINT OF BEGINNING, CONTAINING 0.52 ACRES MORE OR LESS. SUBJECT TO ANY RIGHTS OF WAY OR EASEMENTS OF RECORD OR FACT.AND THE EAST ½ OF A VACATED ALLEY PER DEED RECORD 701 AT PAGE 501, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A FOUND IRON PIN ON THE SE CORNER OF SAID LOT 2, THENCE N87°15'02"W 143.13 FEET FOR THE POINT OF BEGINNING, THENCE N02°15'09"E 151.53 FEET TO A SET IRON PIN, THENCE N88°08'04"W 6.00 FEET TO A SET IRON PIN, THENCE S02°15'09"W 151.44 FEET TO A SET IRON PIN, THENCE S87°15'02"E 6.00 FEET TO THE POINT OF BEGINNING, CONTAINING 0.02 ACRES, MORE OR LESS. SUBJECT TO ANY RIGHTS OF WAY OR EASEMENT OF RECORD OR FACT.; and,

WHEREAS, the Planning Commission duly met and considered the application and duly set the petition for public hearing to be held September 17, 2019 in the Council Chambers of the City of Bentonville; and,

WHEREAS, public notice of said hearing having been published in the Benton County Daily Record for the time and in the manner required by law; and,

WHEREAS, the Planning Commission voted to recommend to the City Council that the petition be approved and that said property be rezoned from its present classification of R-C2, Central Residential - Moderate Density to DN-3, Downtown High Density Residential.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: That the above described real property is hereby changed from its present zoning classification of R-C2, Central Residential - Moderate Density to DN-3, Downtown High Density Residential to be used in accordance with the city zoning laws and state laws.

PASSED AND APPROVED this _____ day of _____, 2019.

APPROVED:

ATTEST:

MAYOR

CITY CLERK

LOT SPLIT STAFF REPORT



Lots 3 & 4 Riverwalk Farms Commercial Subdivision, Phase I

3600 SW Regional Airport Boulevard

PC Date: 9/17/2019

Reviewer: Tyler Overstreet, AICP, Senior Planner

Project Number	LS19-0017
Applicant / Current Owner	Rory Thompson 3825 N Shiloh Dr Fayetteville, AR 72703
Site Area	+/- 11.99 acres
Current Zoning	PUD, Planned Unit Development
Future Land Use Map Designation	General Commercial

<http://geo.bentonvillear.com/mgweb/PZpending/>

Location Map



Property Description

This approximately 12-acre property is currently zoned PUD, Planned Unit Development.

Project Details

A lot split of Lot 1, Riverwalk Farms Commercial Subdivision, creating Lots 3 (+/- 5.74 acres) & 4 (+/- 6.36 acres).

The plat dedicates a 35-foot utility easement along SW Regional Airport Boulevard and a 30-foot public access easement.

Waivers

No waivers requested.

Conclusion

This lot split does meet the minimum requirements of the subdivision regulations.

Standard Conditions of Approval

1. Provide a digital copy of the plat.
2. Address all technical review comments prior to filing or requesting a building permit.
3. The plat shall not be filed until a final inspection has been completed and accepted.

NOTES

- **Sidewalks.** Sidewalk installation will be the responsibility of individual lot owners at the time of building permit.

ORDINANCE NO. _____

**AN ORDINANCE ACCEPTING A LOT SPLIT OF LOTS 3-4 OF RIVERWALK
FARMS COMMERCIAL SUBDIVISION TO THE CITY OF BENTONVILLE,
ARKANSAS (PROJECT NUMBER: LS19-0017).**

WHEREAS, pursuant to the provisions of Title 15 of the Bentonville Municipal Code, the lot split of Lots 3-4 of Riverwalk Farms Commercial Subdivision, Benton County, Arkansas, was submitted to the Bentonville Planning Commission on September 17, 2019; and,

WHEREAS, said lot split is attached hereto as Exhibit "A"; and,

WHEREAS, the Bentonville Planning Commission considered said lot split on the date stated, and at other times, and voted to recommend the approval of said lot split to the City Council; and,

WHEREAS, the lot split of real property as described herein has been submitted to the City Council of the City of Bentonville and, after consideration and deliberation, said Council is of the opinion that said lot split should be approved.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: That the lot split of Lots 3-4 of Riverwalk Farms Commercial Subdivision to the City of Bentonville, Arkansas, should be and the same is hereby accepted and approved for all purposes.

Section 2: That the Mayor and City Clerk be and are hereby authorized and directed to evidence the acceptance of said lot split by certifying said acceptance on the approved lot split.

PASSED AND APPROVED this _____ day of _____, 2019.

APPROVED:

ATTEST:

MAYOR

CITY CLERK



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☒	Informational	
☐	Ordinance	
☐	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Danielle Semsrott

Department

Comprehensive Planning

Phone

(479) 271-3122

ACTION REQUIRED:

Recognition by the Mayor and City Council of Red Barn located at 1500 NW A Street. Red Barn is the first multi-family development recipient of the City of Bentonville's "Grow with Trees Award". Matt O'Reilly with Green Circle Projects will accept the award on behalf of Red Barn. Please refer to memo.

COST TO CITY:

Cost of this Request: \$0

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$	-
Funds Expended to Date		
Remaining Budget		-
Budget Adjustment		-
Remaining After Adjustment	\$	-

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com

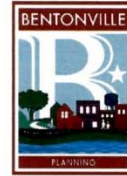


PLEASE RECYCLE



MEMO

To: Mayor Stephanie Orman and Bentonville City Council
From: Danielle Semsrott, AICP, Senior Planner
CC Date: September 24, 2019
Re: Grow with Trees Award



Dear Bentonville City Council,

The City of Bentonville's Tree & Landscape Advisory Committee established the "Grow with Trees Award" to recognize those in the community that have made a direct impact on increasing and/or preserving Bentonville's tree canopy.

Red Barn, located at 1500 NW A Street is the first residential multi-family development recipient of the award.

To maximize existing tree preservation on the Red Barn site, a tree survey was generated to identify the size, canopy coverage, and species of each existing tree. From day one, all design and planning concepts factored in existing trees with the goal of minimal impacts. Buildings were located that impacted only three trees. Roads were also located to minimize tree impacts but also to embrace and interact with the existing trees. With the assistance of an arborist, a low impact strategy was developed to minimize impacts to these trees. Best practices with root cutting, trimming, soil amendment applications, and on-going monitoring were implemented. Finally, the development team created recreational and play features in the existing woodlands to showcase the value of the landscape. These features includes tree houses, camp areas, and bike trails.

Award winners are recognized by the Mayor and City Council at a regular City Council meeting, recognition signage will be displayed at the site for one month and a photograph will be placed in the next edition of the City of Bentonville's newsletter, the "Bentonville Focus".

Respectfully,



Danielle Semsrott, AICP
Senior Planner









CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
X	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3191

ACTION REQUIRED:

Public hearing and ordinance vacating an Alley Right of Way Vacation at 1110 NE Monroe of W.A. Burks Addition to the City of Bentonville, Arkansas, Benton County, Arkansas.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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www.bentonvillear.com



PLEASE RECYCLE





VAC19-0027
Proposed ALLEY vacation

1 inch = 56 feet



ORDINANCE NO _____

**AN ORDINANCE VACATING AN ALLEY RIGHT OF WAY AT 1110 NE MONROE OF
W.A. BURKS ADDITION (VAC19-0027).**

WHEREAS, a petition was filed with the City Council of the City of Bentonville, Arkansas, asking the City Council to vacate an alley right of way located in the City of Bentonville, Benton County, Arkansas, which portion is more particularly described as follows:

Part of Block 10, W.A. Burks Addition, to the City of Bentonville, Benton County Arkansas, as shown in Plat Record A, page 119 and more particularly described as follows:

Beginning at the NE corner of lot 6, of said Block 10 W.A. Burks Addition travelling 12 feet East to the NW corner of Lot 18, Block 10 W.A. Burks Addition; thence south 100 feet to the SW corner of Lot 17, Block 10 W.A. Burks Addition; thence West 12 feet the SE corner of lot 5, Block 10 W.A. Burks Addition; thence North 100 feet to the point of beginning and containing 1,200 square feet more or less.

WHEREAS, after due notice as required by law, the Council has at the time and place mentioned the notice, heard all persons desiring to be heard on the question; that all the owners of the property abutting the easement to be vacated have joined in the petition or consented to the granting of the petition; and the public interest and welfare will not be adversely affected by the abandonment of the above described alley right of way easement.

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Bentonville, Arkansas:

Section 1: The City of Bentonville, Arkansas releases, vacates and abandons all of its rights together with the rights of the public generally, in and to an alley right of way designated as follows:

Part of Block 10, W.A. Burks Addition, to the City of Bentonville, Benton County Arkansas, as shown in Plat Record A, page 119 and more particularly described as follows:

Beginning at the NE corner of lot 6, of said Block 10 W.A. Burks Addition travelling 12 feet East to the NW corner of Lot 18, Block 10 W.A. Burks Addition; thence south 100 feet to the SW corner of Lot 17, Block 10 W.A. Burks Addition; thence West 12 feet the SE corner of lot 5, Block 10 W.A. Burks Addition; thence North 100 feet to the point of beginning and containing 1,200 square feet more or less.

Section 2: A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the Office of the Recorder of Benton County, Arkansas, and recorded in the deed records of the County.

Section 3: This Ordinance shall take effect and be in force from and after its passage. The above and foregoing Ordinance was passed, approved, and adopted the _____ day of _____, 2019, at a regular meeting of the City Council of the City of Bentonville, Arkansas.

LINDA SPENCE, City Clerk and
Recorder for the City of Bentonville,
Arkansas

STEPHANIE ORMAN, Mayor
City of Bentonville, Arkansas



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☒	Ordinance	
☐	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3191

ACTION REQUIRED:

Public hearing and ordinance vacating an Street Right of Way located in W.A. Burk's Addition (1110 NE Monroe) to the City of Bentonville, Arkansas, Benton County, Arkansas.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712
www.bentonvillear.com



PLEASE RECYCLE





ORDINANCE NO _____

AN ORDINANCE VACATING A STREET RIGHT OF WAY LOCATED IN W.A. BURK'S TO THE CITY OF BENTONVILLE, ARKANSAS, BENTON COUNTY ARKANSAS (VAC19-0028).

WHEREAS, a petition was filed by Pubside Holdings, LLC, with the City Council of the City of Bentonville, Arkansas, asking the City Council to vacate an street right of way located in the City of Bentonville, Benton County, Arkansas, which portion is more particularly described as follows:

Part of Block 10, W.A. Burks Addition to the City of Bentonville, Benton County Arkansas, as shown in Plat Record A, page 119 and more particularly described as follows:

Beginning at the NW corner of Lot 6, Block 10 W.A. Burks Addition travelling 100 feet south to the SW corner of Lot 5, Block 10, W.A. Burks Addition; thence 50 feet West to the SE corner of lot 17, Block 6, W.A. Burks Addition; thence 100 feet North to the NW corner of lot 18, W.A. Burks; thence 50 feet East to the point of beginning and containing 5,000 square feet more or less.

WHEREAS, after due notice as required by law, the Council has at the time and place mentioned the notice, heard all persons desiring to be heard on the question; that all the owners of the property abutting the easement to be vacated have joined in the petition or consented to the granting of the petition; and the public interest and welfare will not be adversely affected by the abandonment of the above described street right of way.

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Bentonville, Arkansas:

Section 1: The City of Bentonville, Arkansas releases, vacates and abandons all of its rights together with the rights of the public generally, in and to a street right of way designated as follows:

Part of Block 10, W.A. Burks Addition to the City of Bentonville, Benton County Arkansas, as shown in Plat Record A, page 119 and more particularly described as follows:

Beginning at the NW corner of Lot 6, Block 10 W.A. Burks Addition travelling 100 feet south to the SW corner of Lot 5, Block 10, W.A. Burks Addition; thence 50 feet West to the SE corner of lot 17, Block 6, W.A. Burks Addition; thence 100 feet North to the NW corner of lot 18, W.A. Burks; thence 50 feet East to the point of beginning and containing 5,000 square feet more or less.

Section 2: A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the Office of the Recorder of Benton County, Arkansas, and recorded in the deed records of the County.

Section 3: This Ordinance shall take effect and be in force from and after its passage. The above and foregoing Ordinance was passed, approved, and adopted the _____ day of _____, 2019, at a regular meeting of the City Council of the City of Bentonville, Arkansas.

LINDA SPENCE, City Clerk and
Recorder for the City of Bentonville,
Arkansas

STEPHANIE ORMAN, Mayor
City of Bentonville, Arkansas



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
X	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3191

ACTION REQUIRED:

Public hearing and ordinance vacating a public access easement requested for Greenwich Village Condominium Plat, to the City of Bentonville, Arkansas, Benton County, Arkansas. (2303 SE J Street)

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

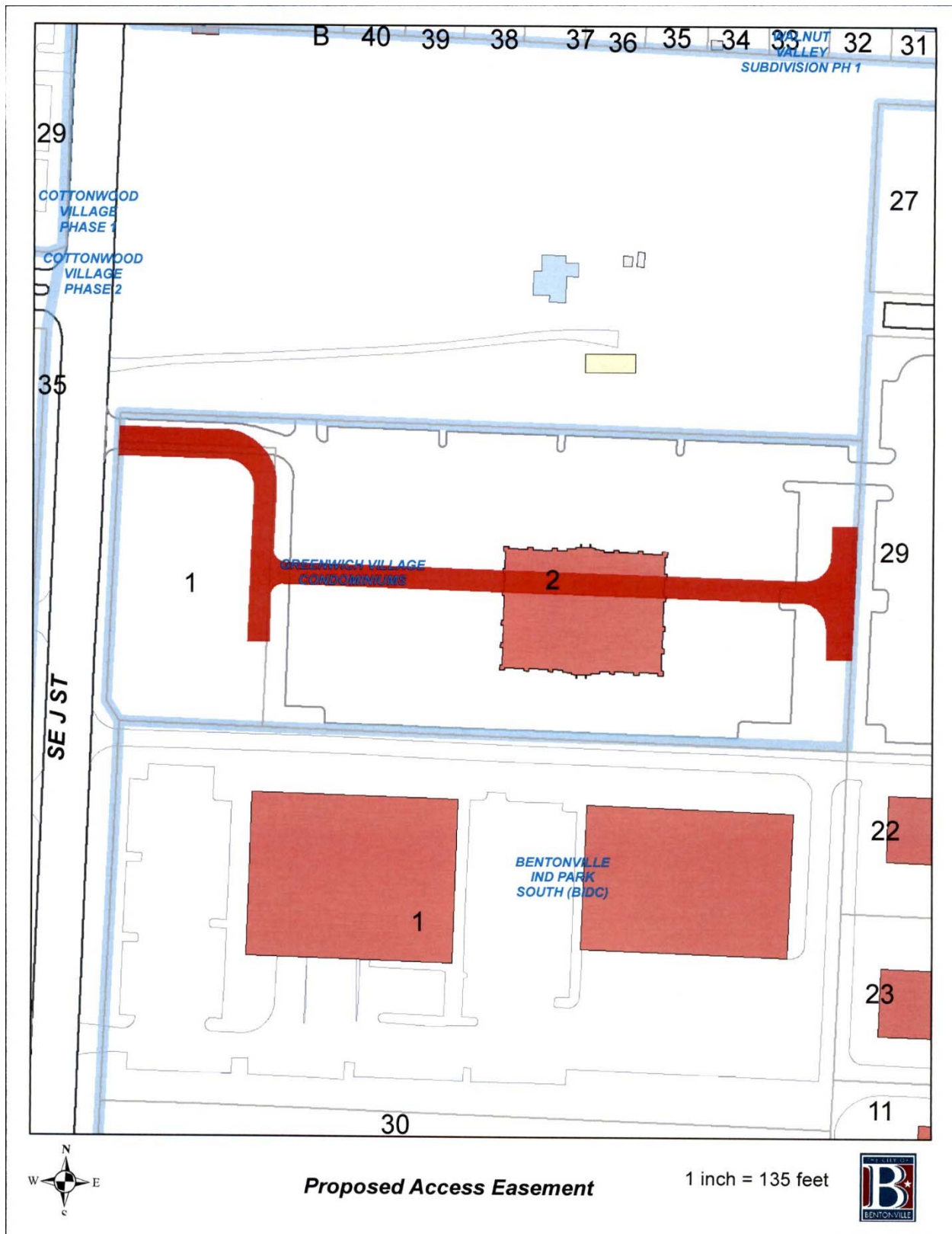
117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





ORDINANCE NO _____

AN ORDINANCE VACATING AN PUBLIC ACCESS EASEMENT LOCATED AT GREENWICH VILLAGE CONDOMINIUM PLAT (2303 SE J STREET) TO THE CITY OF BENTONVILLE, ARKANSAS, BENTON COUNTY ARKANSAS (VAC19-0030).

WHEREAS, a petition was filed with the City Council of the City of Bentonville, Arkansas, by Morrison Shipley asking the City Council to vacate a public access easement located in the City of Bentonville, Benton County, Arkansas, which portion is more particularly described as follows:

An Access Easement to be vacated by this document. Said Easement created by the Lot Split Greenwich Village Condominiums Plat filed at Book 2005 Page 1268 in the office of the Circuit Clerk of Benton County, Arkansas. The perimeter of which being more particularly described as follows:

Commencing at the Northwest corner of the Greenwich Village Condominium Plat said point is an existing one-half inch (1/2") rebar with 1466 cap. Thence by bearing (basis of bearing, Grid North) and distance the following courses; South 02°25'49" West, along the East Right of Way of J Street as it presently exists, a distance of 15.18 feet to the Point of Beginning; Thence, leaving said Right of Way, South 88°11'19" East a distance of 125.99; thence along the arc of a curve to the right having the following curve data: arc length of 104.41 feet, radius of 66.0 feet, chord bearing of South 42°52'05" East, and a chord distance of 93.86 feet; thence South 02°27'08" West a distance of 75.62 feet; thence along the arc of a curve to the left having an arc length of 23.73 feet, radius of 15.00 feet, chord bearing of South 42°52'05" East and a chord distance of 21.33 feet; thence South 88°11'20" East a distance of 628.94 feet; thence along the arc of a curve to the left having an arc length of 47.12 feet, a radius of 30.00 feet, a chord bearing of North 46°48'41" East, and a chord distance of 42.42 feet; thence North 01°48'41" East a distance of 38.15 feet; thence South 88°11'19" East a distance of 30.84 feet to the East line of said Greenwich Village Condominium Plat; thence South 02°27'08" West along said East line of Greenwich Village Condominium Plat a distance of 161.65 feet; thence leaving said East line North 88°11'18" West a distance of 30.27 feet; thence North 01°22'46" West a distance of 38.19 feet; thence along the arc of a curve to the left having an arc length of 45.46 feet, radius of 30.00 feet, a chord bearing of North 44°46'32" West, and a chord distance of 41.23 feet; thence North 88°11'18" West a distance of 627.57 feet; thence along the arc of a curve to the left having an arc length of 23.39 feet, a radius of 15.00 feet, a chord bearing of South 47°07'55" West, and a chord distance of 21.09 feet; thence South 01°10'32" West a distance of 55.16 feet; thence North 88°11'19" West a distance of 27.18 feet; thence North 02°27'11" East a distance of 184.15 feet; thence along a curve to the left having an arc length of 53.79 feet, a radius of 34.00 feet, a chord bearing of North 42°52'05" West, and a chord distance of 48.35 feet; thence North 88°11'19" West a distance of 131.08 feet to the East Right of Way of SE J Street; thence North 02°25'49" East along said East Right of Way a distance of 36.01 feet to the Point of Beginning.

WHEREAS, after due notice as required by law, the Council has at the time and place mentioned the notice, heard all persons desiring to be heard on the question; that all the owners of the property abutting the easement to be vacated have joined in the petition or consented to the granting of the petition; and the public interest and welfare will not be adversely affected by the abandonment of the above described public access easement.

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Bentonville, Arkansas:

Section 1: The City of Bentonville Arkansas releases, vacates and abandons all of its rights together with the rights of the public generally, in and to an access and utility easement designated as follows:

An Access Easement to be vacated by this document. Said Easement created by the Lot Split Greenwich Village Condominiums Plat filed at Book 2005 Page 1268 in the office of the Circuit Clerk of Benton County, Arkansas. The perimeter of which being more particularly described as follows:

Commencing at the Northwest corner of the Greenwich Village Condominium Plat said point is an existing one-half inch (1/2") rebar with 1466 cap. Thence by bearing (basis of bearing, Grid North) and distance the following courses; South 02°25'49" West, along the East Right of Way of J Street as it presently exists, a distance of 15.18 feet to the Point of Beginning; Thence, leaving said Right of Way, South 88°11'19" East a distance of 125.99; thence along the arc of a curve to the right having the following curve data: arc length of 104.41 feet, radius of 66.0 feet, chord bearing of South 42°52'05" East, and a chord distance of 93.86 feet; thence South 02°27'08" West a distance of 75.62 feet; thence along the arc of a curve to the left having an arc length of 23.73 feet, radius of 15.00 feet, chord bearing of South 42°52'05" East and a chord distance of 21.33 feet; thence South 88°11'20" East a distance of 628.94 feet; thence along the arc of a curve to the left having an arc length of 47.12 feet, a radius of 30.00 feet, a chord bearing of North 46°48'41" East, and a chord distance of 42.42 feet; thence North 01°48'41" East a distance of 38.15 feet; thence South 88°11'19" East a distance of 30.84 feet to the East line of said Greenwich Village Condominium Plat; thence South 02°27'08" West along said East line of Greenwich Village Condominium Plat a distance of 161.65 feet; thence leaving said East line North 88°11'18" West a distance of 30.27 feet; thence North 01°22'46" West a distance of 38.19 feet; thence along the arc of a curve to the left having an arc length of 45.46 feet, radius of 30.00 feet, a chord bearing of North 44°46'32" West, and a chord distance of 41.23 feet; thence North 88°11'18" West a distance of 627.57 feet; thence along the arc of a curve to the left having an arc length of 23.39 feet, a radius of 15.00 feet, a chord bearing of South 47°07'55" West, and a chord distance of 21.09 feet; thence South 01°10'32" West a distance of 55.16 feet; thence North 88°11'19" West a distance of 27.18 feet; thence North 02°27'11" East a distance of 184.15 feet; thence along a curve to the left having an arc length of 53.79 feet, a radius of 34.00 feet, a chord bearing of North 42°52'05" West, and a chord distance of 48.35 feet; thence North 88°11'19" West a distance of 131.08 feet to the East Right of Way of SE J Street; thence North 02°25'49" East along said East Right of Way a distance of 36.01 feet to the Point of Beginning.

Section 2: A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the Office of the Recorder of Benton County, Arkansas and recorded in the deed records of the County.

Section 3: This Ordinance shall take effect and be in force from and after its passage. The above and foregoing Ordinance was passed, approved, and adopted the _____ day of _____, 2019 at a regular meeting of the City Council of the City of Bentonville, Arkansas.

**LINDA SPENCE, City Clerk and
Recorder for the City of Bentonville,
Arkansas**

**STEPHANIE ORMAN, Mayor
City of Bentonville, Arkansas**



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
X	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3191

ACTION REQUIRED:

Public hearing and ordinance vacating utility easement requested for Greenwich Village Condominium Plat to the City of Bentonville, Arkansas, Benton County, Arkansas. (2303 SE J Street)

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

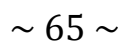
117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





ORDINANCE NO _____

**AN ORDINANCE VACATING A UTILITY EASEMENT LOCATED AT
GREENWICH VILLAGE CONDOMINIUMS PLAT (2303 SE J STREET) TO THE CITY
OF BENTONVILLE, ARKANSAS, BENTON COUNTY ARKANSAS (VAC19-0031).**

WHEREAS, a petition was filed with the City Council of the City of Bentonville, Arkansas, by Morrison Shipley asking the City Council to vacate a utility easement located in the City of Bentonville, Benton County, Arkansas, which portion is more particularly described as follows:

A Utility Easement to be vacated by this document being created by the Lot Split Greenwich Village Condominiums Plat filed at Book 2005 Page 1268 in the office of the Circuit Clerk of Benton County, Arkansas. The perimeter of which is more particularly described as follows:

Commencing at the Northwest corner of said Greenwich Village Condominium Plat, being an existing one-half inch (1/2") rebar with 1466 cap, thence by bearing (basis of bearing, Grid North) and distance the following courses; South 880 11'18" East, along the North line of Warranty Deed Book 2004 Page 32379, a distance of 29.68 feet to the Point of Beginning; thence continuing on said North line, South 880 11'18" East a distance of 200.56 feet; thence leaving said North line, South 2027'08" East a distance of 84.27 feet; thence South 44006'15" East a distance of 119.96 feet; thence South 880 11'19" East a distance of 489.70 feet; thence South 1048'41" West a distance of 12.00 feet; thence South 880 11'19" East a distance of 45.93 feet; thence South 1048'41" West a distance of 20.00 feet; thence North 880 11'19" West a distance of 674.09 feet; thence North 2027'08" East a distance of 167.71 feet; thence North 880 11'19" West a distance of 149.23 feet; thence North 2025'49" East a distance of 32.02 feet to the Point of Beginning.

WHEREAS, after due notice as required by law, the Council has at the time and place mentioned the notice, heard all persons desiring to be heard on the question; that all the owners of the property abutting the easement to be vacated have joined in the petition or consented to the granting of the petition; and the public interest and welfare will not be adversely affected by the abandonment of the above described utility easement.

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Bentonville, Arkansas:

Section 1: The City of Bentonville Arkansas releases, vacates and abandons all of its rights together with the rights of the public generally, in and to an utility easement designated as follows:

A Utility Easement to be vacated by this document being created by the Lot Split Greenwich Village Condominiums Plat filed at Book 2005 Page 1268 in the office of the Circuit Clerk of Benton County, Arkansas. The perimeter of which is more particularly described as follows:

Commencing at the Northwest corner of said Greenwich Village Condominium Plat, being an existing one-half inch (1/2") rebar with 1466 cap, thence by bearing (basis of bearing, Grid

North) and distance the following courses; South 880 11'18" East, along the North line of Warranty Deed Book 2004 Page 32379, a distance of 29.68 feet to the Point of Beginning; thence continuing on said North line, South 880 11'18" East a distance of 200.56 feet; thence leaving said North line, South 2027'08" East a distance of 84.27 feet; thence South 44006'15" East a distance of 119.96 feet; thence South 880 11'19" East a distance of 489.70 feet; thence South 1048'41" West a distance of 12.00 feet; thence South 880 11'19" East a distance of 45.93 feet; thence South 1048'41" West a distance of 20.00 feet; thence North 880 11'19" West a distance of 674.09 feet; thence North 2027'08" East a distance of 167.71 feet; thence North 880 11'19" West a distance of 149.23 feet; thence North 2025'49" East a distance of 32.02 feet to the Point of Beginning.

Section 2: A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the Office of the Recorder of Benton County, Arkansas and recorded in the deed records of the County.

Section 3: This Ordinance shall take effect and be in force from and after its passage. The above and foregoing Ordinance was passed, approved, and adopted the _____ day of _____, 2019 at a regular meeting of the City Council of the City of Bentonville, Arkansas.

**LINDA SPENCE, City Clerk and
Recorder for the City of Bentonville,
Arkansas**

**STEPHANIE ORMAN, Mayor
City of Bentonville, Arkansas**



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3191

ACTION REQUIRED:

Resolution setting a public hearing for October 8, 2019 for an Alley Right of Way Vacation at 431 SW B Street of TJ Hollands Subdivision.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

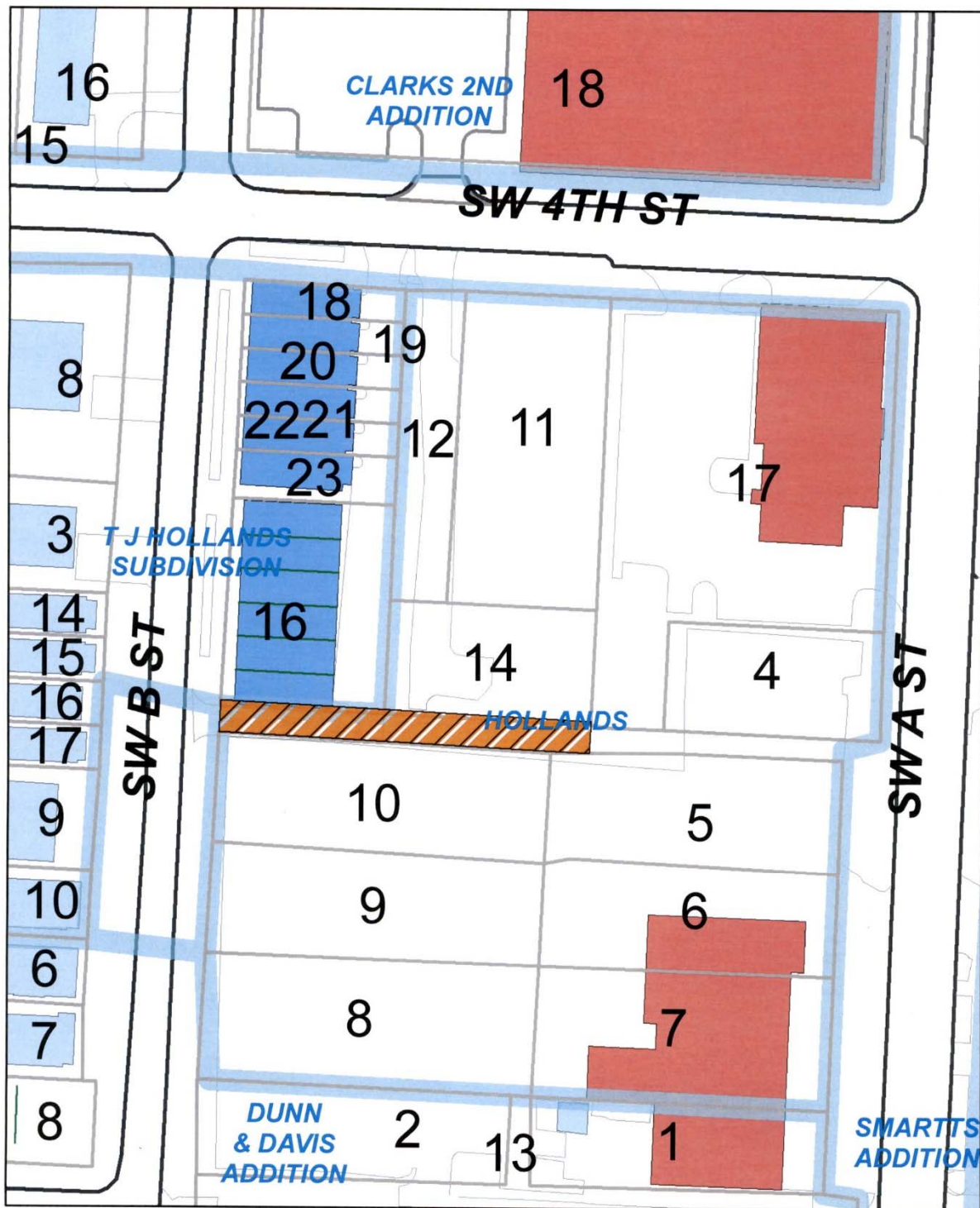
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www.bentonvillear.com



PLEASE RECYCLE





VAC19-0037
Proposed Alley Vacation

1 inch = 56 feet



RESOLUTION NO. _____

IN THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS

WHEREAS, a petition was duly filed with the City Council of Bentonville, Arkansas requesting Alley Right-of-Way Vacation (VAC19-0037) within the City of Bentonville, Arkansas be vacated, which said alley right of way is described as follows:

Part of Block 1, TJ Hollands Subdivision, to the City of Bentonville, Benton County Arkansas and more particularly described as:

Beginning at the NW corner of Lot 10, Block 1, TJ Hollands Subdivision; thence North 15 feet to the SW corner of Lot 16, Block 1, TJ Hollands Subdivision; thence East 173 feet to the SW corner of Lot 17, Block 1, TJ Hollands Subdivision; thence 15 feet South to the North line of Lot 5, Block 1, TJ Hollands Subdivision; thence west 173 to the point of beginning and containing 2,595 square feet more or less.

WHEREAS, Ark. Code Ann. Section 14-301-302(c) provides that the City Council shall by resolution fix a day for the hearing of the petition and shall direct the City Clerk and Recorder to give notice of the meeting, by publication, once per week for two (2) consecutive weeks in some newspaper published in and having general circulation in Bentonville, Benton County, Arkansas.

NOW, THEREFORE, BE IT RESOLVED, by the City of Bentonville, Arkansas, that the petition to vacate the above described Alley Right-of-Way is set for a hearing October 8, 2019 at 6:00 p.m. in the City Council Room of the City of Bentonville, Arkansas, and the Bentonville City Clerk and Recorder is directed to give notice of this meeting by publication as set forth by Ark. Code Ann. Section 14-301-302(c).

The above and foregoing resolution was passed, approved, and adopted the _____ day of _____ 2019 at a regular meeting of the City Council of the City of Bentonville, Arkansas.

Linda Spence, City Clerk
Bentonville, Arkansas

Stephanie Orman, Mayor
City of Bentonville, Arkansas



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3168

ACTION REQUIRED:

Resolution setting a public hearing for October 8, 2019 for Utility Easement Vacation requested by Rausch Coleman for Lot 147 of Providence Village Phase 1.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

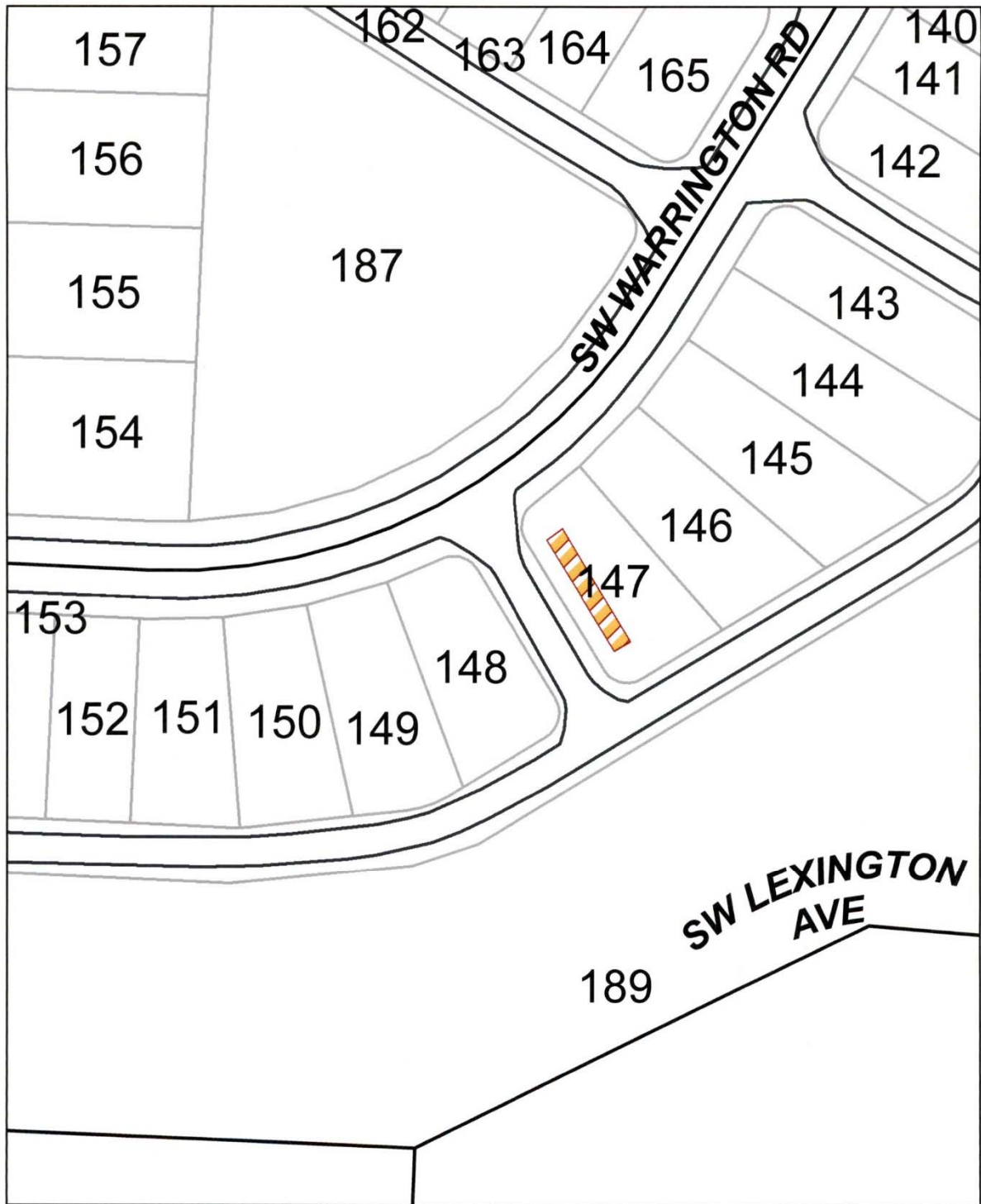
117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





VAC19-0032
Proposed Easement Vacation

1 inch = 64 feet



RESOLUTION NO. _____

IN THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

WHEREAS, a petition was duly filed with the City Council of Bentonville, Arkansas by Rausch Coleman requesting utility easement vacation within the City of Bentonville, Arkansas be vacated, which said utility easement is described as follows:

COMMENCING AT THE SE CORNER OF LOT 147; THENCE N41°28'11"W 20.32'; THENCE S58°46'32"W 41.71' TO THE POB; THENCE S58°46'32"W 10.00'; THENCE N31°10'59"W 69.43'; THENCE N54°05'04"E 10.03'; THENCE S31°10'59"E 70.25' TO THE POB.

WHEREAS, Ark. Code Ann. Section 14-301-302(c) provides that the City Council shall by resolution fix a day for the hearing of the petition and shall direct the City Clerk and Recorder to give notice of the meeting, by publication, once per week for two (2) consecutive weeks in some newspaper published in and having general circulation in Bentonville, Benton County, Arkansas.

NOW, THEREFORE, BE IT RESOLVED, by the City of Bentonville, Arkansas, that the petition to close the above described utility easement is set for a hearing on October 8, 2019 at 6:00 p.m. in the City Council Room of the City of Bentonville, Arkansas, and the Bentonville City Clerk and Recorder is directed to give notice of this meeting by publication as set forth by Ark. Code Ann. Section 14-301-302(c).

The above and foregoing resolution was passed, approved and adopted the _____ day of _____, 2019 at a regular meeting of the City Council of the City of Bentonville, Arkansas.

Linda Spence, City Clerk
Bentonville, Arkansas

Stephanie Orman, Mayor
City of Bentonville, Arkansas



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
X	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-3168

ACTION REQUIRED:

Resolution setting a public hearing for October 8, 2019 for Utility Easement Vacation requested by Rausch Coleman for Lot 148 of Providence Village Phase 1.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

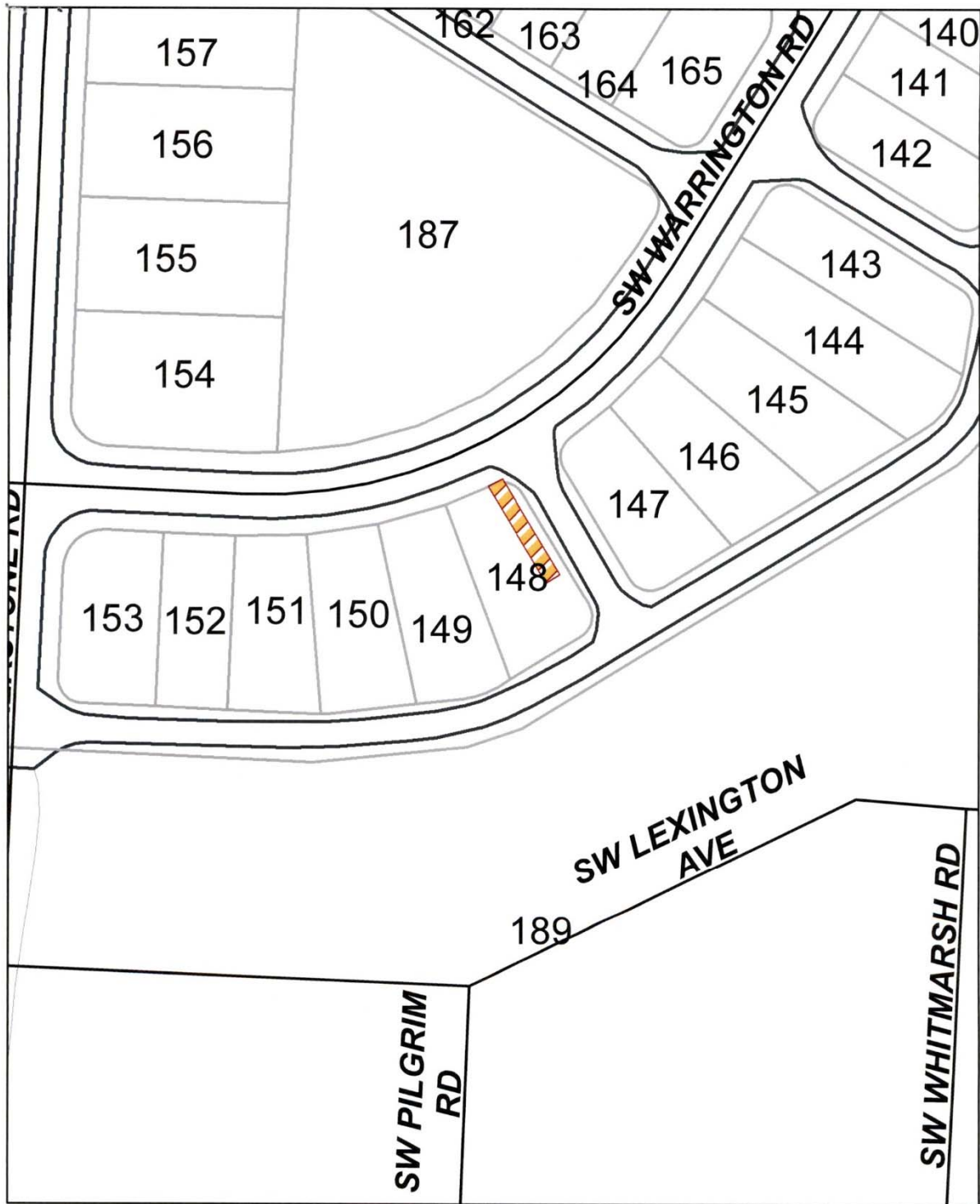
This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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PLEASE RECYCLE





VAC19-0033
Proposed Easement Vacation

1 inch = 75 feet



RESOLUTION NO. _____

IN THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

WHEREAS, a petition was duly filed with the City Council of Bentonville, Arkansas by Rausch Coleman requesting utility easement vacation within the City of Bentonville, Arkansas be vacated, which said utility easement is described as follows:

COMMENCING AT THE SW CORNER OF LOT 148; THENCE N20°21'12W" 20.37'; THENCE N58°46'32"E 42.87' TO THE POB; THENCE N31°10'S9"W 70.60'; THENCE N64°02'21"E 10.04'; THENCE S31°10'59"E 69.68'; THENCE S58°46'32"W 10.00' TO THE POB.

WHEREAS, Ark. Code Ann. Section 14-301-302(c) provides that the City Council shall by resolution fix a day for the hearing of the petition and shall direct the City Clerk and Recorder to give notice of the meeting, by publication, once per week for two (2) consecutive weeks in some newspaper published in and having general circulation in Bentonville, Benton County, Arkansas.

NOW, THEREFORE, BE IT RESOLVED, by the City of Bentonville, Arkansas, that the petition to close the above described utility easement is set for a hearing on October 8, 2019 at 6:00 p.m. in the City Council Room of the City of Bentonville, Arkansas, and the Bentonville City Clerk and Recorder is directed to give notice of this meeting by publication as set forth by Ark. Code Ann. Section 14-301-302(c).

The above and foregoing resolution was passed, approved and adopted the _____ day of _____ 2019 at a regular meeting of the City Council of the City of Bentonville, Arkansas.

Linda Spence, City Clerk
Bentonville, Arkansas

Stephanie Orman, Mayor
City of Bentonville, Arkansas



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Building Services

Phone

271-5993

ACTION REQUIRED:

Resolution for City Council approval of a contract amendment with Luttrell Enterprises increasing the maximum allowable annual fees to \$50,000.00.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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PLEASE RECYCLE



Memorandum

To: City Council, Mayor Orman
From: Ellen Norvell, Planning and Building Services Director
Date: Friday, September 13, 2019
Re: Budget Adjustment and Amendment to Luttrell Contract



Staff is recommending a budget adjustment and an amendment to the Service Contract IFB-19-13 Code Compliance Mowing and Debris Removal with Luttrell Enterprises. The year has experienced higher than normal rainfall events that started earlier and continued throughout the summer months. Code Enforcement has had a record number of mowing cases this year, and a record number of non-compliant properties that have required enforcement action. Our mowing and debris removal budget is depleted and complaints are still being received. Staff is requesting a budget increase of \$15,000 for the remainder of this year. Since the contract with Luttrell Enterprises spans multiple years and has a maximum annual fee of only \$19,999; staff is proposing to increase that annual fee to \$50,000.

After the grass-growing season has slowed, staff will be reviewing cases and our current processes. We plan to work with legal to develop a more streamlined process that will hopefully reduce costs to the City. Historically, we have been hesitant to issue citations. However, it may be necessary, especially for repeat offenders.



Amendment No. 1 to Service Contract IFB-19-13 Code Compliance Mowing and Debris Removal

This amendment changes Section 5.a. to read, "The total payments to Contractor for the services described herein shall not exceed \$50,000 (fifty thousand dollars) per annual period."

All other portions in the contract remains the same.

CITY OF BENTONVILLE, ARKANSAS

Stephanie Orman, Mayor

Date

LUTTRELL ENTERPRISES

Bobby Luttrell

Date

117 W. CENTRAL AVE. • BENTONVILLE, AR 72712 • (479) 271-3168
• www.bentonvillear.com •

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE MAYOR TO ENTER
INTO AN AMENDMENT TO A CONTRACT WITH
LUTTRELL ENTERPRISES TO PROVIDE MOWING AND
DEBRIS REMOVAL SERVICES FOR THE City Of
BENTONVILLE**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That the Mayor is hereby authorized to enter into an amendment to the agreement with Luttrell Enterprises to provide mowing and debris removal services on an on-call and as-needed basis.

Section 2: That an invitation for bid of mowing and debris removal service was requested on February 3, 2019 and sealed bids were received on February 27, 2019; and Luttrell Enterprise was the lowest responsive bidder.

Section 3: That original agreement amount was \$19,999 and the Mayor is hereby authorized to enter into this amendment for \$30,001 for a total agreement amount of \$50,000.

Section 3: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2019.

APPROVED:

Stephanie Orman, Mayor

ATTEST:

Linda Spence, City Clerk



CHECK ALL THAT APPLY		
	Bid Award	Bid #
X	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Ellen Norvell

Department

Building Services

Phone

271-5993

ACTION REQUIRED:

City Council approval of a budget adjustment to increase funds necessary for mowing of non-compliant properties within the City of Bentonville. The City has experienced a higher number of non-compliant properties than normal this year. The increase is due to the increase in rainfall.

COST TO CITY:

Cost of this Request: \$15,000

Additional Budget Amount \$15,000

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$	30,000
Funds Expended to Date		29,987
Remaining Budget		13
Budget Adjustment		15,000
Remaining After Adjustment	\$	15,013

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE





Date of Request: September 17, 2019

Justification:

FOR ACTING USE ONLY

Council Action:	Approved	Disapproved	Other
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Date: _____ Date entered: _____ By: _____

Revised 5/1/07

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712
www.bentonvillear.com





CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Tony Davis

Department

Street

Phone

271-3130

ACTION REQUIRED:

Resolution to declare traffic signal items surplus in order to send to recycle. Please see attached memo.

COST TO CITY:

Cost of this Request: \$0

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$	-
Funds Expended to Date		
Remaining Budget		-
Budget Adjustment		-
Remaining After Adjustment	\$	-

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





Bentonville Street Department
3200 SW Municipal Dr.
Bentonville, AR 72712
Phone: (479) 271-3130

MEMORANDUM

DATE: 8-10-2019
TO: City Council, Mayor Orman
FROM: Tony Davis, Street Manager
RE: Signal Surplus

The Street Department is requesting council's approval to declare approximately (60) Sixty traffic signal poles, (5) Five traffic cabinets, (50) Fifty traffic signal heads and miscellaneous traffic cabinet components for surplus. The listed items need to be declared surplus in order to send off to be recycled. This volume of items accumulated over many years and is taking up a large amount of space at the compost facility.

The sign poles and traffic cabinets will be sent to Rogers Iron and Metal and monies received from the scrape metal will be deposited into account #34308 Recycled Metal Sales. The traffic signal heads will be picked up by Esco Processing & Recycling at no charge to the City.

Sincerely,

Tony Davis
Street Manager

RESOLUTION NO. _____

**A RESOLUTION DECLARING CERTAIN PROPERTY
BELONGING TO THE CITY OF BENTONVILLE STREET
DEPARTMENT AS SURPLUS PROPERTY.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That certain property of the City of Bentonville Street Department, more particularly described in the attached memo, is hereby declared to be surplus and the Street Department is authorized to dispose of or exchange such property as authorized by law and more particularly described therein.

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2019.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jake Harper

Department

Accounting

Phone

271-6781

ACTION REQUIRED:

Adopt resolution certifying the rate of taxation levied on real and personal property in the City of Bentonville. This resolution is required by the Quorum Court and County Clerk in order to facilitate the millage levy to be collected in 2020.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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www.bentonvillear.com



PLEASE RECYCLE



BENTON COUNTY

STATE OF ARKANSAS

RECEIVED SEP 16 2019

BETSY HARRELL

COUNTY CLERK & VOTER REGISTRAR

215 EAST CENTRAL, SUITE 217
BENTONVILLE, AR 72712-5373
479-271-1013
Fax: 479-271-1019

PROBATE COURT CLERK

COURTHOUSE, 102 N.E. "A" STREET
BENTONVILLE, AR 72712-5350
479-271-5727
FAX: 479-271-1712

September 11, 2019

MEMORANDUM NOTICE

TO: MAYOR STEPHANIE ORMAN – BENTONVILLE
RE: 2020 TAX LEVY – MILLAGE RATES FOR TAXES COLLECTED 2019

As you are aware, it is time once again for the Benton County Quorum Court to levy millage rates for the various taxing units in the county, including county, municipal, and school taxes for the 2020 collections on 2019 assessments.

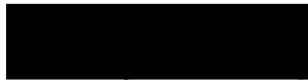
As required by Arkansas Code Annotated §26-73-202, please submit your written certificate of the rate of taxation to be levied by your town/city on the real and personal property within your town/city so your levy is included in the Quorum Court Ordinance.

Please send a certified copy of the Resolution or Ordinance passed by the City Council which sets out in detail the millage rate for all funds for both real and personal property. The current millage levy for BENTONVILLE is as follows: **General 5.0 mills; Firemen's Pension 0.5 mills.**

I need this certificate by October 20, 2019 in order to prepare the Quorum Court ordinance to be enacted in November, as required by law.

Please note that Amendment 79 requires that the rates for real and personal property be levied at the same rate.

Sincerely,



Betsy Harrell

by T. Underwood

ROGERS OFFICE
2111 W. WALNUT
(479) 636-3727
FAX (479) 636-4922

ROGERS ARCHIVES
2111 W. WALNUT
(479) 636-1037
FAX (479) 636-1053

SILAM SPRINGS OFFICE
707 S. LINCOLN
479-271-1013
FAX (479) 524-8534

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A PROPERTY TAX LEVY
FOR THE CITY OF BENTONVILLE, ARKANSAS FOR THE
YEAR 2019 TO BE COLLECTED IN THE YEAR 2020.**

WHEREAS, Arkansas Code Annotated §26-25-102 provides that a city may levy a tax on the real and personal property located within the city for general purposes, in any one year, pursuant to the provisions of the Arkansas Constitution; and

WHEREAS, Arkansas Code Annotated §26-73-202 requires the city council of any municipal corporation to make out and certify to the county clerk the rate of taxation levied by the city on all the real and personal property within the city; and

WHEREAS, the City Council has determined that it is in the best interests of the City of Bentonville and its citizens to levy the rate of taxation on the real and personal property located within the said city as set forth herein, and to certify the same to the County Clerk, and authorize the Quorum Court of the County to levy said tax for the year 2019, to be collected in 2020.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
BENTONVILLE, ARKANSAS, THAT:**

Section 1. That the property tax rate for the City General purposes on the real and personal property situated within the City and to be collected in the year 2020 shall be fixed and levied at the rate of 5.0 mills on each dollar of assessed value of real and personal property.

Section 2. The property tax for Fireman's Pension purposes for the City on real and personal property situated within the City to be collected in the year 2020 shall be fixed and levied at the rate of .5 mills on each dollar of assessed value of real and personal property.

Section 4. The rate of taxation levied herein on the real and personal property within the city/town shall, by this Resolution, be certified to the County Clerk to be placed upon the tax books and collected in the same manner that the state and county taxes are collected.

Section 5. The Quorum Court of Benton County, Arkansas is authorized to levy the said tax as set forth herein for real and personal property located within the City of Bentonville for the year 2019, at its regular meeting in November according to law.

PASSED and APPROVED this _____ day of _____, 2019.

APPROVED:

Stephanie Orman, Mayor

ATTEST:

Linda Spence, City Clerk



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☐	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jake Harper

Department

Accounting

Phone

271-6781

ACTION REQUIRED:

Submission of the annual audit to City Council. No action is required.

According to page 2 (Independent Audit Report section) of the Audit Report/CAFR, BKD, LLC has issued this report with the following statement: In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bentonville, Arkansas as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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PLEASE RECYCLE



The Honorable Mayor, Members of the City Council,
and Management
City of Bentonville, Arkansas
Bentonville, Arkansas

As part of our audits of the financial statements and compliance of the City of Bentonville (the City) as of and for the year ended December 31, 2018, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in Government Auditing Standards Issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and OMB Circular A-87, Costs Principles for States, Local, and Indian Tribal Governments

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

The Honorable Mayor, Members of the City Council,
and Management
City of Bentonville, Arkansas
Page 2

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The City's significant accounting policies are described in *Note 1* of the audited financial statements.

Alternative Accounting Treatments

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Allowance for uncollectible accounts
- Depreciation of capital assets
- Pension assets/obligations
- Other postemployment benefits

Financial Statement Disclosures

The following area involves particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Pension disclosures
- Other postemployment benefits disclosures

Audit Adjustments

- No matters are reportable

Auditor's Judgments About the Quality of the Entity's Accounting Principles

- No matters are reportable

The Honorable Mayor, Members of the City Council,
and Management
City of Bentonville, Arkansas
Page 3

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (attached)
- We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

FUTURE ACCOUNTING PRONOUNCEMENTS

New Applicable GASB Standards

The GASB issued the following pronouncements, which will be effective in future years:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses issues in accounting and financial reporting for certain asset retirement obligations (AROs), including establishing criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The City does not currently have any AROs and, therefore, does not believe that this statement will have any potential impact on the financial statements.
- GASB Statement No. 84, *Fiduciary Activities*, provides for greater consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.
- GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB standards and addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and postemployment benefits.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The City does not currently have any in-substance defeasance of debt issues and, therefore, does not believe that this statement will have any potential impact on the financial statements.

The Honorable Mayor, Members of the City Council,
and Management
City of Bentonville, Arkansas
Page 4

- GASB Statement No. 87, *Leases*, will recognize lease assets and liabilities on their balance sheet for all leases with terms of more than 12 months. Lessees and lessors would be required to provide additional qualitative and quantitative disclosures to help financial statement users assess the amount, timing, and uncertainty of cash flows arising from leases.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, improves the disclosures in notes to government financial statements related to debt, including direct borrowing and direct placements. This Statement requires additional essential information related to debt be disclosed in notes to financial statements, including lines of credit, assets pledged as collateral and terms specified in debt agreements related to significant events of default with finance-related consequences.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.
- GASB Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.
- GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures.

This communication is intended solely for the information and use of management, and the City Council and is not intended to be, and should not be, used by anyone other than these specified parties.

BKD, LLP

Rogers, Arkansas
June 19, 2019

Enclosures



June 19, 2019

BKD, LLP
Certified Public Accountants
809 S. 52nd Street, Suite A
P.O. Box 1893
Rogers, AR 72757-1893

We are providing this letter in connection with your audit of our financial statements as of and for the year ended December 31, 2018 and your audit of our compliance with requirements applicable to our major federal awards program as of and for the year ended December 31, 2018. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated January 7, 2019, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

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4. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) All minutes of meetings of the governing body held through the date of this letter.
 - (e) All significant contracts and grants.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:
 - (a) Misappropriation of assets.
 - (b) Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position/fund balance.
7. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, customers, regulators, suppliers or others.
9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly

influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

10. Except as reflected in the financial statements, there are no:
 - (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
 - (b) Material transactions omitted or improperly recorded in the financial statements.
 - (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - (d) Events occurring subsequent to the statement of net position/balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.
 - (e) Agreements to purchase assets previously sold.
 - (f) Restrictions on cash balances or compensating balance agreements.
 - (g) Guarantees, whether written or oral, under which the City is contingently liable.
11. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
12. We have no reason to believe the City owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
13. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
14. Adequate provisions and allowances have been accrued for any material losses from:
 - (a) Uncollectible receivables.
 - (b) Reducing obsolete or excess inventories to estimated net realizable value.

- (c) Sales commitments, including those unable to be fulfilled.
 - (d) Purchase commitments in excess of normal requirements or above prevailing market prices.
15. Except as disclosed in the financial statements, we have:
- (a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.
 - (b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
16. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.
17. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.
18. With regard to deposit and investment activities:
- (a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.
 - (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
19. With respect to any nonattest services you have provided us during the year, including assistance with formatting, printing and binding reports, and drafting the data collection form:
- (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
 - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

- (d) We have evaluated the adequacy of the services performed and any findings that resulted.
- 20. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.
- 21. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
- 22. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
- 23. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.
- 24. We have a process to track the status of audit findings and recommendations.
- 25. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
- 26. With respect to the Introductory and Statistical sections of the CAFR, due diligence has been exercised in the preparation of these sections to assure that none of the information contained therein is inconsistent with the basic financial statements.
- 27. With regard to federal awards programs:
 - (a) We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations or in any other form.
 - (b) We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income;

reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.

- (c) We are responsible for complying, and have complied, with the requirements of Uniform Guidance.
- (d) We are responsible to understand and comply with the requirements of federal statutes, regulations and the terms and conditions of federal awards related to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the City has complied with all applicable compliance requirements.
- (e) We are responsible for establishing and maintaining effective internal control over compliance to provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations and the terms and conditions of the federal awards.
- (f) We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.
- (g) The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
- (h) The costs charged to federal awards are in accordance with applicable cost principles.
- (i) The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system or pass-through entity in the case of a subrecipient.
- (j) Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* regarding cost principles.

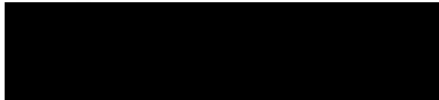
- (k) We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.
 - (l) We have identified to you any previous compliance audits, attestation engagements and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other monitoring.
 - (m) The reporting package does not contain any protected personally identifiable information.
28. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
29. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.
30. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons, pension information and other postemployment benefits information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

31. With regard to supplementary information:

- (a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
- (b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
- (c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.
- (d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
- (e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.


Stephanie Orman, Mayor


Jessica Thurman, Assistant Finance Director


Jake Harper, Finance Director



June 19, 2019

BKD, LLP
Certified Public Accountants
809 S. 52nd Street
Rogers, Arkansas 72756

We are providing this letter in connection with your examination of our written assertions regarding compliance with Certain State Acts for the City of Bentonville, Arkansas for the year ended December 31, 2018.

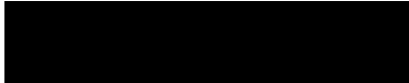
We confirm, to the best of our knowledge and belief, the following:

1. We make the following assertions that the City complied with the requirements for the year ended December 31, 2018.
 - a. Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
 - b. Arkansas District Courts and City Courts Accounting Law, § 16-10-210 et seq.;
 - c. Improvement contracts, §§ 22-9-202 – 22-9-204;
 - d. Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
 - e. Investment of public funds, § 19-1-501 et seq.; and
 - f. Deposit of public funds, §§ 19-8-101 – 19-8-107.
2. All relevant matters are reflected in the measurement or evaluation of the subject matter or assertion.
3. All known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter or assertion have been disclosed to you, including any communications received between the end of the period addressed in the written assertion and the date of your report.
4. We are responsible for the subject matter and the assertions.

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5. We are responsible for the selection of suitable criteria and determining that such criteria are appropriate for our purposes.
6. We have provided you with all relevant information and access.
7. We have disclosed to you all known matters that would materially affect the subject matter of the assertions.
8. We have disclosed to you all known events subsequent to the period of the subject matter being reported on that would have a material effect on the subject matter or assertion.
9. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
10. We have no knowledge of any known or suspected:
 - (a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.
 - (b) Fraudulent financial reporting or misappropriation of assets involving other employees that could have a material effect on the subject matter.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the subject matter received in communications from employees, customers, regulators, suppliers or others.
12. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations affecting the subject matter.
13. We have disclosed to you all deficiencies in internal control relevant to the subject matter of which we are aware.
14. With respect to any nonattest services you have provided us during the year:
 - (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.
 - (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - (d) We have evaluated the adequacy of the services performed and any findings that resulted.

15. We have responded fully and truthfully to all your inquiries.
16. We are responsible for establishing and maintaining effective internal control over compliance
17. We have performed an evaluation of compliance with the specified requirements.


Stephanie Orman, Mayor


Jake Harper, Finance Director


Jessica Thurman, Assistant Finance Director

City of Bentonville, Arkansas

Comprehensive Annual Financial Report

For the Year Ended December 31, 2018



Prepared by:

Jake Harper

Finance Director

Jessica Thurman

Assistant Finance Director

Visit our web site at: www.bentonvillear.com

City of Bentonville, Arkansas

December 31, 2018

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Introductory Section

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City of Bentonville, Arkansas
Finance and Accounting Department
117 West Central Avenue – Bentonville, Arkansas 72712
Phone (479)-271-3100 – Fax (479) 271-5913

To the Citizens of the City of Bentonville, Honorable Mayor and Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) of the City of Bentonville, Arkansas (the City) for the year ended December 31, 2018, is submitted in accordance with State statutes. These statutes require that every general-purpose local government publish at the close of each fiscal year a complete set of audited financial statements.

This report consists of management's representations concerning the finances of the City of Bentonville. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable assurance, rather than absolute, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Bentonville's financial statements have been audited by **BKD, LLP**, a firm of licensed independent certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions on the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund and aggregate remaining fund information that collectively comprise the City of Bentonville's basic financial statements as of and for the fiscal year ended December 31, 2018. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statements. It is our intention that the MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Bentonville was incorporated in 1837 and is located in the northwest corner of the State of Arkansas. The City currently occupies a land area of approximately 31.5 square miles. The City's population has grown to 35,301. 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.

The City is empowered to levy property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically, when deemed appropriate by the City Council.

The City of Bentonville is operated under the Mayor-Council form of government. The Mayor is elected by the Citizens of Bentonville to a four year term. The Mayor serves as the chief executive of the city, presides over City Council meetings and has the ability to vote on City Council items in the event of a tie. The City Council is made up of two members from each ward (eight total members) within the City and are elected for four year terms. The City Council has the ability to enact laws (ordinances) for the health, safety and welfare of the city not in conflict with the United States constitution or the constitution of the State of Arkansas. The legal level of budgetary control is maintained at the fund level for all funds. However, management control is maintained at the department level.

The City of Bentonville provides a full range of services including police, fire, emergency ambulance service, library, parks, recreation, water, sewer, electric, traffic engineering, streets and infrastructure, community development (planning and zoning), economic development and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government.

Factors Affecting Financial Condition

Local Economy. The City of Bentonville historically benefits from low unemployment rates. There are several major industries in the City, with Wal-Mart and Sam's Club headquarters in Bentonville. The City is also home to Northwest Arkansas Community College. These employers draw their workforce from a population of more than 450,000 within the Fayetteville-Springdale-Rogers MSA (metropolitan statistical area) of which Bentonville is a part. Other major employers also located in the Fayetteville-Springdale-Rogers MSA include Tyson's Foods, J.B. Hunt Transport, and the University of Arkansas.

Relevant Financial Policies

The City's accounting records for general government activities are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's electric, water and sewer utility and other proprietary activities are maintained on an accrual basis.

The annual budget serves as the foundation for the City of Bentonville, Arkansas' financial planning and control. The annual budget for the following year is prepared each year by the Mayor and Department Heads and is submitted to City Council for review and approval before the end of the current year. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Awards and Acknowledgements

Awards: The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award to the City of Bentonville, Arkansas for its budget document prepared for the budget year ended December 31, 2018. The City of Bentonville has earned this award for 20 consecutive years.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bentonville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one (1)-year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements: This report and the information contained therein would not have been possible without the help of the all the departments within the City of Bentonville that provided information presented. We would also like to express our appreciation to the Mayor and City Council for their interest and support in the responsible planning and conducting of the financial operations of the City.

Respectively submitted,



Jake Harper
Finance Director

June 19, 2019



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bentonville
Arkansas**

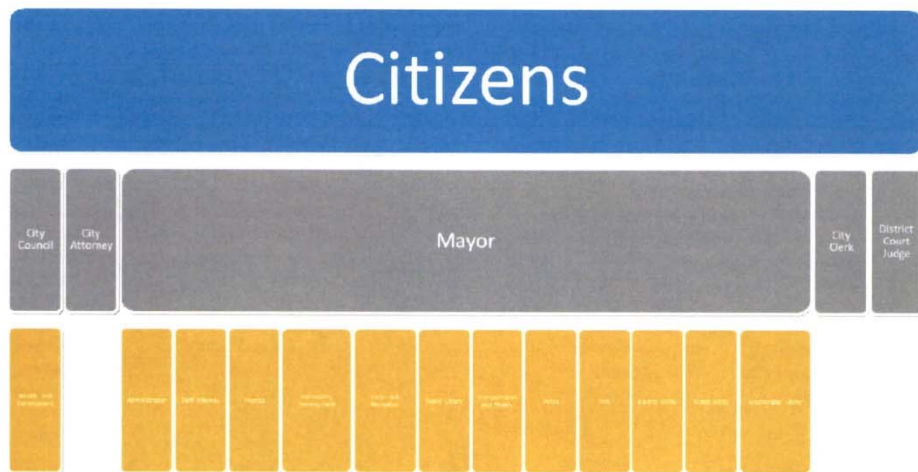
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Executive Director/CEO

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City of Bentonville Organizational Chart



**City of Bentonville, Arkansas
City Council and Other Elected Officials**

**Stephanie Orman
Mayor**

Name	Ward	Position
Tim Robinson	1	1
Chad Goss	1	2
Cindy Acree	2	1
Chris Sooter	2	2
Aubrey Patterson	3	1
Bill Burckart	3	2
Octavio Sanchez	4	1
Jon Terlouw	4	2
George Spence, City Attorney		
Linda Spence, City Clerk		

Financial Section

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Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Bentonville, Arkansas
Bentonville, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bentonville, Arkansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bentonville, Arkansas, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in *Note 11* to the financial statements, in 2018, the City adopted Governmental Accounting Standards Board Statement (GASB) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinions are not modified with respect to this matter.

As discussed in *Note 11* to the financial statements, in 2018, the City changed its reporting entity to remove the Bentonville Library Foundation as a discretely presented component unit. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and introductory section and statistical tables, including the schedule of expenditures of federal awards required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor and Members of the City Council
City of Bentonville, Arkansas
Page 3

The combining and individual fund statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated June 19, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Rogers, Arkansas
June 19, 2019

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

As management of the City of Bentonville (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2018. The information contained in this MD&A should be considered in conjunction with our letter of transmittal at the front of this report and the information contained in the Independent Auditor's Reports, Financial Statements and Supplementary Information.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$517,788,030.
- As of the close of the current fiscal year, the City of Bentonville's governmental funds reported combined ending fund balances of \$95,385,481 of which \$51,638,842 was unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$51,638,842, which is 113% of total general fund expenditures.
- The City's total bond related debt decreased by \$11,560,285 or 16% during 2018 primarily due to principal payments on existing debt.
- The City had general revenues of \$57,831,134, grants and contribution revenue of \$12,184,085, charges for services of \$110,731,436 and program expenses of \$147,299,594 for the year ended December 31, 2018.
- The City's capital outlays for the year, including outlays in the enterprise fund, were \$28,300,450.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements are divided into two categories, governmental and business-type activities. The governmental activities of the City include General Government, Administrative Services, Police, Fire, Public Works, Community Development, Library and Parks. The business-type activities of the City include Electric, Water, Wastewater, Sanitation, and related support departments which comprise the Utility Fund.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the street fund, the capital projects fund and the debt service fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

The basic governmental fund financial statements can be found on pages 15-16 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater and sanitation operations.

Proprietary funds, in general, charge customers for services provided. Like the government-wide financial statements, proprietary fund financial statements are presented using a long-term financial accounting approach and the full accrual basis of accounting. Additional information is provided in the proprietary funds' statement of cash flows.

The basic proprietary fund financial statements can be found on pages 17-19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-59 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages 60-70 of this report.

The combining schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 71-75 of this report.

GOVERNMENT-WIDE ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by at the close of the most recent fiscal year.

By far the largest portion of the City's net position (83%) is its investment in capital assets (*e.g.*, land, buildings, machinery, and equipment); less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending.

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 114,854,657	\$ 113,127,200	\$ 51,691,527	\$ 42,949,684	\$ 166,546,184	\$ 156,076,884
Capital assets	259,746,630	246,158,764	205,466,566	201,171,732	465,213,196	447,330,496
Total assets	374,601,287	359,285,964	257,158,093	244,121,416	631,759,380	603,407,380
Total deferred outflows of resources	11,673,374	11,325,686	2,330,371	3,246,050	14,003,745	14,571,736
Long-term liabilities	81,838,291	86,066,567	16,570,637	19,249,415	98,408,928	105,315,982
Other liabilities	16,574,849	15,227,198	10,083,077	8,980,955	26,657,926	24,208,153
Total liabilities	98,413,140	101,293,765	26,653,714	28,230,370	125,066,854	129,524,135
Total deferred inflows of resources	2,037,285	475,896	870,956	187,626	2,908,241	663,522
Net position:						
Net investment in capital assets	232,185,202	214,744,281	196,638,875	190,003,709	428,824,077	404,747,990
Restricted	20,794,051	19,818,040	2,903,653	2,869,343	23,697,704	22,687,383
Unrestricted	32,844,983	34,279,668	32,421,266	26,076,418	65,266,249	60,356,086
Total net position	\$ 285,824,236	\$ 268,841,989	\$ 231,963,794	\$ 218,949,470	\$ 517,788,030	\$ 487,791,459

An additional portion of the City's net position (4.58%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$65,266,249 may be used to meet the City's ongoing obligations to citizens and creditors.

During the current fiscal year, total net position of the City increased by \$33,447,061. The changes in net position are shown in detail on the following page. The increase in net position primarily resulted in an increase in capital assets net of accumulated depreciation of \$17,882,700 and payments on long-term debt of \$11,456,801. The major capital asset events contributing to this increase are discussed in the *Capital Assets* section of this document. Restricted net position increased by \$1,010,321 primarily due to an increase in funds set aside for new growth (\$1,734,870).

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 10,806,101	\$ 5,792,479	\$ 99,925,335	\$ 95,493,651	\$ 110,731,436	\$ 101,286,130
Operating grants and contributions	3,369,266	5,402,348	150,122	11,978	3,519,388	5,414,326
Capital grants and contributions	5,513,785	5,909,573	3,150,912	4,158,642	8,664,697	10,068,215
General revenues:						
Property taxes	8,945,939	8,282,975	-	-	8,945,939	8,282,975
Sales taxes	35,758,719	37,651,052	-	-	35,758,719	37,651,052
State Turnback	2,941,195	2,853,363	-	-	2,941,195	2,853,363
Franchise fees	5,653,246	5,351,361	-	-	5,653,246	5,351,361
Investment income	820,608	225,496	133,581	41,398	954,189	266,894
Gain (loss) on sale of capital assets	39,540	(30,542)	-	272,526	39,540	241,984
Other	2,724,433	10,671,030	813,873	723,128	3,538,306	11,394,158
Total revenues	<u>76,572,832</u>	<u>82,109,135</u>	<u>104,173,823</u>	<u>100,701,323</u>	<u>180,746,655</u>	<u>182,810,458</u>
Expenses:						
General government	8,199,550	8,380,920	-	-	8,199,550	8,380,920
Public safety	24,926,207	22,219,435	-	-	24,926,207	22,219,435
Recreation	10,579,540	10,239,510	-	-	10,579,540	10,239,510
Street department	8,880,453	8,522,377	-	-	8,880,453	8,522,377
Library	1,765,524	1,688,914	-	-	1,765,524	1,688,914
CDBG	184	7,147	-	-	184	7,147
Interest expense on long-term debt	2,297,161	2,382,481	-	-	2,297,161	2,382,481
Electric	-	-	59,685,788	60,318,959	59,685,788	60,318,959
Water	-	-	13,511,887	12,918,078	13,511,887	12,918,078
Wastewater	-	-	9,372,920	9,255,683	9,372,920	9,255,683
Sanitation	-	-	4,624,380	4,197,480	4,624,380	4,197,480
Support	-	-	3,456,000	3,745,763	3,456,000	3,745,763
Total expenses:	<u>56,648,619</u>	<u>53,440,784</u>	<u>90,650,975</u>	<u>90,435,963</u>	<u>147,299,594</u>	<u>143,876,747</u>
Increase in net position before transfers and special items	<u>19,924,213</u>	<u>28,668,351</u>	<u>13,522,848</u>	<u>10,265,360</u>	<u>33,447,061</u>	<u>38,933,711</u>
Transfers	(121,350)	-	121,350	-	-	-
Increase in net position	<u>19,802,863</u>	<u>28,668,351</u>	<u>13,644,198</u>	<u>10,265,360</u>	<u>33,447,061</u>	<u>38,933,711</u>
Net position – beginning of the year	<u>268,841,989</u>	<u>240,173,638</u>	<u>218,949,470</u>	<u>208,684,110</u>	<u>487,791,459</u>	<u>448,857,748</u>
Adjustment for adoption of GASB 75 - Note 11	(2,820,616)	-	(629,874)	-	(3,450,490)	-
Net position – beginning of the year, as restated*	<u>266,021,373</u>	<u>240,173,638</u>	<u>218,319,596</u>	<u>208,684,110</u>	<u>484,340,969</u>	<u>448,857,748</u>
Net position – end of the year	<u>\$ 285,824,236</u>	<u>\$ 268,841,989</u>	<u>\$ 231,963,794</u>	<u>\$ 218,949,470</u>	<u>\$ 517,788,030</u>	<u>\$ 487,791,459</u>

*The cumulative effect of applying GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* resulted in the beginning net position for 2018 being restated.

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

Governmental Activities

Governmental activities increased the City's net position by \$19,802,863, thereby accounting for 59% of the total growth in the net position of the City. The 2018 increase is \$8.87 million less than in 2017 primarily due to a decrease in other revenues combined with an increase in public safety expenses.

Business-type Activities

Business-type activities increased the City's net position by \$13,644,198, accounting for 41% of the total growth in the City's net position. The 2018 increase is \$3.38 million more than the increase experienced in 2017 primarily due to an increase in charges for services of \$4.43 million (driven by the overall economic growth in the Northwest Arkansas area) that was offset by a general increase of expenses of \$215,012.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$51,638,842, while total fund balances reached \$54,490,266. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balances and total fund balances to total fund expenditures. Unassigned fund balances represent 113% of total general fund expenditures, while total fund balances represent 119% of that same amount.

The fund balances of the City's general fund increased \$5,841,590 during the current fiscal year, which was a decrease of \$3,379,675 over the increase experienced in 2017. Overall revenues increased by \$1,405,515 and was offset by an overall increase in expenses of \$5,451,654.

Street Fund

The City's street fund had a total fund balance of \$3,388,221 of which all is assigned and available to fund street capital and maintenance projects. The net decrease in fund balance during the current year in the street fund was \$1,449,120. The street fund's fund balance decrease is primarily due to a decrease in overall revenues.

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

Capital Project Fund

The City's capital project fund had a total fund balance of \$23,649,222 all of which is restricted and available to fund capital projects that meet the requirements of the Series 2007 Sales and Use Tax Bonds, the Series 2009 Sales and Use Tax Bonds, the Series 2010 Sales and Use Tax Bonds, and the Series 2017 Sales and Use Tax Bonds. The net decrease in fund balance during the current year in the capital project fund was \$5,366,895, and is the result of spending \$5,776,915 of bond proceeds on capital improvements.

Debt Service Fund

The City's debt service fund had a total fund balance of \$8,285,673, which is restricted for debt service. The net decrease in fund balance during the current year in the fund was \$201,015. Debt service's fund balance decrease is primarily due to debt service expenditures exceeding sales tax revenues.

Proprietary Funds

Enterprise Fund

Unrestricted net position of the enterprise fund at the end of the year was \$32,421,266. The total growth in net position of the enterprise fund was \$13,644,198. Operating revenues of the enterprise fund increased 3.57% to \$100,889,330 and the operating expenses increased 0.34% to \$90,228,298. Other factors concerning the finances of the enterprise fund have already been discussed in the City's business-type activities.

General Fund Budgetary Highlights

Original Budget as Compared to the Final Budget

During the 2018 fiscal year, the original budget of the general fund was amended primarily to budget for more capital projects and other costs or revenues not previously in the budget. The most significant amendments for revenue was a \$410,000 grant for the construction of a taxiway project. The corresponding amendment for expenditure was \$379,000 for the taxiway project. An additional amendment for expenditures of \$6.3 million was made for the construction of the police department communications center, which is being financed through \$3.1 million from impact fees and \$3.2 million from reserves.

Actual Results as Compared to the Final Budget

Variances between the actual revenues and expenditures and the general fund's final budget were fairly significant. The final amended budget projected a \$17,990,065 decrease in general fund balance while the actual resulted in a fund balance increase of \$5,841,590. The prime factors in the variances can be briefly summarized as follows:

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

- *Property tax* revenue was \$6,313,722, while the final budgeted amount was \$5,457,480. The excess revenues over the budget (\$856,242) can be attributed to a general improvement in the local economy in 2018 compared to 2017 and an increase in assessed values of \$97,625,965 or 9.00%.
- *Sales tax* revenue was \$24,698,026, while the final budgeted amount was \$20,269,565. The increase in revenues over the budget (\$4,428,461) can be attributed to a general increase in retail sales tax from various projects in the City and the County and general improvement in economic conditions.
- *Charges for services* revenue was \$6,045,452, while the final budgeted amount was \$5,202,230. The increase in revenues over the budget (\$843,222) can be attributed to an increase in participation in our Parks and Recreation programs and the related admission fees.
- *Licenses and permits* revenue was \$1,749,612, while the final budgeted amount was \$1,090,040. The increase in revenues over the budget (\$659,572) can be attributed to a general increase in permits attributed to an increase in building permits and activity.
- *Grants* revenue was \$2,795,366, while the final budgeted amount was \$912,250. The increase in revenues over the budget (\$1,883,116) can be attributed to grants that were not budgeted in 2018 but were received for the year.
- *Capital outlay* expenditure was \$8,455,660, while the final budgeted amount was \$25,056,535. The decrease in expenditures over the budget (\$16,600,875) can be attributed to various budgeted capital outlay projects that were not completed during 2018 due to time constraints or planned multi-year projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2018, the City's investment in capital assets for its governmental and business-type activities was \$465,213,196 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and streets.

Major capital asset events during the current fiscal year include the following:

- Capital expenditures of \$8.4 million were made for a variety of street construction projects in new residential developments and widening and expansion projects for existing streets. In addition, \$4.5 million of streets, drainage and sidewalks constructed by developers were contributed to the City to own and maintain.
- Capital expenditures of \$2.4 million were made for a variety of park improvement projects.
- Capital expenditures for additions and improvements for the City's water system, sewer system and electric system were \$7.3 million. In addition, \$3.2 million in electric, water and sewer lines were contributed by developers to the City.

City of Bentonville, Arkansas
Management's Discussion and Analysis
December 31, 2018

- Capital expenditures for furniture, fixtures and equipment and vehicles city wide totaled \$4.1 million due to replacement and additional equipment needs throughout the city.

Additional information regarding capital assets can be found on pages 32-34 of this report.

Long-term Debt

The City had \$60,038,339 in revenue bonds and notes payable outstanding as of December 31, 2018, which is a decrease of \$11,560,285 from the previous year. The decrease was due to regularly scheduled principal reductions on the outstanding debt. The revenue bonds of the Electric, Water, and Sewer Systems have been rated "AAA" by Moody's Investor Service.

Additional information regarding long-term debt can be found at pages 35-39 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the metropolitan area of Northwest Arkansas (of which Bentonville is a part) is currently 2.7%. This compares favorably to the state's average unemployment rate of 3.7% and the national average rate of 3.9%.
- The City's population growth has averaged about 7% annually and according to the most recent census the population is 35,301. Impact and capacity fees, an additional one cent sales tax for capital improvements and slight increases in utility rates are in place to meet the financial demands caused by this population growth.
- The value of building permits issued, excluding public buildings, was approximately \$395 million in 2017 and \$496 million in 2018.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Administration; 117 W. Central Avenue; Bentonville, Arkansas 72712.

Basic Financial Statements

City of Bentonville, Arkansas

Statement of Net Position

December 31, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 56,793,483	\$ 34,356,186	\$ 91,149,669
Restricted cash and cash equivalents	16,571,153	1,871,550	18,442,703
Receivable			
Customer accounts, net of allowance for uncollectible accounts of \$296,000	-	8,482,511	8,482,511
Property taxes, net of allowance for uncollectibles of \$426,462	8,102,775	-	8,102,775
Grants and other	3,067,129	352,771	3,419,900
Internal balances	(8,038)	8,038	-
Inventories	-	4,499,959	4,499,959
Prepaid items	225,263	55,069	280,332
Total current assets	84,751,765	49,626,084	134,377,849
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	25,327,836	2,065,443	27,393,279
Sales taxes receivable	2,892,102	-	2,892,102
Total restricted assets	28,219,938	2,065,443	30,285,381
Net pension asset	1,882,954	-	1,882,954
Capital assets - non-depreciable	8,903,448	8,224,143	17,127,591
Capital assets - depreciable, net	250,843,182	197,242,423	448,085,605
	261,629,584	205,466,566	467,096,150
Total noncurrent and other assets	289,849,522	207,532,009	497,381,531
Total assets	374,601,287	257,158,093	631,759,380
Deferred Outflows of Resources			
Deferred outflows - OPEB	108,978	22,179	131,157
Deferred outflows - pensions	8,629,855	1,760,208	10,390,063
Deferred outflows - pension contributions	2,934,541	547,984	3,482,525
Total deferred outflows of resources	11,673,374	2,330,371	14,003,745

See Notes to Financial Statements

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 2,782,295	\$ 6,497,729	\$ 9,280,024
Accrued expenses and other	2,709,432	155,024	2,864,456
Accrued interest payable	474,968	10,773	485,741
Compensated absences - current portion	185,204	662,820	848,024
Due to other governments	39,271	244,002	283,273
Bonds payable - current portion	6,335,000	2,431,236	8,766,236
Other postemployment benefit liability - current portion	96,230	19,584	115,814
Unearned revenues	3,952,449	61,909	4,014,358
Total current liabilities	16,574,849	10,083,077	26,657,926
Noncurrent Liabilities			
Customer deposits	-	1,014,537	1,014,537
Compensated absences	1,345,654	11,337	1,356,991
Other postemployment benefit liability	4,282,608	871,571	5,154,179
Net pension liability	31,334,379	8,276,739	39,611,118
Bonds payable, net	44,875,650	6,396,453	51,272,103
Total noncurrent liabilities	81,838,291	16,570,637	98,408,928
Total liabilities	98,413,140	26,653,714	125,066,854
Deferred Inflows of Resources			
Deferred inflows - OPEB	300,353	61,126	361,479
Deferred inflows - pensions	1,736,932	809,830	2,546,762
Total deferred inflows of resources	2,037,285	870,956	2,908,241
Net Position			
Net investment in capital assets	232,185,202	196,638,875	428,824,077
Restricted			
Debt service	7,810,705	1,301,937	9,112,642
New growth	5,572,099	-	5,572,099
Renewals and replacements	-	1,601,716	1,601,716
Capital improvements	2,066,522	-	2,066,522
Street improvements	3,376,736	-	3,376,736
Pensions	1,882,954	-	1,882,954
Other	85,035	-	85,035
Total restricted	20,794,051	2,903,653	23,697,704
Unrestricted	32,844,983	32,421,266	65,266,249
Total net position	\$ 285,824,236	\$ 231,963,794	\$ 517,788,030

City of Bentonville, Arkansas
Statement of Activities
Year Ended December 31, 2018

					Net (Expenses) Revenues and Changes in Net Position		
					Primary Government		
					Governmental Activities	Business-type Activities	Total
Government/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Primary Government							
Governmental activities:							
General government	\$ 8,199,550	\$ 2,660,236	\$ 1,940,281	\$ 25,000	\$ (3,574,033)	\$ -	\$ (3,574,033)
Public safety	24,926,207	2,537,032	-	3,784	(22,385,391)	-	(22,385,391)
Recreation	10,579,540	4,595,838	-	-	(5,983,702)	-	(5,983,702)
Street department	8,880,453	958,771	1,419,285	5,478,221	(1,024,176)	-	(1,024,176)
Library	1,765,524	54,224	2,700	6,780	(1,701,820)	-	(1,701,820)
CDBG	184	-	7,000	-	6,816	-	6,816
Interest expense on long-term debt	2,297,161	-	-	-	(2,297,161)	-	(2,297,161)
Total governmental activities	56,648,619	10,806,101	3,369,266	5,513,785	(36,959,467)	-	(36,959,467)
Business-type Activities:							
Electric	59,685,788	68,494,676	-	461,385	-	9,270,273	9,270,273
Water	13,511,887	11,603,640	150,122	2,689,527	-	931,402	931,402
Wastewater	9,372,920	13,870,399	-	-	-	4,497,479	4,497,479
Sanitation	4,624,380	4,969,400	-	-	-	345,020	345,020
Support	3,456,000	987,220	-	-	-	(2,468,780)	(2,468,780)
Total business-type activities	90,650,975	99,925,335	150,122	3,150,912	-	12,575,394	12,575,394
Total primary government	\$ 147,299,594	\$ 110,731,436	\$ 3,519,388	\$ 8,664,697	(36,959,467)	12,575,394	(24,384,073)
General Revenues:							
Property taxes					8,945,939	-	8,945,939
Sales taxes					35,758,719	-	35,758,719
State turnback					2,941,195	-	2,941,195
Franchise taxes					5,653,246	-	5,653,246
Investment income					820,608	133,581	954,189
Gain (loss) on sales of capital assets					39,540	-	39,540
Transfers					(121,350)	121,350	-
Other					2,724,433	813,873	3,538,306
Total general revenues and transfers					56,762,330	1,068,804	57,831,134
Change in net position					19,802,863	13,644,198	33,447,061
Net position, beginning of year, as previously reported					268,841,989	218,949,470	487,791,459
Prior period adjustment (Note 11)					(2,820,616)	(629,874)	(3,450,490)
Net position, beginning of the year, as restated					266,021,373	218,319,596	484,340,969
Net position, end of year					\$ 285,824,236	\$ 231,963,794	\$ 517,788,030

See Notes to Financial Statements

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City of Bentonville, Arkansas
Balance Sheet – Governmental Funds
December 31, 2018

	General	Street	Capital Project	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 51,255,863	\$ 5,537,620	\$ -	\$ -	\$ -	\$ 56,793,483
Certificates of deposit						
Accounts receivable:						
Property taxes, net of allowance for uncollectible accounts of \$368,644	6,201,464	1,901,311	-	-	-	8,102,775
Grants and other	1,730,287	1,326,147	-	-	10,695	3,067,129
Due from other funds	1,129,761	9,350	-	-	-	1,139,111
Prepaid and other	224,713	550	-	-	-	225,263
Restricted assets						
Cash and cash equivalents	2,626,711	-	24,870,586	7,392,968	7,008,724	41,898,989
Sales tax receivable	1,999,397	-	-	892,705	-	2,892,102
Total assets	\$ 65,168,196	\$ 8,774,978	\$ 24,870,586	\$ 8,285,673	\$ 7,019,419	\$ 114,118,852
Liabilities						
Accounts payable	\$ 1,347,863	\$ 84,379	\$ 1,221,364	\$ -	\$ 128,689	\$ 2,782,295
Due to other funds	17,396	-	-	-	1,129,753	1,147,149
Due to other governments	-	-	-	-	39,271	39,271
Accrued expenditures and other	1,846,651	862,781	-	-	-	2,709,432
Unearned revenues	1,264,556	2,538,286	-	-	149,607	3,952,449
Total liabilities	4,476,466	3,485,446	1,221,364	-	1,447,320	10,630,596
Deferred Inflows of Resources						
Unavailable revenues - property taxes	6,201,464	1,901,311	-	-	-	8,102,775
Fund balances						
Nonspendable						
Prepaid expenditures	224,713	550	-	-	-	225,263
Restricted						
Debt service	-	-	-	8,285,673	-	8,285,673
General capital improvements	2,169,461	-	23,649,222	-	-	25,818,683
New growth	-	-	-	-	5,572,099	5,572,099
Street improvements	-	3,387,671	-	-	-	3,387,671
Other	457,250	-	-	-	-	457,250
Unassigned	51,638,842	-	-	-	-	51,638,842
Total fund balances	54,490,266	3,388,221	23,649,222	8,285,673	5,572,099	95,385,481
Total liabilities, deferred inflows of resources, and fund balances	\$ 65,168,196	\$ 8,774,978	\$ 24,870,586	\$ 8,285,673	\$ 7,019,419	\$ 114,118,852

See Notes to Financial Statements

Total fund balances - governmental funds	\$ 95,385,481
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**Amounts reported for governmental activities in the statement of net position
are different because:**

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	259,746,630
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Net pension assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	1,882,954
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Property tax revenues that do not provide current financial resources at the fund level on the modified accrual basis are reported as revenues on the full accrual basis in the government-wide statements.	8,102,775
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Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	9,636,089
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Liabilities that are not due and payable in the current period and are not reported in the fund statements:

Accrued interest payable	(474,968)
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Accrued compensated absences	(1,530,858)
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Net pension liabilities	(31,334,379)
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Other postemployment benefits liability	(4,378,838)
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Bonds payable, net of premiums and discounts	<u>(51,210,650)</u>
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Total net position - governmental activities	<u>\$ 285,824,236</u>
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City of Bentonville, Arkansas
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds
Year Ended December 31, 2018

	General	Street	Capital Project	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property tax	\$ 6,313,722	\$ 1,963,681	\$ -	\$ -	\$ -	\$ 8,277,403
Sales tax	24,698,026	-	-	11,060,693	-	35,758,719
State turnback	1,360,535	2,483,209	-	-	-	3,843,744
Impact fees	-	-	-	-	2,391,272	2,391,272
Franchise taxes	5,653,246	-	-	-	-	5,653,246
Charges for services	6,045,452	53,562	-	-	-	6,099,014
Fines and forfeitures	495,928	-	-	-	-	495,928
Licenses and permits	1,749,612	2,645	-	-	-	1,752,257
Grants	2,795,366	1,419,285	-	-	-	4,214,651
Contributions	141,614	985,298	-	-	-	1,126,912
Interest	235,163	22,488	410,020	145,453	7,484	820,608
Miscellaneous	786,257	30,027	-	-	-	816,284
Total revenues	50,274,921	6,960,195	410,020	11,206,146	2,398,756	71,250,038
Expenditures						
Current:						
General government	6,833,349	-	-	-	-	6,833,349
Public safety	20,392,788	-	-	-	-	20,392,788
Recreation	8,507,693	-	-	-	-	8,507,693
Street Department	-	2,665,820	-	-	-	2,665,820
Library	1,449,844	-	-	-	-	1,449,844
CDBG	184	-	-	-	-	184
Capital outlay	8,455,660	5,763,032	5,776,915	-	-	19,995,607
Debt service	-	-	-	9,121,951	-	9,121,951
Principal	-	-	-	2,285,210	-	2,285,210
Interest	-	-	-	-	-	-
Total expenditures	45,639,518	8,428,852	5,776,915	11,407,161	-	71,252,446
Excess (Deficiency) of Revenues Over Expenditures	4,635,403	(1,468,657)	(5,366,895)	(201,015)	2,398,756	(2,408)
Other Financing Sources (Uses)						
Sale of capital assets	20,003	19,537	-	-	-	39,540
Transfers in	1,186,184	-	-	-	-	1,186,184
Transfers out	-	-	-	-	(1,307,534)	(1,307,534)
Total other financing sources (uses)	1,206,187	19,537	-	-	(1,307,534)	(81,810)
Change in Fund Balances	5,841,590	(1,449,120)	(5,366,895)	(201,015)	1,091,222	(84,218)
Fund Balances, Beginning of Year	48,648,676	4,837,341	29,016,117	8,486,688	4,480,877	95,469,699
Fund Balances, End of Year	\$ 54,490,266	\$ 3,388,221	\$ 23,649,222	\$ 8,285,673	\$ 5,572,099	\$ 95,385,481

See Notes to Financial Statements

Net change in fund balance – total governmental funds	\$ (84,218)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental Funds do not report capital contributions and they report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset purchases	19,995,607
Capital contributions	4,492,919
Depreciation expense	(10,918,037)
Capital asset transfers	17,377

Reductions in bond principal reported as expenditures for the funds are not reported as expenses in the statement of activities.	9,110,000
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Property tax revenues reported in the statement of activities are not available soon after year end and therefore are not considered current financial resources and are not recognized in the fund financial statements in the current year. This is the change in the amount of deferred property tax revenues reported in the governmental fund statements.	668,536
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Deferred inflows/outflows of resources related to the net pension and other postemployment benefit liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These amounts are amortized into pension expense in future periods. This is the amount by which the deferred inflows/outflows of resources changed during the current year.	(1,213,701)
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Expenses for pensions and other postemployment benefit liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund financial statements in the current year. This is the change in the amount of the net pension and other postemployment benefit liabilities and net pension asset reported in the governmental fund statements.	(2,343,295)
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Accrued expenses, such as compensated absences, interest, amortization of bond discounts and premiums, etc., reported in the statement of activities do not require the use of current financial resources, and, therefore, are not expenditures in the funds. This is the net change in accrued expenses.	77,675
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Change in net position of governmental activities	<u>\$ 19,802,863</u>
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City of Bentonville, Arkansas
Statement of Net Position –
Proprietary Funds
December 31, 2018

Assets	Business-type Activity – Enterprise Fund
Current Assets:	
Cash and cash equivalents	\$ 34,356,186
Accounts receivable (customer accounts), net of allowance for uncollectible accounts of \$296,000	8,835,282
Due from other funds	8,038
Restricted cash and cash equivalents	1,886,551
Inventories	4,499,959
Total currents assets	49,586,016
Noncurrent Assets	
Restricted cash and cash equivalents	2,050,442
Capital assets, net of accumulated depreciation of \$91,002,937	205,466,566
Other assets	55,069
Total noncurrent assets	207,572,077
Total assets	257,158,093
Deferred Outflows of Resources	
Deferred outflows - OPEB	22,179
Deferred outflows - pensions	1,760,208
Deferred outflows - pension contributions	547,984
Total deferred outflows of resources	2,330,371

See Notes to Financial Statements

Liabilities**Business-type
Activity –
Enterprise Fund****Current Liabilities:**

Accounts payable	\$ 6,497,729
Accrued expenses and other	155,024
Accrued interest payable	10,773
Compensated absences	662,820
Due to other governments	244,002
Bonds payable - current portion	2,431,236
Other postemployment benefit liability - current portion	19,584
Unearned revenue	61,909

Total current liabilities	10,083,077
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Noncurrent Liabilities

Customer deposits	1,014,537
Compensated absences	11,337
Other postemployment benefit liability	871,571
Net pension liability	8,276,739
Bonds payable, net of unamortized premium and discount	6,396,453

Total noncurrent liabilities	16,570,637
------------------------------	------------

Total liabilities	26,653,714
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Deferred Inflows of Resources

Deferred inflows - OPEB	61,126
Deferred inflows - pensions	809,830

Total deferred inflows of resources	870,956
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Net Position

Net investment in capital assets	196,638,875
Restricted	
Debt service	1,301,937
Renewals and replacements	1,601,716
Unrestricted	32,421,266

Total net position	\$ 231,963,794
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City of Bentonville, Arkansas
Statement of Revenues, Expenses and Changes in
Net Position – Proprietary Funds
Year Ended December 31, 2018

	Business-type Activity – Enterprise Fund
Operating Revenues	
Charges for services	\$ 99,783,946
Miscellaneous	<u>1,105,384</u>
Total operating revenues	<u>100,889,330</u>
Operating Expenses	
Salaries and fringe benefits	10,210,201
Contract purchases	62,673,067
Maintenance	1,886,427
Depreciation and amortization	7,150,012
Materials and supplies	1,190,779
Other services and charges	<u>7,117,812</u>
Total operating expenses	<u>90,228,298</u>
Operating Income	<u>10,661,032</u>
Nonoperating Income (Expenses)	
Interest income	133,581
Bond interest and fiscal agent charges	<u>(422,677)</u>
Net non-operating revenues (expenses)	<u>(289,096)</u>
Income Before Capital Contributions and Transfers	10,371,936
Capital Contributions	3,150,912
Transfers	
Transfers in	<u>121,350</u>
Change in Net Position	13,644,198
Net Position, Beginning of Year	<u>218,949,470</u>
Adjustment for Adoption of GASB 75 - Note 11	<u>(629,874)</u>
Net Position, Beginning of Year, as Restated	<u>218,319,596</u>
Net Position, End of Year	<u>\$ 231,963,794</u>

See Notes to Financial Statements

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City of Bentonville, Arkansas
Statement of Cash Flows – Proprietary Funds
Year Ended December 31, 2018

	Business-type Activity – Enterprise Fund
Operating Activities	
Receipts from customers	\$ 99,847,184
Other receipts	1,105,384
Payments to suppliers	(65,794,013)
Payments to employees	(9,724,672)
Other payments	(6,990,370)
Net cash provided by operating activities	<u>18,443,513</u>
Noncapital Financing Activities	
Transfer from other funds	<u>121,350</u>
Net cash provided by noncapital financing activities	<u>121,350</u>
Capital and Related Financing Activities	
Purchase and construction of capital assets	(8,304,844)
Proceeds from sale of capital assets	17,377
Principal paid on revenue bonds	(2,346,801)
Interest and agent fees paid on revenue bonds	(427,954)
Net cash used in capital and related financing activities	<u>(11,062,222)</u>
Investing Activities	
Maturity of certificates of deposit	9,000,000
Interest income	<u>133,581</u>
Net cash provided by investing activities	<u>9,133,581</u>
Increase in Cash and Cash Equivalents	16,636,222
Cash and Cash Equivalents, Beginning of Year	<u>21,656,957</u>
Cash and Cash Equivalents, End of Year	<u>\$ 38,293,179</u>

See Notes to Financial Statements

	<u>Business-type Activity – Enterprise Fund</u>
Cash and Cash Equivalents of Proprietary Funds, as presented on the "Statement of Net Position - Proprietary Funds," is as follows:	
Cash and cash equivalents	\$ 34,356,186
Restricted cash and cash equivalents - current	1,886,551
Restricted cash and cash equivalents - noncurrent	<u>2,050,442</u>
	<u>\$ 38,293,179</u>
Reconciliation of Operating Income to to Net Cash Provided By Operating Activities	
Operating income	\$ 10,661,032
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	7,150,012
Changes in assets and liabilities	
Receivables, net	63,238
Due to/due from other funds, net	(92,866)
Deferred outflows related to pensions	937,861
Deferred outflows related to OPEB	(22,179)
Other assets	9,173
Inventories	(1,085,169)
Accounts payable	1,041,429
Accrued expenses	(17,081)
Due to other governments	(24,654)
Deferred revenue	(450)
Other liabilities	236,239
OPEB liability	25,077
Net Pension liability	(1,121,479)
Deferred inflows related to OPEB	61,126
Deferred inflows related to pension	<u>622,204</u>
Net cash provided by operating activities	<u>\$ 18,443,513</u>
Noncash Investing, Capital and Financing Activities	
Capital assets acquired through contributions	<u>\$ 3,150,912</u>

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

The City of Bentonville, Arkansas (the "City"), is a municipal corporation operating under the authority of Arkansas state statute. The City operates under an elected mayor-council form of government. Eight elected council members and the Mayor set policy of the City. The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the City:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the City of Bentonville, Arkansas.

The City's primary government consists of those funds or organizations that make up the legal entity for which it is financially responsible.

Joint Venture

The City is a participant with nine Northwest Arkansas cities in a joint venture to operate Northwest Arkansas Conservation Authority (NACA), an organization whose purpose is to develop and implement cost-effective regional solutions to the challenges of providing environmentally sound wastewater and biosolids infrastructure and watershed management. NACA is governed by a Board of Directors consisting of 13 members appointed by the member cities. In order for NACA to secure financing of its wastewater treatment facility, the City entered into a service agreement with NACA in January 2006 committing the City to procuring NACA's services for 15 years or until the revenue bonds issued by NACA are retired. As of December 31, 2018, NACA has revenue bonds outstanding of \$55,961,752, with a final maturity date in December 2044. Service charges to the City are determined by rates based upon the actual costs incurred by NACA, including a proportional share of its overhead expenses attributable to the facility and debt service. During 2018, the City was NACA's primary customer and paid service charges to NACA in the amount of \$5,274,161, of which \$881,161 is payable at year end. As of December 31, 2018, NACA reported an increase in Net Position of \$928,258. Complete financial statements for NACA can be obtained from NACA's administrative office at 11579 Snavelly Road, Bentonville, AR 72712.

Related Organization

The City's Mayor and Council are also responsible for appointing members of the board of the Advertising and Promotions Commission, but the accountability for this organization does not extend beyond making the appointments. The financial operations of this related organization has not been included in the City's basic financial statements.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements as follows:

Government-wide Financial Statements

The government-wide financial statements report information on all of the activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. This elimination has taken place in the process of incorporating fund data into the government-wide financial statements, and not in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly associated with a specific function or identifiable activity. Expenses that cannot be specifically identified to a particular function are charged to funds based on time spent for that function and are included in the functional categories. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or identifiable activity and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or identifiable activity.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each governmental and proprietary fund are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column. All other governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the *general fund*, *street fund*, *capital project fund* and *debt service fund* as its major governmental funds. The general fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income. The street fund accounts for gasoline and road taxes received from the state and county levies. Revenues are expended for maintenance and repair of streets and sidewalks. The capital project fund accounts for the resources accumulated from the Series 2007, 2009, 2010 and 2017 sales and use tax bonds of the City that are restricted for use in financing the costs of various capital improvement projects. The debt service fund accounts for financial resources that are restricted for principal and interest-related costs as well as the financial resources being accumulated for future debt service.

The City reports one major *enterprise fund*. It accounts for the City's combined electric, water, sewer and sanitation system, whose operations are financed primarily through user charges.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Measurement Focus and Basis of Accounting

Government-wide and Proprietary Funds

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

In proprietary funds, operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the fund. All revenues and expenses not meeting this definition are reported as nonoperating items.

Nonexchange transactions, in which the City receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes; city and county sales tax; grants, entitlements and similar items; and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period in which the taxes are levied. City and county sales taxes, franchise taxes, licenses and permits and fines and forfeitures are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Grants, entitlements, and donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as deferred revenues. Grants and similar aid to other organizations are recognized as expenses as soon as recipients have met all eligibility requirements. Amounts paid before all eligibility requirements have been met are reported as prepaid items.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and deferred outflows of resources and liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of general long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The City considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds and investment earnings. Other revenues are considered to be measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences and obligations for worker's compensation and other post-employment benefits which are recognized as expenditures when payment is due. Pension expenditures are recognized when amounts are due to a plan.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Cash and Cash Equivalents

The City considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2018, cash equivalents consisted primarily of money market accounts with brokers.

Investments and Investment Income

Investments in nonnegotiable certificates of deposit are carried at amortized cost. Investment income includes interest and dividend income for the year and is assigned to funds with which the related investment asset is associated.

Property Taxes

Property taxes are levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. The property tax is considered due the first Monday in January (the lien date) after the levy; however, the tax is not considered delinquent until October 16 of that year. As a result, the majority of the tax is not collected within the time frame necessary to finance the liabilities of the current period. Property taxes are measurable when levied even though not available. Accordingly, property taxes receivable of \$8,102,775 and related deferred inflows of resources have been recorded at December 31, 2018, in the governmental funds. Benton County is the collecting agent and remits collections to the City, net of a collection fee, on a monthly basis.

The appraised value of taxable property upon which the property tax is levied is determined by the county assessor. The assessor estimates full market value of the property and applies a statutory rate of 20 percent to arrive at assessed value.

Unbilled Revenue

The City bills customers for electric, water and sewer services after usage based upon meter readings made during the month. The City records a receivable for unbilled revenue at December 31 for estimated usage for which bills have not been sent.

Inventories

Inventories are valued at cost using the first in/first out (FIFO) method and consist of expendable supplies. The costs of governmental fund type inventories are recorded as expenditures when consumed.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Prepaid Items

Prepaid items in governmental funds are accounted for under the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the government-wide financial statements and the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value on the date of donation.

Capital assets are defined as assets with an initial value or cost greater than or equal to \$5,000 and an estimated useful life of greater than one year. Exceptions are for infrastructure assets which are defined as having a constructed cost greater than \$50,000.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water distribution facilities	50
Sewer and solid waste collection and treatment facilities	15–50
Electric distribution facilities	15–40
Building and improvements	40
Furniture and equipment	7–15
Vehicles	5

Depreciation expense is charged directly to the department/function based on the department that utilizes the related asset.

Unearned Revenues

Unearned revenues include amounts that have been received before all eligibility requirements have been met. These amounts are recorded as a liability in both the Statement of Net Position and Balance Sheet until such requirements are met, at which point they will be recorded as revenue.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. The City has three items that qualify for reporting in this category. Two items are related to pensions, with one being the amount of contributions made to the pension plans after the measurement date, and the other comprised of the difference in investment experience between actual earnings and projected earnings on pension plan investments, differences between expected an actual experience of the total pension liability, changes of assumptions, changes in proportion for cost-sharing plans and changes in proportion allocated to funds for the APERS plan. Deferred outflows related to contributions made after the measurement date will be used in the next year to reduce net pension liability or increase net pension asset. The remaining amounts will be amortized to pension expense over future periods as shown within *Note 7*. The third item relates to OPEB for the difference between expected and actual experience of the OPEB liability, and will be amortized to OPEB expense over future periods as shown in *Note 8*.

In addition to liabilities, the statement of net position and balance sheet – governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify as deferred inflows of resources as of December 31, 2018. The items reported in the statements are unavailable revenues in the governmental funds balance sheet and deferred inflows – pensions and deferred inflows - OPEB in the government-wide statement of net position and proprietary funds statement of net position. Unavailable revenue arises under the modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, this item is only reported in the governmental funds balance sheet. Governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item, deferred inflows - pensions, consists of the difference between the expected and actual experience related to the pension plans, changes in proportion for cost-sharing plans as well as the changes in proportion allocated to funds for the APERS plan. Deferred inflows - pensions are amortized to pension expense over future periods as shown within *Note 7*. The third item, deferred inflows – OPEB, consists of changes in assumptions. Deferred inflows – OPEB are amortized to OPEB expense over future periods as shown in *Note 8*.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the columns for governmental activities and business-type activities. These amounts are also reported as liabilities in the fund financial statements for proprietary funds. Debt premiums, discounts and deferred gains on refundings are generally deferred and amortized using the effective interest rate method. Long-term debt is reported net of the unamortized gain on refunding and bond issue premium or discount. In the government wide statements, debt issuance costs are reported as expenditures in the period incurred.

In the fund financial statements, governmental fund types recognize debt premiums, as well as debt issuance costs, during the current period. The face amount of the debt issued and premiums received are reported as other financing sources. Issuance costs, whether or not withheld from the actual proceeds received are reported as debt service expenditures.

Compensated Absences

The City grants vacation to all full-time employees based on continuous service. The cost of vacation (and sick pay for certain employee classifications) is accrued when earned in the government-wide and proprietary fund financial statements and reported as accrued expenses. No liability is recorded in the fund statements of governmental funds unless they have matured, as payment of this liability will not be made with expendable available financial resources unless an employee has terminated employment as of the end of the fiscal year. For governmental activities, compensated absences are generally liquidated by the general fund.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firemen's Relief and Pension Fund, the Local Police and Fire Retirement System and the Arkansas Public Employee's Retirement System (together, the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the City's OPEB Plan, information has been determined on the same basis as they are reported by the OPEB plan. For this purpose, the City recognizes benefit payments when due and payable with the benefit terms.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Fund Balance - Governmental Funds

The fund balances for the City's governmental funds are displayed in three components:

Nonspendable - Nonspendable fund balances are not in a spendable form or are required to be maintained intact.

Restricted - Restricted fund balances may be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Net Position

Net position of the City is classified in three components. Net investment in capital assets, consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted net position is noncapital assets that must be used for a particular purpose as specified by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation, reduced by the outstanding balances of any related borrowings. Unrestricted net position is the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted.

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first.

Nonrecurring Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City had nonrecurring fair value measurements during 2018 for infrastructure capital assets contributed to the City from developers. The contributed assets were recorded at acquisition values totaling \$7,643,831 based upon the costs to construct by the developers (Level 3 inputs).

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Budgetary Information

Annual budget are adopted on a basis consistent with generally accepted accounting principles for the general and street fund. All annual appropriations lapse at year end and are re-established in the succeeding year.

New Governmental Accounting Standards Board (GASB) Pronouncements

The GASB has issued the following statements which the City has not yet adopted and which require adoption subsequent to December 31, 2018:

GASB Statement No. 83 – *Certain Asset Retirement Obligations* (GASB 83): GASB 83 addresses issues in accounting and financial reporting for certain asset retirement obligations (AROs), including establishing criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This statement is effective for periods beginning after June 15, 2018, with earlier application encouraged. The City has not yet determined the potential impact, if any, that this statement could have on its financial statements.

GASB Statement No. 84 – *Fiduciary Activities* (GASB 84): GASB 84 provides for greater consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for periods beginning after December 15, 2018, with earlier application encouraged. The City has not yet determined the potential impact, if any, that this statement could have on its financial statements.

GASB Statement No. 87 – *Leases* (GASB 87): The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement is effective for periods beginning after December 15, 2019. The City has not yet determined the potential impact, if any, that this statement could have on its financial statements.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

GASB No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements (GASB 88): The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This statement is effective for periods beginning after June 15, 2018, with earlier application encouraged. The City has not yet determined the potential impact, if any, that this statement could have on its financial statements.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: The primary objectives of this statements are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a bases consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2018, with earlier application encouraged. The City has not yet determined the potential impact, if any, that this statement could have on its financial statements.

GASB Statement No. 90 – Majority Equity Interest – an amendment of GASB Statement No. 14 and No. 61: The primary objectives of this statement are to improve the consistency and comparability of reporting a government's major equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements for this statement are effective for reporting periods beginning after December 15, 2018, with earlier application encouraged. The City has not yet determined the potential impact, if any, that this statement could have on its financial statements.

The effect of these statements on the City has not been determined, but could have a significant impact on the City's overall net position.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Note 2: Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The City's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires that deposits in financial institutions be collateralized with federal depository insurance and other acceptable collateral in specific amounts. No legal opinion has been obtained regarding the enforceability of any of the collateral arrangements.

At December 31, 2018, the City had bank balances of \$107,082,407 that were all insured (FDIC) or collateralized with securities held by the City or the City's agent in the City's name. The carrying value of these deposits as of December 31, 2018, was \$103,392,373.

Investments

Arkansas statutes authorize the City to invest in direct obligations of the U. S. government; obligations on which the principal and interest are fully guaranteed, or are fully secured, insured, or covered by commitments or agreements to purchase by the U. S. government; obligations of agencies and instrumentalities created by act of the United States Congress and authorized thereby to issue securities or evidence of indebtedness, regardless of guarantee of repayment by the U.S. government; obligations of political subdivisions of the United States; certain obligations issued by the State Board of Education; short-term warrants of political subdivisions of the State of Arkansas and municipalities; the sale of federal funds with a maturity of not more than one business day; demand, savings or time deposits fully insured by a federal deposit insurance agency; repurchase agreements that are fully insured by obligations of the U. S. government, any U. S. state or any political subdivision thereof; securities of, or other interest in, any open-end type investment company or investment trust registered under the Investment Company Act of 1940, and which is considered a money market fund, provided that the portfolio is limited principally to U. S. government obligations and the investment company or trust takes delivery of collateral either directly or through an authorized custodian; and bank certificates of deposit. Arkansas statutes also authorize the City to invest no more than 20 percent of its capital base in corporate debt obligations; revenue bond issues of any U. S. state, municipality, or political subdivision; industrial development bonds for corporate obligors issued through any U. S. state or political subdivision; securities or interest in an open-end or closed-end management type investment company or trust registered under the Investment Company Act of 1940 with certain limitations; securities or interests issued, assumed, or guaranteed by certain international banks; and uninsured demand, savings, or time deposits or accounts of any depository institution chartered by the United States, any U. S. state, or the District of Columbia.

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Investments at December 31, 2018, consisted of the following:

Type	Fair Value	Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Money market mutual funds	\$ 33,584,295	\$ 33,584,295	\$ -	\$ -	\$ -

Interest Rate Risk – The City’s investment policy does not specifically address interest rate risk.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s investment policy does not specifically address credit risk.

The pension fund investment policy limits its investments in fixed income securities and preferred shares to a rating of “investment grade” by Moody’s Investors Service and Standard & Poor’s.

Investment Type	Rating Agency	Rating
Money Market Mutual Funds	S&P/Moody’s	AAA/Aaa

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. While the City’s investment policy does not directly address custodial credit risk, all investments held by the City or by an agent of the City in the City’s name are insured or collateralized or limited to Treasury Fund Money Markets.

Concentration of Credit Risk - The City places no limit on the amount that may be invested in any one issuer.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the financial statements as follows:

Carrying value	
Deposits	\$ 103,392,373
Cash on hand	8,983
Investments	33,584,295
	<u>\$ 136,985,651</u>
Included in the following statement of net position captions	
Cash and cash equivalents	\$ 91,149,669
Restricted cash and cash equivalents – current	18,442,703
Restricted cash and cash equivalents – noncurrent	27,393,279
	<u>\$ 136,985,651</u>

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Note 3: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2018, is presented below:

Governmental Activities	Balance, December 31, 2017	Additions and Transfers, Net	Retirements and Transfers, Net	Balance, December 31, 2018
Capital assets, non-depreciable				
Land	\$ 8,903,448	\$ -	\$ -	\$ 8,903,448
Total capital assets, non-depreciable	8,903,448	-	-	8,903,448
Capital assets, depreciable				
Other improvements	81,790,636	9,024,285	-	90,814,921
Streets	170,111,313	8,986,674	-	179,097,987
Buildings	48,192,588	3,408,748	-	51,601,336
Furniture, fixtures & equipment	32,167,978	3,086,196	322,436	34,931,738
Total capital assets, depreciable	332,262,515	24,505,903	322,436	356,445,982
Less accumulated depreciation				
Other improvements	23,960,687	2,926,173	-	26,886,860
Streets	41,986,482	4,165,268	-	46,151,750
Buildings	8,955,628	1,248,447	-	10,204,075
Furniture, fixtures & equipment	20,104,402	2,578,149	322,436	22,360,115
Total accumulated depreciation	95,007,199	10,918,037	322,436	105,602,800
Total governmental activities, net	\$ 246,158,764	\$ 13,587,866	\$ -	\$ 259,746,630

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Business-type Activities	Balance, December 31, 2017	Additions and Transfers, Net	Retirements and Transfers, Net	Balance, December 31, 2018
Capital assets, non-depreciable				
Land	\$ 8,185,123	\$ 39,020	\$ -	\$ 8,224,143
Total capital assets, non-depreciable	8,185,123	39,020	-	8,224,143
Capital assets, depreciable				
Other improvements	2,164,509	80,807	-	2,245,316
Water distribution facilities	68,351,196	2,047,202	-	70,398,398
Sewer and solid waste collection and treatment facilities	78,984,966	2,509,038	-	81,494,004
Electric distribution facilities	82,421,372	5,765,745	-	88,187,117
Buildings	22,224,589	17,061	-	22,241,650
Furniture and equipment	19,682,898	823,562	57,923	20,448,537
Vehicles	3,112,733	173,321	50,621	3,235,433
Total capital assets, depreciable	276,942,263	11,416,736	108,544	288,250,455
Less accumulated depreciation				
Other improvements	270,399	67,066	-	337,465
Water distribution facilities	22,391,517	1,395,108	-	23,786,625
Sewer and solid waste collection and treatment facilities	26,833,951	1,675,958	-	28,509,909
Electric distribution facilities	21,992,327	1,997,575	-	23,989,902
Buildings	1,042,801	557,665	-	1,600,466
Furniture and equipment	8,932,227	1,192,158	40,546	10,083,839
Vehicles	2,492,432	258,015	50,621	2,699,826
Total accumulated depreciation	83,955,654	7,143,545	91,167	91,008,032
Total business-type activities, net	\$ 201,171,732	\$ 4,312,211	\$ 17,377	\$ 205,466,566

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 1,135,221
Public safety	1,667,440
Recreation	1,745,958
Street department	6,173,747
Library	<u>195,671</u>
Total depreciation expense	<u>10,918,037</u>
Business-type	
Electric	2,821,082
Water	1,742,752
Waste water	750,935
Sanitation	1,185,503
Support	<u>643,273</u>
Total depreciation expense	<u>7,143,545</u>
Total depreciation expense, primary government	<u><u>\$ 18,061,582</u></u>

Construction Projects

At December 31, 2018, the City had the following commitments with respect to unfinished capital projects.

Governmental Fund Construction Projects

	Project Authorization	Expended Through December 31, 2018	Remaining Commitment
Citizens Park Tennis Courts	\$ 1,279,844	\$ 847,175	\$ 432,669
NW 3rd Phase 3	2,426,366	1,869,348	557,018
Police Communications Center	8,207,266	1,260,236	6,947,030
West Side Taxiway	2,250,611	2,110,128	140,483
Circular Apron Phase 2	379,005	131,155	247,850
Razorback Greenway North Bentonville Trail	<u>369,719</u>	<u>-</u>	<u>369,719</u>
Total	<u><u>\$ 14,912,811</u></u>	<u><u>\$ 6,218,042</u></u>	<u><u>\$ 8,694,769</u></u>

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2018, were as follows:

Governmental Activities	Balance December 31, 2017	Increases	Decreases	Balance December 31, 2018	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 59,350,000	\$ -	\$ 9,110,000	\$ 50,240,000	\$ 6,335,000
Add unamortized premium	1,723,961	-	174,332	1,549,629	-
Less unamortized bond issue discount	643,360	-	64,381	578,979	-
Bonds payable, net	60,430,601	-	9,219,951	51,210,650	6,335,000
Compensated absences	1,539,345	151,065	159,552	1,530,858	185,204
Net pension liability	28,850,692	2,483,687	-	31,334,379	-
Other postemployment benefits - GASB 45	1,435,000	-	1,435,000	-	-
Other postemployment benefits - GASB 75	-	4,378,838	-	4,378,838	96,230
Total governmental activities long-term liabilities	<u>\$ 92,255,638</u>	<u>\$ 2,634,752</u>	<u>\$ 10,814,503</u>	<u>\$ 88,454,725</u>	<u>\$ 6,616,434</u>

Business-type Activities	Balance December 31, 2017	Increases	Decreases	Balance December 31, 2018	Amounts Due in One Year
Bonds payable					
Revenue bonds	\$ 11,186,055	\$ -	\$ 2,346,801	\$ 8,839,254	\$ 2,431,236
Less unamortized bond issue discount	18,032	-	6,467	11,565	-
Bonds payable, net	11,168,023	-	2,340,334	8,827,689	2,431,236
Compensated absences	694,944	69,520	90,307	674,157	662,820
Net pension liability	9,398,218	-	1,121,479	8,276,739	-
Other postemployment benefits - GASB 45	236,204	-	236,204	-	-
Other postemployment benefits - GASB 75	-	891,155	-	891,155	19,584
Customer deposits	778,298	236,239	-	1,014,537	-
Total business-type activities long-term liabilities	<u>\$ 22,275,687</u>	<u>\$ 1,196,914</u>	<u>\$ 3,788,324</u>	<u>\$ 19,684,277</u>	<u>\$ 3,113,640</u>

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Bonds outstanding at December 31, 2018, were as follows:

	Interest Rates	Date Callable	Final Maturity Date	Principal at December 31, 2018
General long-term obligations				
Sales and Use Tax bonds, Series 2007	4.0–5.0%	2017	2027	\$ 6,280,000
Sales and Use Tax bonds, Series 2009	4.0–5.0%	2017	2027	12,615,000
Sales and Use Tax bonds, Series 2010	2.0–4.0%	2017	2027	10,680,000
Sales and Use Tax bonds, Series 2017	2.0–5.0%	2022	2027	20,665,000
				<u>\$ 50,240,000</u>
Enterprise funds				
Revenue bonds, Series 2006A	2.50%	2016	2028	\$ 4,279,359
Revenue bonds, Series 2006B	5.75–5.95%	2013	2025	1,225,000
Revenue bonds, Series 2005	4.00%	2010	2019	1,435,000
Revenue bonds, Series 2000	2.75%	N/A	2023	1,559,483
Revenue bonds, Series 1998	2.75%	2009	2021	340,412
				<u>\$ 8,839,254</u>

Sales and Use Tax Bonds, Series 2017 – On April 25, 2017, the City issued \$24,655,000 Sales and Use Tax bonds for the purpose of financing the costs of various capital improvements, providing for a debt service reserve and paying costs incidental thereto and to the issuance of the bonds. The bonds bear interest rates ranging from 2.0% - 5.0%. During 2018, the City retired \$2,830,000 in principal of the outstanding bonds.

Sales and Use Tax Bonds, Series 2010 – On November 1, 2010, the City issued \$21,505,000 Sales and Use Tax bonds for the purpose of financing the costs of various capital improvements, providing for a debt service reserve and paying costs incidental thereto and to the issuance of the bonds. The bonds bear interest rates ranging from 2.0% - 4.0%. During 2018, the City retired \$1,435,000 in principal of the outstanding bonds.

Sales and Use Tax Bonds, Series 2009 – On October 27, 2009, the City issued \$30,000,000 Sales and Use Tax bonds for the purpose of financing the costs of various capital improvements, providing for a debt service reserve and paying costs incidental thereto and to the issuance of the bonds. The bonds bear interest rates ranging from 4.0% - 5.0%. During 2018, the City retired \$2,085,000 in principal of the outstanding bonds.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Sales and Use Tax Bonds, Series 2007 – On October 9, 2007, the City issued \$36,335,000 Sales and Use Tax bonds for the purpose of financing the costs of various capital improvements, providing for a debt service reserve and paying costs incidental thereto and to the issuance of the bonds. The bonds bear interest rates ranging from 4.0% - 5.0%. During 2018, the City retired \$2,760,000 in principal of the outstanding bonds.

Combined Electric, Water and Sewer Revenue Bonds, Series 2006A – On January 10, 2006, the City issued \$9,708,500 Combined Electric, Water and Sewer bonds for the purpose of financing a portion of the costs of the construction of improvements to the water facilities of the City's combined Electric, Water, and Sewer system (the 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 City 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 were issued in increments that corresponded to the construction activity. The bonds are subordinate to the Series 2005, Series 1999, Series 1998 and Series 1992. The bonds bear interest at 2.50% and the City is required to pay the bond servicer (ADFA) a servicing fee of 1% per annum on the outstanding principal of the bonds. During 2018, the City retired \$363,987 in principal of the outstanding 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 constructing extensions, betterments and improvements to the water facilities of the System, fund a debt service reserve, and pay costs of issuing the Bonds. 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 are subordinate to the Series 2006A, Series 2005, Series 1999, Series 1998 and Series 1992. The bonds bear an interest rate ranging from 5.75% to 5.95%. During 2018, the City retired \$140,000 in principal of the outstanding bonds.

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 constructing extensions, betterments and improvements to the electric and sewer facilities of the System, fund a debt service reserve, and pay costs of issuing the Bonds. 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 are subordinate to the Series 1999 bonds. The bonds bear an interest rate ranging from 2.4% to 4%. During 2018, the City retired \$1,380,000 in principal of the outstanding bonds.

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 entered into an agreement with ADFA whereby ADFA agreed to purchase up to the par amount of the bonds. The bonds were issued in increments that corresponded 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 servicer (ADFA) a servicing fee of 1% per annum on the outstanding principal of the bonds. During 2018, the City retired \$325,682 in principal of the outstanding bonds.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

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 entered into an agreement with ADFA whereby ADFA agreed to purchase up to the par amount of the bonds. The bonds were issued in increments that corresponded 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 servicer (ADFA) a servicing fee of 1% per annum on the outstanding principal of the bonds. During 2018, the City retired \$137,132 in principal of the outstanding bonds.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on revenue bonds outstanding at December 31, 2018.

Fiscal Year	Principal	Interest	Fees
2019	\$ 8,766,236	\$ 3,125,839	\$ 61,090
2020	7,641,555	2,770,898	52,501
2021	7,882,789	2,437,367	43,607
2022	7,482,371	2,092,410	36,488
2023	6,307,960	1,750,744	27,615
2024-2027	20,998,343	3,831,467	66,048
	<u>\$ 59,079,254</u>	<u>\$ 16,008,725</u>	<u>\$ 287,349</u>

For governmental activities, net pension obligations and other postemployment obligations have historically been the responsibility of the General Fund.

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

The following is a summary of pledged revenues of the City for the year ended December 31, 2018:

Debt	Revenue Pledged	Total Pledged Revenue	Portion of Pledged Revenue Stream	Percentage Portion of Pledged Revenue Stream	Remaining Principal, Interest and Fees	Period Revenue Will Not Be Available for Other Purposes
Governmental Activities:						
Sales and Use Tax Bonds, Series 2017	Sales and Use Tax	\$ 35,758,719	\$ 1,287,314	3.6%	\$ 24,251,644	Until 2027
Sales and Use Tax Bonds, Series 2010	Sales and Use Tax	35,758,719	2,038,247	5.7%	13,893,855	Until 2027
Sales and Use Tax Bonds, Series 2009	Sales and Use Tax	35,758,719	3,003,732	8.4%	16,560,491	Until 2027
Sales and Use Tax Bonds, Series 2007	Sales and Use Tax	35,758,719	3,718,907	10.4%	10,507,156	Until 2025
Business-Type Activities:						
Combined Electric, Water and Sewer Revenue Bonds, Series 2006A	Revenues of the Enterprise Fund	101,022,911	601,775	0.6%	5,057,814	Until 2028
Combined Electric, Water and Sewer Revenue Bonds, Series 2006B	Revenues of the Enterprise Fund	101,022,911	200,592	0.2%	1,296,883	Until 2025
Combined Electric, Water and Sewer Revenue Bonds, Series 2005	Revenues of the Enterprise Fund	101,022,911	1,504,437	1.5%	1,492,400	Until 2019
Combined Electric, Water and Sewer Revenue Bonds, Series 2000	Revenues of the Enterprise Fund	101,022,911	401,183	0.4%	1,718,121	Until 2023
Combined Electric, Water and Sewer Revenue Bonds, Series 1998	Revenues of the Enterprise Fund	101,022,911	200,592	0.2%	361,124	Until 2021

Note 5: Interfund Receivables and Payables

Interfund receivables and payables as of December 31, 2018, are as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 1,129,761	\$ 17,396
Street fund	9,350	-
Non-major governmental funds	-	1,129,753
Enterprise fund	8,038	-
	<u>\$ 1,147,149</u>	<u>\$ 1,147,149</u>

The outstanding balances between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Note 6: Interfund Transfers

Amount of interfund transfers between funds are summarized as follows:

	Transfers In	Transfers Out
General fund	\$ 1,186,184	\$ -
Non-major governmental funds	-	1,307,534
Enterprise fund	121,350	-
Total	\$ 1,307,534	\$ 1,307,534

Transfers are used to move revenues from the fund where collected to the appropriate fund.

Note 7: Pension Plans

The City of Bentonville, Arkansas participates in three defined benefit pension plans; which are comprised of one agent multiple employer defined benefit pension plan and two cost-sharing multiple-employer defined benefit pension plans, each of which are described and illustrated in detail below. Aggregate amounts for the three pension plans are as follows:

	FRPF	LOPFI	APERS	Total
Net pension asset	\$ 1,882,954	\$ -	\$ -	\$ 1,882,954
Net pension liability	-	19,271,356	20,339,762	39,611,118
Deferred outflows of resources	-	6,416,486	3,973,577	10,390,063
Deferred outflows of resources - contributions	-	2,135,877	1,346,648	3,482,525
Deferred inflows of resources	5,339	551,304	1,990,119	2,546,762
Pension expense	192,697	4,293,076	3,911,862	8,397,635

Pension items listed above for the Arkansas Public Employees Retirement System (APERS) Plan have been allocated between governmental activities and business-type activities (as well as proprietary funds) on the basis of total contributions made during the year. Deferred outflows/inflows have been booked for each fund based on the change in proportion allocated from the prior year, which increased by 1% for governmental activities and decreased by 1% for business activities.

The City also participates in the Bentonville Volunteer Fire Plan, an agent multiple-employer defined benefit plan. Pension items and disclosures have not been included herein because of the insignificance of their dollar amounts.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Firemen's Relief and Pension Fund ("FRPF") (the Old Plan)

Plan Description. The Firemen's Relief and Pension Fund ("FRPF") is an agent multiple-employer defined benefit pension plan for employees of the Fire Department who were hired prior to January 1, 1983. The Old Plans were established in accordance with Arkansas statutes and were closed, by state law, to new employees effective January 1, 1983. On June 25, 2013, the City entered into an agreement with the Arkansas local police and fire (LOPFI) retirement system whereby LOPFI assumed responsibility for administration and a portion of the obligation of the Old Plans pursuant to Act 364 of 1981, as amended, and Act 655 of 1983 of the General Assembly of the State of Arkansas. Per the Agreement between the City and LOPFI, the City will contribute an actuarially determined rate sufficient to support the current plan benefit levels and fund the Old Plan's net pension obligation over a 30 year open amortization period. The Old Plan's benefit structure remains unchanged under the administration of LOPFI. The assets of the Old Plan are included in the pooled assets of the LOPFI System and a financial report that includes disclosures about the elements of the basic financial statements is available on LOPFI's website at www.lopfi-prb.com.

Benefits. The FRPF provides retirement benefits for firemen who have completed 20 years of service regardless of age. The benefit is equal to 50% of the member's final salary, but not less than \$11,040. If service exceeds 20 years, the annual benefit is increased by \$240 for each year over 20, not to exceed \$1,200 per year and if service exceeds 25 years, the member will receive an additional 1.25% for each year over 25 years, however, the total benefit cannot exceed 100% of the member's final salary. Disability benefits are available to policemen who become permanently disabled, unless the disability is the direct result of gainful employment performed outside of the police department. This benefit is the same as noted above, but for non-duty disability cannot be less than \$11,040 per year and for duty-related disability cannot be less than 65% of the member's final salary. The PRPF also provides benefits for surviving spouses and dependent children in which widow's receive the same amount the member is receiving or would be eligible to receive and children receive \$1,500 per year until age 18 (23, if still in school). No participants' benefits vest until normal retirement age. At normal retirement, participants may elect to continue working and enter the Deferred Retirement Option Plan for up to 5 years. All firemen hired after January 1, 1983, participate in the Arkansas Local Police and Fire Retirement System created by Act 364 of 1981 and described later in this footnote. Therefore, the Firemen's Fund is effectively closed to new members.

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	10
DROP members	0
Active members	0
Total	<u>10</u>

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Contributions. As the plan is closed to new members and there are no active members included in the plan, there are no contributions made by members to the plan. The contribution rate for the City is actuarially determined on an annual basis. However, due to the well-funded status of the plan, there has been no contribution requirement for the City in recent years. The Plan does, however, normally receive a state insurance turn back on an annual basis. However, no state insurance turn back was received during the year ended December 31, 2017.

Net Pension Asset. The City's net pension asset of \$1,882,954 as of December 31, 2018 was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial calculation as of December 31, 2017.

Actuarial Assumptions

Valuation Date	December 31, 2017
Cost Method	Individual entry-age normal
Asset valuation method	5-Year smoothed market
Amortization method	Close amortization period
Amortization period	13 years beginning January 1, 2017

Assumptions:

Inflation rate	2.75%
Investment rate of return	7.00%
Projected salary increases	3.75%

Mortality rates for retirees, beneficiaries, and DROP members were based on the gender-distinct RP2000 Combined Mortality Table, projected to 2018 and set forward two years for males. For disabled members, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. The experience study in FRPF was for the period January 1, 2008 through December 31, 2011, first used in the December 31, 2012 valuation. Assumptions are reviewed annually. No additional changes were made for the 2017 valuation.

Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments is 7.00%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the LOPFI Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of the plan.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

The long-term expected rate of return on pension plan investment was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation are developed for each major asset class). These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Long-term Expected Real Rate of Return		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Fixed Income	27%	0.78%
Domestic Equity	42%	5.58%
Foreign Equity	18%	7.38%
Alternative Investments	10%	6.23%
Cash	3%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of retired and DROP members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Changes in the Net Pension Asset

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at January 1, 2018	\$ 5,754,080	\$ 7,373,420	\$ (1,619,340)
Changes for the year:			
Interest	429,845	-	429,845
Differences between expected and actual experience	(192,297)	-	(192,297)
Contributions - employer	-	(62,065)	62,065
Contributions - employee	-	-	-
Net investment income	-	993,670	(993,670)
Benefit payments, including refunds of employee contributions	(415,392)	(415,392)	-
Change in Assumptions	417,704	-	417,704
Administrative expense	-	(12,739)	12,739
Net changes	239,860	503,474	(263,614)
Balances at December 31, 2018	\$ 5,993,940	\$ 7,876,894	\$ (1,882,954)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following table presents the City's net pension asset for the FRPF using the current rate as compared to what the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage higher than the current rate:

	Sensitivity of the Net Pension Asset to the Single Discount Rate Assumption		
	1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
City's Net Pension Asset	\$ (1,168,819)	\$ (1,882,954)	\$ (2,476,924)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LOPFI financial report.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources

For the year ended December 31, 2018, the City recognized pension expense of \$192,697 related to this plan.

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

At December 31, 2018, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 5,339</u>

Amounts reported as deferred outflows of resources related to the Plan will be recognized in pension expense as follows:

Year Ending December 31	
2019	\$ 77,153
2020	66,610
2021	(60,857)
2022	<u>(88,245)</u>
Total	<u>\$ (5,339)</u>

Local Police and Fire Retirement System ("LOPFI")

Plan Description. The Arkansas Local Police and Fire Retirement System ("LOPFI") is a statewide cost-sharing multiple-employer defined benefit pension plan administered by the LOPFI Board of Trustees. LOPFI provides retirement, disability and survivor benefits to police and fire employees of political subdivisions of the State of Arkansas. LOPFI was created by Act 364 of the 1981 General Assembly. Employees hired after January 1, 1983, whose political subdivision had a retirement system in effect at July 1, 1981, are eligible to participate in the plan. On January 1, 2008, only firemen of the City participated in the plan. Effective July 1, 2008, policemen of the City began participating in the plan. LOPFI issues a publicly available report, which may be obtained by writing to LOPFI, P. O. Drawer 34164, Little Rock, Arkansas, 72203, or by calling 501.682.1745.

Benefits provided. LOPFI provides for a retirement benefit paid to the member on a monthly basis. The monthly benefit is based on a formula provided by law for the Member's lifetime. The Member has several options in calculating the benefit, which is normally the result of these factors: age at retirement, retirement multiplier, amount of credit services (years and months), and final average pay (FAP). Each option available to the member provides for a different calculation based on these factors.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Contributions. Contributions to LOPFI are made by both the members and employers. Member contribution rates are established by the LOPFI Board of Trustees. The employer contributions are actuarially determined on an annual basis. The current employee contribution rate is 2.5 percent of covered payroll for policemen and 8.5 percent of covered payroll for firemen. The City contributed 21.88% of covered employee's salaries to the plan for policemen and 23.50% of covered employees' salaries to the plan for firemen for the year ended December 31, 2018. Contributions made to the plan by employees and the City for the year ended December 31, 2018 amounted to \$538,282 and \$2,135,877, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the City reported a liability of \$19,271,356 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the ratio of the City's actual contributions to the Plan during the measurement period to the total employer contributions to the Plan of the group for the measurement period. At December 31, 2017, the City's proportion was 2.712 percent, which was an increase of .06938 percent from the prior year.

For the year ended December 31, 2018, the City recognized pension expense of \$4,293,076 related to this plan. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 964,802	\$ 1,670
Net difference between projected and actual earnings on pension plan investments	-	450,018
Changes in assumption	4,926,902	-
Changes in proportion	524,782	99,616
Contributions subsequent to the measurement date	2,135,877	-
Total	\$ 8,552,363	\$ 551,304

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,745,945 will be recognized as a reduction of the net pension liability for the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>		
2019	\$	2,318,694
2020		2,222,224
2021		1,239,755
2022		<u>84,509</u>
Total	\$	<u>5,865,182</u>

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Price inflation	2.75 percent
Wage inflation	3.75 percent
Salary increases	4.25 to 18.75 percent, including inflation
Investment rate of return	7.75 percent, as adopted by the Board

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on scale AA.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2008 to December 31, 2011. As a result of the 2011 actuarial experience study, the expectation of life after disability was adjusted in the December 31, 2017 actuarial evaluation to more closely reflect actual experience.

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return. The rates were built on a target allocation for all pension funds; the target for an individual fund will vary within the guidelines of Arkansas law and regulation. The long-term expected rates of return are shown in the table below:

Long-term Expected Real Rate of Return		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Fixed Income	27%	0.78%
Domestic Equity	42%	5.58%
Foreign Equity	18%	7.38%
Alternative Investments	10%	6.23%
Cash	3%	0.00%
Total	100%	

Discount Rate

In the December 31, 2017 actuarial valuation, a single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption		
	1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
City's proportionate share of the net pension liability	\$ 3,233,608	\$ 19,271,356	\$ 10,340,043

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LOPFI financial report.

Arkansas Public Employees Retirement System ("APERS")

Plan Description. For certain other employees, the City contributes to the Arkansas Public Employees Retirement System ("APERS"), a cost-sharing multiple-employer defined benefit plan administered by the APERS Board of Trustees. APERS provides retirement, death and disability benefits and annual cost-of-living adjustments to plan members. APERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to APERS, One Union National Plaza, Little Rock, AR 72201 or by calling 501.682.7800.

Act 2084 of the 2005 Arkansas General Assembly provides for a new contributory program for APERS members hired on or after July 1, 2005 and those non-contributory members who elect to become contributory. Members participating in the contributory program will contribute 5% of their annual compensation, pre-tax (taxes are deferred). All active APERS members employed before July 1, 2005, had six months to elect coverage under the contributory program. The deadline to elect to be contributory was December 31, 2005. The contributory program does not provide for a temporary annuity for participants. However, the contributory program does provide for a higher multiplier (2.0%) that is utilized to calculate the member's retirement benefit.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Benefits provided. Benefits under APERS are calculated depending on the member's hire date, with retirees separated into two separate categories; the non-contributory plan applies to all persons hired prior to July 1, 2005, while the new contributory plan applies to all employees hired on or after July 1, 2005. Under both plans, a member may retire with full benefits at either the age of 65 with five years of service, or at any age with 28 years of service. The member may retire with reduced benefits at either the age of 55 with five years of service or at any age with 25 years of service. The reduction is equal to one-half of one percent for each month retirement precedes normal retirement age or one-percent for each month below 28 years of actual service, whichever is less. Under the non-contributory plan, the benefit calculation is equal to a factor of 1.72% of the member's final average salary multiplied by the years and months of credited service. Under the new contributory plan, the benefit calculation is equal to a factor of 2.00% of the member's final average salary multiplied by the years of credited service. Under each plan, an additional .5% of the member's final average salary is awarded for each year of credited service exceeding 28 years. The minimum monthly benefit is \$150, excluding any age and beneficiary option reductions.

Under both the non-contributory and contributory plan, the member's final average salary is the highest 36 calendar months of covered compensation. In addition, a cost-of-living adjustment of 3% annually is included in the current benefits.

Contributions. Contributions to APERS are made by both the members (under the contributory plan) and employers. Member contribution rates are established by the APERS Board of Trustees. The employer contributions are actuarially determined on an annual basis. The current employee contribution rate is 5 percent of covered payroll for each employee under the new contributory plan. The City contributed 14.75% of covered employee's salaries to the plan for the period January 1, 2018 to June 30, 2018 and 15.32% of covered employee's salaries from July 1, 2018 to December 31, 2018. Contributions made to the plan by employees and the City for the year ended December 31, 2018 amounted to \$605,392 and \$2,468,059, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the City reported a liability of \$20,339,762 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the ratio of the City's actual contributions to the Plan during the measurement period to the total employer contributions to the Plan of the group for the measurement period. At June 30, 2018, the City's proportion was .92204720%, which is an increase of .02534959% from the prior year.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

For the year ended December 31, 2018, the City recognized pension expense of \$3,911,862. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 323,472	\$ 213,518
Change of assumptions	2,314,243	1,257,855
Changes in proportion and differences between City contributions and share of		
Changes in proportion	1,335,862	4,056
Net difference between projected and actual earnings on pension plan investments	-	514,690
Contributions subsequent to the measurement date	1,346,648	-
Total	<u>\$ 5,320,225</u>	<u>\$ 1,990,119</u>

The amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,346,648 will be recognized as a reduction of the net pension liability for the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

Year Ending December 31,	
2019	\$ 2,073,544
2020	1,095,703
2021	(810,593)
2022	(375,196)
Total	<u>\$ 1,983,458</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 percent to 9.85 percent, including inflation
Investment rate of return	7.15 percent, net of pension plan investment expense, including inflation

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on scale BB.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012. As a result of the 2012 actuarial experience study, the expectation of life after disability was adjusted in the June 30, 2018 actuarial evaluation to more closely reflect actual experience.

Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected price inflation. The long-term expected rates of return are shown in the table below:

Long-term Expected Real Rate of Return		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37.00%	5.97%
International Equity	24.00%	6.07%
Real Estate Related Assets	16.00%	4.59%
Absolute Return	5.00%	3.15%
Domestic Fund	18.00%	0.83%
Total	100.00%	

Discount Rate

In the June 30, 2018 actuarial valuation, a single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows, based on the assumptions made, found that the pension plan's net position was available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption		
	1% Decrease 6.15%	Current Single Rate Assumption 7.15%	1% Increase 8.15%
City's proportionate share of the net pension liability	\$ 33,254,487	\$ 20,339,762	\$ 9,686,140

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued APERS financial report.

Note 8: Other Postemployment Benefits (OPEB)

Plan Description: The City sponsors and administers an informal single-employer defined benefit healthcare plan. Retirees who are vested in their retirement plan and are eligible to receive a retirement benefit (and actually apply for and receive the retirement benefit) are entitled to purchase continued health benefits coverage for the retiree and the retiree's dependents until Medicare eligibility. The City Council has the authority to establish and amend the requirements of this plan. The City does not issue stand-alone financial statements of the healthcare plan but all required information is presented in this report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75.

Funding Policy: The contribution requirements of plan members are established by City ordinance and may be amended as needed. Retiree coverage is the same as the coverage provided to active City employees. Retirees pay premiums ranging from \$340.86 per month to \$1,162.02 per month depending on the coverage elected. The City's policy maintains that retirees must pay 100% of the cost of premiums. The cost of retiree healthcare benefits is financed on a pay-as-you-go basis and is recorded as an expense in the applicable fund as liabilities are incurred. There were 24 retirees covered under this plan at December 31, 2018. Dependent coverage was provided for five of the retirees. Total benefits paid by the City for retirees during the fiscal year were \$122,045. Retirees contributed \$178,131 of the total current year cost.

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

Employees covered by benefit terms – at December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments
Inactive plan members entitled to but not receiving benefit payments
Active members
Total

Total OPEB Liability – The City's total OPEB liability of \$5,269,993 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions: The Total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.11 Percent based on the 20 year municipal bond yield from the Bond buyer's index. Prior discount rate was 3.44%
Salary increases	3.25 percent
Inflation Rate	2.50 percent
Healthcare Cost Trend Rates	8.0% for 2019 decreasing annual, to ultimate rate of 4.5% for 2026
Cost Method	Allocation of Actuarial Present Value of Future Benefits for Services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary were: Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefits at retirement; and Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
Mortality	RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 (RPH-2018 table is created based on RPH Total Dataset Mortality Table with 8 years of MP-2014 mortality improvements backed out, projected to 2018 using MP-2018 improvement.)

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Changes in Total OPEB Liability

Service Cost	\$	340,441
Interest		185,817
Changes in assumptions		(401,643)
Differences between expected and actual experience		145,729
Benefit payments		<u>(122,045)</u>
Net change in total OPEB liability		148,299
Total OPEB Liability - beginning of year		<u>5,121,694</u>
Total OPEB Liability - end of year	\$	<u>5,269,993</u>

Sensitivity of the Total OPEB Liability to the Discount Rate – The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it was calculated using a discount rate that is 1-percentage-point lower (3.11 percent) or 1-percentage-point higher (5.11 percent) than the current discount rate:

	<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u>		
	<u>1% Decrease 3.11%</u>	<u>Discount Rate 4.11%</u>	<u>1% Increase 5.11%</u>
Other Postemployment Benefits Liability	<u>\$ 5,850,597</u>	<u>\$ 5,269,993</u>	<u>\$ 4,756,396</u>

Sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rates – The following represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it was calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Other Postemployment Benefits Liability	<u>\$ 4,630,598</u>	<u>\$ 5,269,993</u>	<u>\$ 6,030,714</u>

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

OPEB Expense and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2018, the City recognized OPEB expense of \$500,666. At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,157	\$ -
Changes in assumptions	-	361,479
Total	<u>\$ 131,157</u>	<u>\$ 361,479</u>

The balances as of December 31, 2018 of the deferred outflows/inflows of resources will be recognized in OPEB expense in the future fiscal years as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost
2019	\$ (25,591)
2020	(25,591)
2021	(25,591)
2022	(25,591)
2023	(25,591)
Thereafter	<u>(102,367)</u>
Total	<u>\$ (230,322)</u>

Required Supplementary Information – Required supplementary information for the schedule of changes in City's total OPEB liability and related ratios is presented immediately following the Notes to the Financial Statements.

Note 9: Risk Management

The City has various insurance policies to cover its potential liability risk areas (e.g., automobile, personal property, contents and outside structures and worker's compensation). Coverage is provided both commercially and through the Arkansas Municipal League (AML), which is an association of local governments. AML provides the City with automobile and legal defense coverage. Fixed premiums are set annually by AML based on such factors as claims experience, employee class multipliers and population. For risks covered by AML, the City pays no deductible; however, the City pays a \$2,000 fee to AML for each legal matter it handles. There have been no significant reductions in coverage from 2017 to 2018; nor have settlement amounts exceeded insurance coverage for the current year or the three prior years.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Note 10: Contingencies

The City, its agencies and its employees are defendants in various legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the City for property damage and personal injury, other alleged torts and alleged violations of state and federal laws. Based on the current status of all of these legal proceedings, it is the opinion of the City Attorney and management that the ultimate outcome will not have a material adverse impact on the City's financial position.

The Northwest Arkansas Conservation Authority (NACA) completed construction of the Little Osage Gravity Sewer line from the NACA regional wastewater treatment facility to the City of Bentonville (City) in 2010. The City incurs all costs associated with operations and maintenance of the line and associated debt payments.

In January 2019, NACA was notified by a third party engineering firm of significant damage to the Little Osage Gravity Sewer line that serves the City. Significant repairs will need to be made to the existing lines or total replacement will need to be made in order for NACA to continue to serve the City. It is not certain the cost to repair the lines or who the responsible parties will be for the expense. However, the costs could be significant to the City and its ratepayers. NACA will pass any cost incurred by them for which no other source of funding can be obtained on to the City through the billing process.

Note 11: Change of Accounting Principles

The GASB has issued the following statements, which became effective for fiscal year 2018:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75):

GASB No. 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB No. 75 requires governments to report a liability on the face of the financial statements, in accordance with the following:

- Employers that are responsible only for OPEB liabilities for their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability (the difference between the total OPEB liability and the assets accumulated in trust to make the benefit payments)
- Employers that participate in a cost-sharing OPEB plan that is administered through a trust that meets specified criteria will report a liability equal to the employer's proportionate share for the collective OPEB liability for all employers participating in the plan
- Employers that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability for their own employees

City of Bentonville, Arkansas
Notes to Financial Statements
December 31, 2018

GASB 75 requires more extensive note disclosures and required supplementary information (RSI) about the OPEB liabilities.

Adoption of GASB No. 75 resulted in the following adjustments to beginning net position at January 1, 2018:

	Governmental Activities	Business Type Activities	Total
Net Position at January 1, 2018 as previously reported	\$ 268,841,989	\$ 218,949,470	\$ 487,791,459
Elimination of OPEB obligation at January 1, 2018 as previously reported	1,435,000	236,204	1,671,204
Recording of total OPEB liability at January 1, 2018	<u>(4,255,616)</u>	<u>(866,078)</u>	<u>(5,121,694)</u>
Adjustment to beginning net position for GASB Statement No. 75 implementation	<u>(2,820,616)</u>	<u>(629,874)</u>	<u>(3,450,490)</u>
Net Position at January 1, 2018, as restated	<u>\$ 266,021,373</u>	<u>\$ 218,319,596</u>	<u>\$ 484,340,969</u>

GASB Statement No. 85 – Omnibus 2017 (GASB 85):

GASB 85 addresses practice issues that have been identified during implementation and application of certain GASB standards and addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and postemployment benefits. This statement is effective for periods beginning after June 15, 2017, with earlier application encouraged. The implementation of this standard has no impact on the financial statements of the City.

GASB Statement No. 86 – Certain Debt Extinguishment Issues (GASB 86):

GASB 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement is effective for periods beginning after June 15, 2017, with earlier application encouraged. The implementation of this standard has no impact on the financial statements of the City.

Change in Reporting Entity

In the past, the Bentonville Library Foundation (the Foundation) was reported as a discretely presented component unit of the City. However, over time, the Foundation's mission has evolved to no longer primarily support the Bentonville Public Library. Due to this change in mission, the Foundation is no longer considered to be a component unit of the City. Net position of the Foundation was \$8,825,461 as of December 31, 2017.

City of Bentonville, Arkansas

Notes to Financial Statements

December 31, 2018

Note 12: Subsequent Events

Subsequent events have been evaluated through June 19, 2019, which is the date the financial statements were issued.

Subsequent to year-end, the City sold City Hall but will continue to operate in the building until the new City Hall is built.

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Required Supplementary Information

City of Bentonville, Arkansas
Budgetary Comparison Schedule –
General Fund
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 5,457,480	\$ 5,457,480	\$ 6,313,722	\$ 856,242
Sales tax	20,269,565	20,269,565	24,698,026	4,428,461
State turnback	1,208,840	1,208,840	1,360,535	151,695
Franchise fees	5,527,980	5,527,980	5,653,246	125,266
Charges for services	5,202,230	5,202,230	6,045,452	843,222
Fines and forfeitures	512,045	512,045	495,928	(16,117)
Licenses and permits	1,090,040	1,090,040	1,749,612	659,572
Grants	408,438	912,250	2,795,366	1,883,116
Contributions	19,500	22,000	141,614	119,614
Interest	-	-	235,163	235,163
Miscellaneous	3,655,685	3,655,685	786,257	(2,869,428)
Total revenues	43,351,803	43,858,115	50,274,921	6,416,806
Expenditures				
Current				
General government	7,619,565	7,992,206	6,833,349	1,158,857
Public safety	20,189,063	20,454,525	20,392,788	61,737
Recreation	8,405,708	8,392,744	8,507,693	(114,949)
Library	1,691,472	1,700,670	1,449,844	250,826
CDBG	-	-	184	(184)
Capital outlay	6,636,862	25,056,535	8,455,660	16,600,875
Total expenditures	44,542,670	63,596,680	45,639,518	17,957,162
Excess (Deficiency) of Revenues Over Expenditures	(1,190,867)	(19,738,565)	4,635,403	24,373,968
Other Financing Sources				
Sale of capital assets	-	-	20,003	20,003
Transfers in	1,748,500	1,748,500	1,186,184	(562,316)
Total other financing sources	1,748,500	1,748,500	1,206,187	(542,313)
Net Change in Fund Balances	557,633	(17,990,065)	5,841,590	23,831,655
Fund Balances, Beginning of Year	48,648,676	48,648,676	48,648,676	-
Fund Balances, End of Year	\$ 49,206,309	\$ 30,658,611	\$ 54,490,266	\$ 23,831,655

City of Bentonville, Arkansas
Budgetary Comparison Schedule –
Street Fund
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 1,697,255	\$ 1,697,255	\$ 1,963,681	\$ 266,426
State turnback	2,369,610	2,369,610	2,483,209	113,599
Charges for services	27,000	27,000	53,562	26,562
Licenses and permits	-	-	2,645	2,645
Grants	-	1,112,000	1,419,285	307,285
Contributions	-	-	985,298	985,298
Interest	-	-	22,488	22,488
Miscellaneous	-	-	30,027	30,027
Total revenues	<u>4,093,865</u>	<u>5,205,865</u>	<u>6,960,195</u>	<u>1,754,330</u>
Expenditures				
Current:				
Street department	3,450,265	3,562,536	2,665,820	896,716
Capital outlay	<u>643,600</u>	<u>6,869,305</u>	<u>5,763,032</u>	<u>1,106,273</u>
Total expenditures	<u>4,093,865</u>	<u>10,431,841</u>	<u>8,428,852</u>	<u>2,002,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(5,225,976)</u>	<u>(1,468,657)</u>	<u>3,757,319</u>
Other Financing Sources				
Sale of capital assets	-	-	19,537	19,537
Total other financing sources	<u>-</u>	<u>-</u>	<u>19,537</u>	<u>19,537</u>
Net Change in Fund Balances	<u>-</u>	<u>(5,225,976)</u>	<u>(1,449,120)</u>	<u>3,776,856</u>
Fund Balances, Beginning of Year	<u>4,837,341</u>	<u>4,837,341</u>	<u>4,837,341</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,837,341</u>	<u>\$ (388,635)</u>	<u>\$ 3,388,221</u>	<u>\$ 3,776,856</u>

City of Bentonville, Arkansas
Retiree Healthcare Plan
Schedule of the City's Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability	<u>2018</u>
Service cost	\$ 340,441
Interest	185,817
Differences between expected and actual experience	145,729
Changes of assumptions or other inputs	(401,643)
Benefit payments	<u>(122,045)</u>
Net change in total OPEB liability	148,299
Total OPEB liability - beginning	<u>5,121,694</u>
Total OPEB liability - ending	<u><u>\$ 5,269,993</u></u>
Covered-employee payroll	\$ 24,500,575
Total OPEB liability as a percentage of covered-employee payroll	21.5%

Notes to Schedule:

No assets accumulated in a trust that meets the criteria of paragraph 4 of GASB No. 75.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 75, the City will only present available information.

City of Bentonville, Arkansas
Agent Multiple-Employer Plan
Schedule of Changes in the City's Net Pension Asset and Related Ratios - FRFP

Fiscal Year Ended December 31,	2018	2017	2016	2015
Total Pension Liability				
Interest	\$ 429,845	\$ 437,660	\$ 466,923	\$ 398,688
Difference between actual and expected experience	(192,297)	219,904	(60,276)	804,333
Assumption Changes	417,704	-	132,682	-
Benefit payments	(415,392)	(1,101,418)	(355,876)	(344,268)
Net Change in Total Pension Liability	239,860	(443,854)	183,453	858,753
Total Pension Liability - Beginning	5,754,080	6,197,934	6,014,481	5,155,728
Total Pension Liability - Ending (a)	<u>\$ 5,993,940</u>	<u>\$ 5,754,080</u>	<u>\$ 6,197,934</u>	<u>\$ 6,014,481</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ (62,065)	\$ 21,017	\$ 16,427	\$ 15,135
Contributions - Employee	-	37,908	-	-
Net investment income	993,670	441,257	14,939	581,099
Benefit payments	(415,392)	(1,101,418)	(355,876)	(344,268)
Administrative Expense	(12,739)	(14,488)	(18,669)	(13,808)
Net Change in Plan Fiduciary Net Position	503,474	(615,724)	(343,179)	238,158
Plan Fiduciary Net Position - Beginning	7,373,420	7,989,144	8,332,323	8,094,165
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,876,894</u>	<u>\$ 7,373,420</u>	<u>\$ 7,989,144</u>	<u>\$ 8,332,323</u>
City's Net Pension Asset (a) - (b)	<u>\$ (1,882,954)</u>	<u>\$ (1,619,340)</u>	<u>\$ (1,791,210)</u>	<u>\$ (2,317,842)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	131.41%	128.14%	128.90%	138.54%
Covered Payroll	\$ -	\$ -	\$ -	\$ -
City's Net Pension Asset as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

Note: Information in this schedule has been determined as of the measurement date (December 31 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

City of Bentonville, Arkansas
Agent Multiple-Employer Plan
Schedule of Contributions - FRPF

FY Ended December 31,	Actuarially Determined Contribution (ADC)	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ -	\$ -	\$ -	\$ -	N/A
2016	-	-	-	-	N/A
2017	-	-	-	-	N/A
2018	-	-	-	-	N/A

Key Assumptions for ADC:

Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization	11 Years beginning January 1, 2019
Asset Valuation	5 Year Smoothed Market, 20% Soft Corridor
Inflation	2.75%
Salary Increases	N/A
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility benefits. Last updated for the 2012 pursuant to an experience study of the period 2008 - 2011.
Mortality	RP2000 Combined Mortality Table, projected to 2017 and set forward two years for men. For disabled lives, the mortality rates are applicable to non-disabled lives set forward 10 years.

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

City of Bentonville, Arkansas
Cost-Sharing Plan
Schedule of the City's Proportionate Share of the Net Pension Liability - LOPFI

City Fiscal year ended December 31,	2018	2017	2016	2015
City's proportion of the net pension liability	2.712000%	2.642620%	2.540256%	2.492571%
City's proportionate share of the net pension liability	\$ 19,271,356	\$ 15,076,984	\$ 13,330,612	\$ 9,023,336
City's covered payroll	\$ 9,330,536	\$ 8,004,748	\$ 7,951,238	\$ 6,953,609
City's proportionate share of the net pension liability as a percentage of its covered payroll	206.54%	188.35%	167.65%	129.76%
Plan fiduciary net position as a percentage of the total pension liability	71.48%	72.87%	72.92%	79.14%

Note: Information in this schedule has been determined as of the measurement date (December 31 of the year prior to the most recent fiscal year-end) of the City's net pension liability.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

City of Bentonville, Arkansas
Cost-Sharing Plan
Schedule of City Contributions - LOPFI

City Fiscal year ended December 31,	2018	2017	2016	2015
Contractually required contribution	\$ 2,135,877	\$ 1,940,202	\$ 1,684,557	\$ 1,639,457
Contributions in relation to the contractually required contribution	<u>(2,135,877)</u>	<u>(1,940,202)</u>	<u>(1,684,557)</u>	<u>(1,639,457)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,330,536	\$ 8,798,931	\$ 8,004,748	\$ 7,951,239
Contributions as a percentage of covered payroll	22.89%	22.05%	21.04%	20.62%

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

City of Bentonville, Arkansas
Cost-Sharing Plan
Schedule of the City's Proportionate Share of the Net Pension Liability - APERS

City Fiscal year ended December 31,	2018	2017	2016	2015
City's proportion of the net pension liability	0.92204720%	0.89669761%	0.82968373%	0.80078759%
City's proportionate share of the net pension liability	\$ 20,339,762	\$ 23,171,926	\$ 19,840,626	\$ 14,748,372
City's covered payroll	\$ 17,534,429	\$ 16,818,306	\$ 14,261,744	\$ 14,277,688
City's proportionate share of the net pension liability as a percentage of its covered payroll	116.00%	137.78%	139.12%	103.30%
Plan fiduciary net position as a percentage of the total pension liability	79.59%	75.65%	75.50%	80.39%

Note: Information in this schedule has been determined as of the measurement date (June 30 of the year of the most recent fiscal year-end) of the City's net pension liability.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

City of Bentonville, Arkansas
Cost-Sharing Plan
Schedule of City Contributions - APERS

City Fiscal year ended December 31,	2018	2017	2016	2015
Contractually required contribution	\$ 2,636,432	\$ 2,444,877	\$ 2,260,596	\$ 2,224,163
Contributions in relation to the contractually required contribution	<u>(2,636,432)</u>	<u>(2,444,877)</u>	<u>(2,260,596)</u>	<u>(2,224,163)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 17,534,429	\$ 16,714,991	\$ 15,590,294	\$ 15,208,940
Contributions as a percentage of covered payroll	15.04%	14.63%	14.50%	14.62%

Note: Information in this schedule has been determined as of the City's most recent fiscal year-end.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled under the provisions of GASB 68, the City will only present available information.

City of Bentonville, Arkansas
Notes to Required Supplementary Information
December 31, 2018

Budgets and Budgetary Accounting

The City Council (the "Council") adheres to the following procedures in establishing the budgets reflected in the accompanying general purpose financial statements:

1. Prior to December 1, the Mayor and Finance Director submit to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to February 1, the budget is legally enacted through approval by the Council.
4. Budget for the general and street funds are adopted on a basis consistent, in all material respects, with accounting principles generally accepted in the United States of America ("GAAP").

Budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year. Budgetary control is maintained at the department level. Budgeted amounts, other than ongoing capital projects not spent by year end, lapse. Expenditures greater than budgeted amounts must be approved by the Council by voting to amend the budget.

Pensions

FRPF

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry-Age Normal
Amortization Method	Closed Amortization Period based on projected future payroll
Remaining Amortization Period	13 years beginning January 1, 2017
Asset Valuation Method	5-Year smoothed market, 20% corridor (for funding purposes)
Price Inflation	2.75%
Salary Increases	3.75%, which is the portion of the individual pay increase assumptions attributable to wage inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2008-2011.
Mortality	RP-2000 Combined Mortality table, projected to 2017 and set forward two years for men. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes	There were no benefit changes during the year.
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City of Bentonville, Arkansas
Notes to Required Supplementary Information (Continued)
December 31, 2018

LOPFI

Economic Assumptions

Investment Rate of Return	7.75% per year, compounded annually (net after administrative expenses). This rate of return is not the assumed real rate of return. The real rate of return is defined to be the portion of investment return which is more than the wage inflation rate. With a 3.75% recognition of wage inflation, the 7.75% investment return rate translates to an assumed real rate of return of 4.00%.
Price Inflation	2.75%
Pay Increase Assumptions	Ranges from 4.25% to 18.75% depending on service years, including 3.75% for wage inflation.
Total Active Member Payroll	Assumed to increase 3.75% per year, which is the portion of the individual pay increase assumptions attributable to wage inflation.
Total Number of Active Members	Assumed to continue at the present number.

APERS

Investment Rate of Return	7.50% per year, compounded annually (net after administrative expenses). This rate of return is not the assumed real rate of return. The real rate of return is defined to be the portion of investment return which is more than the wage inflation rate. With a 3.25% recognition of wage inflation, the 7.50% investment return rate translates to an assumed real rate of return of 4.15%.
Pay Increase Assumptions	Ranges from 3.25% to 9.85% depending on service years, including 3.25% for wage inflation.
Total Active Member Payroll	Assumed to increase 3.25% per year, which is the portion of the individual pay increase assumptions attributable to wage inflation.
Total Number of Active Members	Assumed to continue at the present number.

**Combining and Individual Fund
Financial Statements and Schedules**

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City of Bentonville, Arkansas
Combining Balance Sheet – Nonmajor Governmental Funds
December 31, 2018

	Impact & Capacity	Court	Total Nonmajor Governmental Funds
Assets			
Accounts receivable:			
Grants and other	\$ -	\$ 10,695	\$ 10,695
Restricted assets			
Cash and cash equivalents	6,701,852	306,872	7,008,724
Total assets	<u>\$ 6,701,852</u>	<u>\$ 317,567</u>	<u>\$ 7,019,419</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 128,689	\$ 128,689
Due to other funds	1,129,753	-	1,129,753
Due to other government	-	39,271	39,271
Deferred revenues	-	149,607	149,607
Total liabilities	<u>1,129,753</u>	<u>317,567</u>	<u>1,447,320</u>
Fund balances			
Restricted			
New growth	5,572,099	-	5,572,099
Total fund balances	<u>5,572,099</u>	<u>-</u>	<u>5,572,099</u>
Total liabilities and fund balances	<u>\$ 6,701,852</u>	<u>\$ 317,567</u>	<u>\$ 7,019,419</u>

City of Bentonville, Arkansas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended December 31, 2018

	Impact/Capacity Fees	Court	Total Nonmajor Governmental Funds
Revenues			
Impact fees	\$ 2,391,272	\$ -	\$ 2,391,272
Interest	7,484	-	7,484
	<u>2,398,756</u>	<u>-</u>	<u>2,398,756</u>
Total revenues			
	2,398,756	-	2,398,756
Other Financing Sources (Uses)			
Transfers out	(1,307,534)	-	(1,307,534)
	<u>(1,307,534)</u>	<u>-</u>	<u>(1,307,534)</u>
Net Other Financing Sources (Uses)			
	(1,307,534)	-	(1,307,534)
Net Change in Fund Balances	1,091,222	-	1,091,222
Fund Balances at Beginning of Year	4,480,877	-	4,480,877
	<u>4,480,877</u>	<u>-</u>	<u>4,480,877</u>
Fund Balances at End of Year	<u>\$ 5,572,099</u>	<u>\$ -</u>	<u>\$ 5,572,099</u>

City of Bentonville, Arkansas
Schedule of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual –
Debt Service Fund
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Sales tax	\$ 8,880,000	\$ 8,880,000	\$ 11,060,693	\$ 2,180,693
Interest	-	-	145,453	145,453
Total revenues	<u>8,880,000</u>	<u>8,880,000</u>	<u>11,206,146</u>	<u>2,326,146</u>
Expenditures				
Debt Service	<u>8,880,000</u>	<u>8,880,000</u>	<u>11,407,161</u>	<u>(2,527,161)</u>
Total expenditures	<u>8,880,000</u>	<u>8,880,000</u>	<u>11,407,161</u>	<u>(2,527,161)</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(201,015)</u>	<u>(201,015)</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(201,015)</u>	<u>(201,015)</u>
Fund Balances at Beginning of Year	<u>8,486,688</u>	<u>8,486,688</u>	<u>8,486,688</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 8,486,688</u>	<u>\$ 8,486,688</u>	<u>\$ 8,285,673</u>	<u>\$ (201,015)</u>

City of Bentonville, Arkansas
Schedule of Revenues, Expenditures and
Changes in Fund Balance – Budget and Actual –
Impact/Capacity Fees
Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Impact fees	\$ 1,785,000	\$ 1,785,000	\$ 2,391,272	\$ 606,272
Interest	-	-	7,484	7,484
Total revenues	<u>1,785,000</u>	<u>1,785,000</u>	<u>2,398,756</u>	<u>613,756</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(1,307,534)	(1,307,534)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,307,534)</u>	<u>(1,307,534)</u>
Net Change in Fund Balances	1,785,000	1,785,000	1,091,222	(693,778)
Fund Balances at Beginning of Year	<u>4,480,877</u>	<u>4,480,877</u>	<u>4,480,877</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 6,265,877</u>	<u>\$ 6,265,877</u>	<u>\$ 5,572,099</u>	<u>\$ (693,778)</u>

Statistical Section

City of Bentonville, Arkansas
Combining Statement of Revenues and Expenses –
Enterprise Fund
Year Ended December 31, 2018

	Electric	Water	Wastewater	Sanitation	Support Services and Other	Total
Operating Revenues						
Charges for services	\$ 68,401,176	\$ 11,578,514	\$ 13,895,509	\$ 4,969,400	\$ 939,347	\$ 99,783,946
Other, net	293,453	160,971	587,646	-	63,314	1,105,384
Total operating revenues	68,694,629	11,739,485	14,483,155	4,969,400	1,002,661	100,889,330
Operating Expenses						
Salaries and fringe benefits	4,308,565	1,685,971	2,734,057	-	1,481,608	10,210,201
Contract purchases	47,052,813	5,803,494	5,274,162	4,542,598	-	62,673,067
Maintenance	841,293	368,225	574,045	-	102,864	1,886,427
Depreciation and amortization	2,825,520	1,743,056	1,938,164	-	643,272	7,150,012
Materials and supplies	330,114	187,942	396,335	-	276,388	1,190,779
Other services and charges	4,029,347	742,548	973,535	81,782	1,290,600	7,117,812
Total operating expenses	59,387,652	10,531,236	11,890,298	4,624,380	3,794,732	90,228,298
Operating Income (Loss)	9,306,977	1,208,249	2,592,857	345,020	(2,792,071)	10,661,032
Nonoperating Income (Expenses)						
Interest income	101,768	16,764	11,873	3,176	-	133,581
Bond interest and fiscal agent charges	(77,822)	(228,484)	(116,371)	-	-	(422,677)
Gain on sales of capital assets	-	-	-	-	-	-
Net non-operating revenues (expenses)	23,946	(211,720)	(104,498)	3,176	-	(289,096)
Income (Loss) Before Contributions and Transfers	9,330,923	996,529	2,488,359	348,196	(2,792,071)	10,371,936
Capital Contributions	461,385	1,369,185	1,320,342	-	-	3,150,912
Transfers In	-	-	121,350	-	-	121,350
Change in Net Position	\$ 9,792,308	\$ 2,365,714	\$ 3,930,051	\$ 348,196	\$ (2,792,071)	\$ 13,644,198

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City of Bentonville, Arkansas

Statistical Section

This section of the City of Bentonville, Arkansas comprehensive annual financial report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information reflects about the City's overall financial health.

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Debt Capacity (Tables 10–12)

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These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City's financial activities take place..... 93

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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to services the City provides and the activities it performs..... 95

City of Bentonville, Arkansas
Net Position by Component
Last Ten Years
(Accrual Basis of Accounting)

Table 1

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 212,185,302	\$ 214,284,281	\$ 195,975,422	\$ 177,896,706	\$ 162,543,988	\$ 145,403,467	\$ 141,834,869	\$ 138,447,033	\$ 134,424,378	\$ 124,811,423
Restricted	20,794,051	19,818,640	16,860,936	24,716,460	19,164,639	14,263,336	13,117,864	11,297,380	10,673,546	5,895,061
Unrestricted	32,844,981	34,279,668	27,857,280	23,180,240	37,569,695	41,833,773	34,369,873	34,004,365	31,095,744	25,213,623
Total governmental activities net position	\$ 285,824,334	\$ 268,391,989	\$ 240,171,638	\$ 225,803,866	\$ 219,218,322	\$ 202,020,576	\$ 189,321,688	\$ 186,138,778	\$ 172,604,066	\$ 165,220,087
Business-type activities										
Net investment in capital assets	\$ 196,638,873	\$ 196,003,709	\$ 177,477,573	\$ 161,108,420	\$ 153,815,515	\$ 145,369,235	\$ 146,507,220	\$ 131,135,984	\$ 122,229,803	\$ 117,058,689
Restricted	2,903,651	2,869,343	2,778,744	6,416,985	8,971,505	8,854,000	6,990,785	5,088,735	3,866,486	7,016,633
Unrestricted	32,421,265	26,076,418	23,627,793	31,495,160	26,384,643	26,998,489	23,680,869	22,737,659	24,109,830	18,944,121
Total business-type activities net position	\$ 231,963,794	\$ 225,049,470	\$ 203,884,110	\$ 199,020,565	\$ 190,173,663	\$ 180,821,724	\$ 177,178,934	\$ 162,961,778	\$ 154,406,119	\$ 142,461,440
Primary government										
Net investment in capital assets	\$ 428,824,077	\$ 466,747,990	\$ 371,452,995	\$ 339,005,146	\$ 318,359,503	\$ 291,172,702	\$ 282,341,289	\$ 269,482,617	\$ 256,854,181	\$ 243,870,112
Restricted	23,697,704	22,687,183	19,279,680	22,131,445	28,078,144	23,757,336	20,307,791	20,876,115	14,940,430	13,005,679
Unrestricted	63,506,248	65,356,686	53,625,070	55,687,850	63,954,318	67,932,282	58,050,452	52,741,824	55,309,574	48,107,744
Total primary government net position	\$ 515,988,029	\$ 554,791,859	\$ 444,357,745	\$ 426,823,441	\$ 410,391,965	\$ 382,857,294	\$ 360,699,532	\$ 343,100,556	\$ 327,104,185	\$ 304,983,530

City of Bentonville, Arkansas
Changes in Net Position
Last Ten Years
(Accrual Basis of Accounting)

Table 2

Expense	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Charges for services										
Public safety	\$ 8,190,550	\$ 8,386,920	\$ 7,838,636	\$ 7,119,267	\$ 6,478,233	\$ 6,541,806	\$ 6,064,188	\$ 5,772,437	\$ 5,438,030	\$ 5,311,309
Police	24,926,207	22,219,431	19,978,860	17,977,747	17,062,488	16,145,967	14,920,698	14,143,896	13,484,306	12,938,290
Fire	10,976,540	10,239,510	9,126,620	7,669,788	5,344,250	5,023,091	4,526,151	3,973,104	3,294,000	3,803,143
Public works	1,562,535	1,525,935	1,525,935	1,525,935	1,525,935	1,525,935	1,525,935	1,525,935	1,525,935	1,525,935
Library	1,785,252	1,689,914	1,589,473	1,373,937	7,581,791	6,997,932	6,244,779	6,097,843	5,264,377	5,233,167
CDBG	184	1,147	46,716	81,981	136,823	1,803,131	151,449	60,782	85,731	181,034
Interest on long-term debt	2,297,161	2,182,481	2,011,778	2,271,487	2,492,732	2,659,613	2,788,146	2,923,272	2,491,432	1,699,667
Total governmental activities expense	56,643,619	51,466,784	48,458,640	44,118,268	41,018,452	38,838,909	35,766,244	33,921,066	31,780,548	28,897,305
Business-type activities										
Charges for services										
Police	99,643,790	96,311,899	89,996,320	84,017,407	83,016,465	82,630,969	81,037,315	80,541,666	79,541,677	78,910,465
Water	13,111,887	12,918,079	11,895,664	8,297,783	8,006,093	7,869,655	7,824,125	7,815,113	7,801,560	7,801,560
Waste-water	9,372,020	9,255,683	8,996,479	10,421,870	10,421,241	10,397,923	10,461,246	10,829,868	6,697,980	5,936,361
Sanitation	4,197,480	4,197,480	3,891,758	3,614,908	3,146,212	3,081,332	3,964,186	4,077,631	3,816,961	3,662,430
Support	3,424,020	3,125,438	3,026,121	3,145,022	3,511,663	3,426,328	3,294,218	3,333,122	2,920,621	2,654,541
Total business-type activities expense	90,659,279	86,835,963	86,883,322	79,543,318	77,824,227	69,877,951	70,386,621	70,161,395	59,852,202	56,988,471
Total primary government	\$ 147,292,946	\$ 141,826,247	\$ 135,341,962	\$ 123,661,586	\$ 118,842,679	\$ 108,716,860	\$ 106,152,872	\$ 104,082,461	\$ 91,632,750	\$ 85,885,776
Program Revenues										
Charges for services										
General government	\$ 2,662,236	\$ 411,879	\$ 311,264	\$ 315,176	\$ 311,698	\$ 383,608	\$ 252,981	\$ 231,582	\$ 196,867	\$ 131,142
Public safety	2,337,052	1,778,596	1,257,968	1,260,881	1,272,011	1,120,967	1,043,518	1,034,482	861,277	735,634
Police	4,564,118	3,564,715	3,259,737	2,233,939	979,797	819,345	69,368	442,997	226,762	101,833
Transportation	684,771	31,239	66,379	2,780	64,296	49,945	53,311	21,561	75,171	6,071
Library	34,234	9	-	-	-	-	-	-	-	-
Operating grants and contributions	3,965,246	3,462,348	7,543,636	4,935,043	2,499,028	1,438,695	1,281,973	1,504,879	1,363,305	4,073,629
Capital grants and contributions	5,311,281	3,029,527	4,926,426	3,626,892	5,877,421	5,383,176	3,929,273	3,483,189	3,391,466	2,483,870
Total governmental activities revenue	19,688,112	17,104,400	17,316,112	12,118,109	10,913,631	8,321,652	3,304,936	4,888,652	6,515,191	7,484,709
Business-type activities										
Charges for services										
Police	68,494,676	66,097,652	61,239,149	58,723,116	56,099,241	51,351,834	51,000,844	49,274,616	45,658,340	43,886,343
Water	13,111,887	12,918,079	11,895,664	8,297,783	8,006,093	7,869,655	7,824,125	7,815,113	7,801,560	7,801,560
Waste-water	13,895,966	13,895,966	12,918,079	10,421,870	10,421,241	10,397,923	10,461,246	10,829,868	6,697,980	5,936,361
Sanitation	4,860,660	4,591,853	4,261,407	3,978,122	3,682,388	3,369,391	4,181,792	4,322,473	4,025,996	3,801,023
Support	987,220	929,561	887,122	873,139	864,817	813,528	809,887	862,667	856,394	718,391
Operating grants and contributions	1,675,121	1,675,121	1,675,121	1,675,121	1,675,121	1,675,121	1,675,121	1,675,121	1,675,121	1,675,121
Capital grants and contributions	3,138,921	4,138,642	4,200,794	833,198	1,931,322	913,234	810,951	1,044,715	932,942	2,293,132
Total business-type activities revenue	93,228,365	99,664,277	92,495,164	83,615,169	86,493,652	78,796,241	77,646,691	76,563,118	68,561,431	63,283,468
Total primary government	\$ 122,521,311	\$ 116,768,627	\$ 117,837,126	\$ 107,276,755	\$ 97,336,331	\$ 87,067,895	\$ 83,799,568	\$ 81,645,579	\$ 54,194,181	\$ 49,169,174
Net (expense) revenue	\$ 68,228,365	\$ 65,292,381	\$ 69,385,186	\$ 83,615,169	\$ 86,493,652	\$ 78,796,241	\$ 77,646,691	\$ 76,563,118	\$ 68,561,431	\$ 63,283,468
Business-type activities										
Operating grants and contributions	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121	\$ 1,675,121
Capital grants and contributions	\$ 3,138,921	\$ 4,138,642	\$ 4,200,794	\$ 833,198	\$ 1,931,322	\$ 913,234	\$ 810,951	\$ 1,044,715	\$ 932,942	\$ 2,293,132
Total - primary government	\$ 4,814,042	\$ 5,813,763	\$ 5,875,915	\$ 2,508,319	\$ 3,606,443	\$ 2,588,355	\$ 2,486,072	\$ 2,719,836	\$ 2,608,063	\$ 3,968,253

City of Bentonville, Arkansas
Changes in Net Position (continued)
Last Ten Years
(Accrual Basis of Accounting)

Table 2

	2019	2017	2016	2015	2014	2013	2012	2011	2010	2009
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 8,445,930	\$ 8,281,975	\$ 7,757,246	\$ 7,248,556	\$ 7,169,970	\$ 6,577,025	\$ 5,511,473	\$ 5,971,209	\$ 5,696,966	\$ 8,024,811
Intergovernmental	1,528,579	3,597,000	2,757,548	2,648,574	2,803,529	26,235,374	24,481,898	22,639,791	21,380,254	18,032,123
State franchise	2,941,149	2,881,136	2,730,245	2,780,254	2,780,254	2,780,254	2,780,254	2,780,254	2,780,254	2,780,254
Investment income	5,453,246	5,351,361	4,788,966	4,599,120	4,477,679	4,166,269	3,991,999	4,396,945	4,506,004	3,994,518
Capital assets	820,608	221,496	41,972	38,664	141,245	40,897	35,717	31,245	84,927	187,987
Transfer of fund	392-46	(26,544)	271,833	137,887	(1,475,333)	333,656	370,237	61,820	43,000	(33,240)
Transfer	(121,386)	-	(2,784,899)	(2,465,052)	(265,534)	(293,431)	(472,214)	(1,375,989)	(1,098,982)	(1,287,153)
Other	2,724,433	10,971,008	5,264,095	5,993,449	8,110,308	4,867,017	3,304,270	3,119,186	2,870,497	5,993,798
Net position asset	-	-	-	-	-	1,615,347	-	-	-	-
Total governmental activities	\$6,762,338	\$6,024,735	\$48,314,616	\$7,737,894	\$7,959,571	\$6,763,172	\$9,843,818	\$6,533,376	\$5,433,336	\$15,632,927
Business-type activities										
Investment income	133,181	41,394	36,516	36,483	26,111	32,268	32,292	312,844	90,037	151,145
Gain on sale of capital assets	-	275,226	634,631	246,613	-	-	-	-	-	-
Transfer	121,190	-	2,784,899	2,465,052	265,534	293,431	472,214	1,375,989	1,098,982	1,097,115
Other	833,872	720,124	723,644	1,038,028	832,534	489,339	417,524	873,833	1,844,433	654,413
Total business-type activities	1,068,224	1,037,052	3,651,613	4,187,158	1,370,241	314,098	963,050	2,361,106	3,973,453	1,853,172
Total primary government	\$7,830,562	\$7,061,787	\$51,966,229	\$11,925,052	\$9,329,812	\$7,077,270	\$10,806,868	\$8,894,482	\$9,406,789	\$17,486,100
Total change in net position	\$19,802,663	\$23,668,341	\$7,271,742	\$15,616,935	\$17,197,782	\$15,730,176	\$9,942,110	\$7,448,712	\$10,177,499	\$13,919,011
Governmental activities	13,454,198	10,265,360	9,663,555	13,198,119	10,331,029	8,452,292	8,216,596	8,552,639	11,841,636	8,150,131
Business-type activities	6,348,465	13,402,981	7,608,187	2,418,816	6,866,753	7,277,884	1,725,514	8,896,073	8,335,863	5,768,880
Total - primary government	\$19,802,663	\$23,668,341	\$17,271,742	\$15,616,935	\$17,197,782	\$15,730,176	\$9,942,110	\$7,448,712	\$10,177,499	\$13,919,011

City of Bentonville, Arkansas
Fund Balances - Governmental Funds
Last Ten Years
(Accrual Basis of Accounting)

Table 3

General fund	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Nonspendable										
Prepaid expenditures	\$ 224,713	\$ 195,054	\$ 276,389	\$ 79,021	\$ 196,545	\$ 196,544	\$ 46,647	\$ 59,806	\$ -	\$ -
Restricted										
General capital improvements	2,169,461	-	631,806	211,073	244,089	203,710	222,935	310,606	-	-
Other	457,250	-	358,250	84,690	84,450	84,496	84,259	82,604	-	-
Unassigned	51,638,862	48,453,612	18,160,366	34,229,084	32,866,738	36,961,000	28,157,600	23,226,392	-	-
Reserved	-	-	-	-	-	-	-	-	427,507	387,664
Unreserved	-	-	-	-	-	-	-	-	19,156,196	18,800,367
Total general fund	\$4,695,266	\$4,648,676	\$9,427,411	\$4,654,772	\$31,373,822	\$37,444,666	\$28,703,441	\$23,679,778	\$19,565,703	\$19,188,501
All other governmental funds										
Nonspendable										
Prepaid expenditures	550	1,225	1,275	1,336	1,273	1,344	1,364	1,023	-	-
Restricted										
Debt service	8,285,673	8,466,688	5,475,360	5,346,817	4,846,968	4,428,120	4,367,671	4,257,666	-	-
General capital improvements	2,676,522	2,010,117	1,927,588	7,855,024	6,675,369	10,039,800	14,028,640	31,497,513	-	-
Other	3,575,667	4,486,688	1,946,688	1,066,688	1,066,688	1,066,688	1,066,688	1,066,688	-	-
Street improvements	3,385,671	4,836,116	7,084,121	10,869,831	10,793,880	6,794,250	6,384,472	6,054,432	-	-
Reserved	-	-	-	-	-	-	-	-	46,146,377	39,617,557
Unreserved	-	-	-	-	-	-	-	-	5,697,662	3,258,095
Total all other governmental funds	\$40,895,215	\$48,831,023	\$16,088,845	\$25,934,885	\$24,203,539	\$24,865,279	\$27,534,835	\$41,473,683	\$31,633,019	\$43,776,652
Total governmental funds	\$ 95,385,481	\$ 99,469,699	\$ 25,516,256	\$ 30,589,657	\$ 55,577,361	\$ 62,309,945	\$ 56,238,276	\$ 65,153,461	\$ 51,207,722	\$ 62,965,153

The City of Bentonville adopted GASB 54 for fiscal year ending 12/31/2011. In the schedule above all years prior to 2011 are stated in its original form and therefore are not directly comparable to 2011 or later.

City of Bentonville, Arkansas Changes in Fund Balances – Governmental Funds Last Ten Years (Modified Accrual Basis of Accounting)

Table 4

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property tax	\$ 8,277,403	\$ 7,852,968	\$ 7,155,619	\$ 6,272,229	\$ 5,987,805	\$ 5,875,569	\$ 5,875,569	\$ 6,476,257		
State income tax	3,379,625	3,379,625	3,379,625	3,379,625	3,379,625	3,379,625	3,379,625	3,379,625		
State sales tax	3,843,344	2,853,146	2,796,325	2,651,138	2,781,299	2,781,299	2,781,299	2,781,299		
State block grant	2,391,272	3,325,148	1,861,178	2,380,435	1,697,656	1,551,223	1,447,588	1,334,443		
Franchise fees	5,653,266	5,351,341	4,788,566	4,599,120	4,477,679	3,991,999	4,396,963	4,056,604		
Charges for services	6,099,014	5,699,245	5,143,334	3,877,133	2,627,452	2,024,340	1,740,604	1,258,419		
Fines and forfeitures	495,028	498,591	311,481	479,037	477,741	344,723	369,467	418,875		
Grants	1,126,912	1,126,912	1,126,912	1,126,912	1,126,912	1,126,912	1,126,912	1,126,912		
Intergovernmental	421,465	441,572	2,433,656	4,582,735	2,077,432	1,283,663	1,470,527	1,862,722		
Contributions	1,126,912	2,212,553	3,994,021	1,251,106	3,163,948	253,334	323,114	1,262,402		
Interest	820,608	225,370	61,552	38,677	141,245	35,777	31,345	85,067		
Miscellaneous	816,284	5,441,979	1,969,048	1,979,202	4,791,275	794,663	638,523	476,019		
Total revenues	71,250,038	76,887,138	66,317,418	59,804,417	57,284,075	54,497,203	51,483,292	41,720,000	40,083,311	
Expenditures										
Current										
General government	6,813,349	6,694,940	6,603,862	6,385,081	6,097,814	5,521,445	5,406,881	5,126,855		
Public safety	20,392,788	18,587,838	17,146,717	16,769,992	15,561,689	14,686,152	13,427,896	12,718,692		
Recreation	8,507,693	8,163,683	7,252,049	6,009,329	4,603,727	4,077,746	3,683,363	3,253,297		
Street Department	2,665,820	2,553,724	2,467,752	2,376,856	2,003,155	2,321,542	1,869,135	1,937,265		
Library	1,443,844	1,386,429	1,256,940	1,168,999	1,108,866	981,662	894,923	830,120		
Police	15,095,607	14,914,239	24,889,343	17,102,620	22,341,966	8,569,666	22,666,899	13,188,720		
Capital outlay	9,121,959	7,990,000	7,035,060	6,245,000	5,160,000	5,566,000	4,400,000	4,130,000		
Debt service	2,285,202	2,269,891	2,037,650	2,481,252	2,481,252	2,481,252	2,481,252	2,481,252		
Principal										
Interest										
Total expenditures	71,252,445	62,547,991	64,296,360	58,432,748	60,094,214	55,120,392	53,113,542	49,481,688	49,481,688	
Excess of revenues over (under) expenditures	(2,407)	14,339,147	(2,478,942)	1,371,669	(2,810,139)	(6,623,189)	(17,630,250)	(7,758,686)	(9,408,377)	
Other Financing Sources (Uses)										
Sale of capital assets	39,549	106,065	161,130	51,699	1,425,155	370,237	60,820	43,000		
Insurance of notes payable	-	-	-	-	-	-	-	-		
Proceeds from sale of debt (includes premiums)	-	25,508,231	-	-	-	-	-	-		
Bond issue discount	-	-	-	-	-	-	-	-		
Bond issue cost	-	-	-	-	-	-	-	-		
Transfers in	1,186,184	444,592	367,815	1,000,875	1,230,298	415,012	200,346	492,174		
Transfers out	(1,367,534)	(444,592)	(1,072,652)	(1,468,927)	(1,468,927)	(798,445)	(1,069,453)	(1,069,453)		
Net other financing sources (uses)	(181,301)	25,614,296	(2,543,462)	(2,417,228)	1,161,621	(62,185)	(1,012,169)	(577,279)	(577,279)	
Net change in fund balances	(84,211)	39,655,443	(4,652,411)	(1,045,559)	(1,648,593)	(7,014,333)	(10,923,165)	(14,652,261)	(14,652,261)	
Debt service as a percentage of noncapital expenditures	22%	21%	21%	21%	20%	22%	23%	22%	22%	

City of Bentonville, Arkansas
General Governmental Tax Revenues by Source
Last Ten Years
(Accrual Basis of Accounting)

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Fees	Alcoholic Beverage Tax	State Turnback	Total
2009	\$ 6,476,257	\$ 18,952,125	\$ 3,794,918	\$ 148,626	\$ 2,523,161	\$ 31,895,087
2010	5,975,569	21,380,523	4,056,604	151,081	2,508,444	34,072,221
2011	6,119,288	21,639,791	4,396,945	169,763	2,808,320	35,134,107
2012	5,967,805	24,481,899	3,991,999	209,418	2,729,108	37,380,229
2013	6,557,935	26,320,374	4,166,269	268,692	2,665,348	39,978,618
2014	6,944,206	26,383,529	4,477,679	122,817	2,758,749	40,686,980
2015	7,248,656	29,458,234	4,599,120	84,264	2,705,936	44,096,210
2016	7,757,246	30,117,108	4,788,966	83,388	2,756,242	45,502,950
2017	8,282,975	37,651,052	5,351,361	44,594	2,853,363	54,183,345
2018	8,277,403	35,725,644	5,653,246	33,075	3,843,744	53,533,112

City of Bentonville, Arkansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years
(Accrual Basis of Accounting)

Table 6

Year	Real Property		Personal Property		Total		Ratio of Total Assessed to Total Estimated Actual	Total Direct Tax Rate
	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value		
2009	\$ 607,386,170	\$ 3,036,930,850	\$ 321,690,120	\$ 1,608,450,600	\$ 929,076,290	\$ 4,645,381,450	20%	7.21
2010	674,493,260	3,372,466,300	255,493,115	1,277,465,575	929,986,375	4,649,931,875	20%	7.21
2011	688,192,310	3,440,961,550	224,480,135	1,122,400,675	912,672,445	4,563,362,225	20%	7.21
2012	670,208,790	3,351,041,950	220,159,580	1,100,797,900	890,368,370	4,451,841,850	20%	7.21
2013	650,904,030	3,254,520,150	216,773,975	1,083,869,875	867,678,005	4,338,390,025	20%	7.21
2014	676,758,590	3,383,792,950	237,407,225	1,187,036,125	914,165,815	4,570,829,075	20%	7.21
2015	705,786,280	3,528,931,400	232,724,835	1,163,624,175	938,511,115	4,692,555,575	20%	7.21
2016	797,846,320	3,989,231,600	242,977,585	1,214,887,925	1,040,823,905	5,204,119,525	20%	7.21
2017	860,870,020	4,304,350,100	228,387,060	1,141,955,300	1,089,257,080	5,446,285,400	20%	7.21
2018	932,331,250	4,661,656,250	254,551,795	1,272,758,975	1,186,883,045	5,934,415,225	20%	7.21

Source: Benton County

City of Bentonville, Arkansas
Property Tax Rates and Tax Levies - Direct and Overlapping Governments
Last Ten Years

Table 7

Year	City of Bentonville			Overlapping Rates			Total Direct & Overlapping Rates
	Firemen's Pension & Relief Fund	General Fund	Street Fund	Total	Benton County	Bentonville Public Schools	
2009	0.50	5.00	1.71	7.21	6.90	40.10	57.21
2010	0.50	5.00	1.71	7.21	6.90	43.70	60.81
2011	0.50	5.00	1.71	7.21	6.90	43.70	60.81
2012	0.50	5.00	1.71	7.21	6.90	43.70	60.81
2013	0.50	5.00	1.71	7.21	6.90	46.60	63.31
2014	0.50	5.00	1.71	7.21	6.90	46.60	63.31
2015	0.50	5.00	1.71	7.21	6.90	43.70	60.41
2016	0.50	5.00	1.71	7.21	7.10	46.60	63.51
2017	0.50	5.00	1.71	7.21	7.10	48.50	65.41
2018	0.50	5.00	1.71	7.21	7.10	48.50	65.41

Source: Benton County

City of Bentonville, Arkansas

Principal Sales Taxpayers

Last Ten Years

The City of Bentonville, Arkansas's largest own-source revenue is sales taxes. Sales taxes primarily come from two separate taxes: a 2% city tax based on point of sale, and a portion of the county's 1% tax based on point of sale. In 2018 the city sales tax generated revenue of \$27,706,976. The City's portion of the county sales tax generated revenue of \$8,018,668.

According to Arkansas State Statutes, the City is required to keep the identity of individual tax payers confidential. Therefore, the City of Bentonville is not able to identify the top 10 tax payers. However, Bentonville enjoys a diverse economic sales tax base.

City of Bentonville, Arkansas
Principal Property Taxpayers
Last Ten Years

Table 8

Taxpayer	2018			2009		
	Rank	Taxable Assessed Value	Percentage of Total Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Assessed Value
Wal-Mart/Sam's Club	1	\$ 173,049,110	15.89%	1	\$ 256,746,225	27.63%
Tyson Foods	2	13,235,575	1.22%		N/A	N/A
Altus Group	3	13,112,840	1.20%		N/A	N/A
Bella Vista Property Owners Association	4	12,376,525	1.14%		N/A	N/A
Bentonville Plaza Owner LLC	5	8,442,145	0.78%	4	7,228,130	0.78%
Carroll Electric Cooperative	6	8,549,425	0.78%		N/A	N/A
Cox Communications	7	7,784,465	0.71%		N/A	N/A
American Electric Power	8	7,437,685	0.68%		N/A	N/A
Trails at Rainbow Curve	9	5,665,430	0.52%		N/A	N/A
J Street Company, LLC	10	5,664,400	0.52%		N/A	N/A
QHG of Springdale Inc D/B/A Bates Medical Center				2	17,922,995	1.93%
Behringer Harvard Beau Terre H LLC				3	8,270,000	0.89%
SH&S Partnership				5	4,052,360	0.44%
Lazenby, William A				6	4,023,680	0.43%
Glen at Polo Park LP				7	3,635,020	0.39%
South Allies, LLC				8	3,260,780	0.35%
Lowes Home Center Inc.				9	3,141,470	0.34%
Harbin Pointe Apartments				10	2,899,730	0.31%

Source: Benton County

City of Bentonville, Arkansas
Property Tax Levies and Collection
Last Ten Years

Table 9

Fiscal Year	Tax Roll Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Prior Years' Collections	Total Collections	Percentage of Total Collections to Tax Levy
2009	2008	\$ 6,698,640	\$ 6,463,714	96.49%	\$ 228,678	\$ 6,692,392	99.91%
2010	2009	6,705,202	5,973,512	89.09%	727,506	6,701,018	99.94%
2011	2010	6,580,368	6,094,456	92.62%	480,463	6,574,919	99.92%
2012	2011	6,419,556	5,963,375	92.89%	449,581	6,412,956	99.90%
2013	2012	6,255,958	6,010,852	96.08%	236,742	6,247,594	99.87%
2014	2013	6,591,136	6,462,685	98.05%	117,170	6,579,855	99.83%
2015	2014	6,766,665	6,571,243	97.11%	186,597	6,757,840	99.87%
2016	2015	7,400,258	6,659,403	89.99%	731,287	7,390,690	99.87%
2017	2016	7,853,544	7,300,908	92.96%	512,897	7,813,805	99.49%
2018	2017	8,557,427	7,705,319	90.04%	715,166	8,420,485	98.40%

Source: Benton County

Property assessments are made; tax rates are established; and taxes are levied in one year for payment by the taxpayer and collection by local government the following year. The tax levy for this schedule includes the city's levy for its general fund, sales tax construction fund and fire pension plan.

City of Bentonville, Arkansas
Ratios of Outstanding Debt by Type
Last Ten Years

Table 10

Fiscal Year	Governmental Activities: Sales Tax Bonds	Business-Type Activities: Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2009	\$ 58,324,233	\$ 31,242,637	\$ 89,566,890	7.64%	3,129
2010	75,591,529	28,887,644	104,479,173	7.75%	2,960
2011	71,451,626	26,426,982	97,878,608	7.19%	2,773
2012	67,026,723	23,858,740	90,885,463	5.96%	2,575
2013	61,441,820	21,175,923	82,617,743	4.76%	2,340
2014	56,256,916	18,358,535	74,615,451	4.29%	2,114
2015	49,987,013	15,579,393	65,566,406	3.54%	1,857
2016	42,927,110	13,414,930	56,342,040	2.86%	1,596
2017	60,430,601	11,168,023	71,598,624	3.64%	2,028
2018	51,210,650	8,827,689	60,038,339	2.86%	1,701

(1) Personal Income is disclosed in Table 13

(2) Population is disclosed in Table 13

City of Bentonville, Arkansas
Ratios of General Bonded Debt Outstanding
Last Ten Years

As of December 31, 2018, the City has no general bonded debt outstanding.

City of Bentonville, Arkansas
Direct and Overlapping Governmental Activities Debt
Last Ten Years

Table 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Bentonville School District (1) (2)	\$ 307,734,358	54%	\$ 166,176,553
Northwest Arkansas Community College (3) (4)	30,150,000	31%	9,346,500
Subtotal, overlapping debt			175,523,053
City of Bentonville, Arkansas direct debt			60,038,339
Total direct and overlapping debt			<u>\$ 235,561,392</u>

Source: Outstanding debt amount from each governmental units most recent audited financial statements.

Note: The amount applicable to the City of Bentonville was estimated using population

(1) Amount as of 6/30/2017 which was the most recent Audited Financial Statements available

(2) Bentonville School District is comprised of multiple cities with an estimated population of 95,000 of which Bentonville is 51,111 or 54%

(3) Northwest Arkansas Community College was created by a property tax of residents that comprise the Bentonville and Rogers, AR school district. Population estimate for both areas is estimated at 162,942 of which Bentonville is 51,111 or 31%

(4) Amount as of 6/30/2017 which was the most recent Audited Financial Statements available

City of Bentonville, Arkansas
Legal Debt Margin Information
Last Ten Years

As of December 31, 2018, the City has no general obligation debt.

City of Bentonville, Arkansas
Pledged Revenue Coverage – Proprietary Funds
Last Ten Years

Table 12

Year	Operating Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service		
				Principal	Interest	Total
						Coverage
2009	\$ 63,285,449	\$ 55,776,213	\$ 7,509,236	\$ 2,231,337	\$ 1,212,258	\$ 3,443,595
2010	68,361,455	58,369,371	9,992,084	2,348,399	1,122,831	3,471,230
2011	76,436,148	69,125,852	7,310,296	2,454,048	1,035,743	3,489,791
2012	76,829,744	69,301,586	7,528,158	2,568,242	939,169	3,507,411
2013	78,342,368	68,968,824	9,373,544	2,671,957	837,173	3,509,130
2014	85,487,267	76,977,920	8,509,347	2,817,389	730,046	3,547,435
2015	88,959,008	78,826,457	10,132,551	2,779,142	718,860	3,498,002
2016	91,567,054	85,834,256	5,732,798	2,170,911	603,337	2,774,248
2017	96,228,757	89,968,643	6,260,114	2,253,374	516,855	2,770,229
2018	100,889,330	90,228,298	10,661,032	2,346,801	422,677	2,769,478

City of Bentonville, Arkansas
Demographic and Economic Statistics
Last Ten Years

Table 13

<u>Fiscal Year</u>	<u>City of Bentonville Population (1)</u>	<u>Benton County Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2009	28,621	153,406	\$ 40,981	\$ 1,172,917,201	7.30%
2010	35,301	221,339	38,196	1,348,356,996	7.60%
2011	35,301	221,339	38,565	1,361,383,065	5.60%
2012	35,301	221,339	43,199	1,524,967,899	5.20%
2013	35,301	221,339	49,148	1,734,973,548	5.10%
2014	35,301	221,339	49,226	1,737,727,026	4.00%
2015	35,301	221,339	52,509	1,853,620,209	3.20%
2016	35,301	221,339	55,729	1,967,289,429	2.90%
2017	35,301	221,339	55,729	1,967,289,429	2.90%
2018	35,301	221,339	59,425	2,097,761,925	2.50%

- (1) U.S. Census Bureau
(2) Fayetteville-Springdale-Rogers MSA (of which Bentonville is a part) information from the U.S. Federal Reserve Bank of St. Louis
(3) Calculated using City of Bentonville Population and Per Capita Income
(4) Bureau of Labor Statistics

City of Bentonville, Arkansas
Principal Employers
Last Ten Years

Table 14

Employer	2018			2009		
	Rank	Employees	Percentage of Population 35,301 (1)	Rank	Employees	Percentage of Population 35,301 (1)
Wal-Mart Stores, Inc	1	2,500+	7.08%	1	2,500+	7.08%
Arvest Bank Group, Inc	1	2,500+	7.08%	3	500-999	1.42%
Northwest Health System	3	1000-2499	2.83%	5	300-499	0.85%
Mercy Health System of Northwest Arkansas	3	1000-2499	2.83%	8	200-299	0.57%
Bentonville School District	3	1000-2499	2.83%	2	1000-2499	2.83%
America's Car Mart	3	1000-2499	2.83%			
Consumer Testing Laboratories	3	500-999	1.42%			
Benton County	8	500-999	1.42%	3	500-999	1.42%
City of Bentonville	8	500-999	1.42%	5	300-499	0.85%
Northwest Arkansas Community College	10	300-499	0.85%	5	300-499	0.85%
Black Hills Energy	11	200-299	0.57%			
Crafton Tull	11	200-299	0.57%			
Outdoor Cap Company	11	200-299	0.57%	8	200-299	0.57%
Fuji Film				8	200-299	0.57%

(1) Low figure in the range of employees used for calculation

City of Bentonville, Arkansas
Full-time Equivalent City Employees by Function
Last Ten Years

Table 15

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
General government	72	91	59	65	64	67	64	65	61	61
Public safety	191	199	189	175	174	161	162	154	151	152
Recreation	109	187	160	90	70	46.5	43.5	37.5	34.5	31.5
Street Department	23	26	29	23	23	22	22	22	20	21
Library	26	29	28	24	23.5	21	20.5	20.5	21.5	19.5
Total	421.0	532.0	465.0	377.0	354.5	317.5	312.0	299.0	288.0	285.0
Business-Type Activities										
Electric	41	43	42	37	36	36	36	36	36	36
Water	41	44	39	38	38	38	37	38	37	27
Wastewater	23	26	25	22	21	22	22	22	23	36
Sanitation	23	26	23	21	21	22	22	23	22	22
Total	128	139	129	118	116	118	117	119	118	121
Total Primary Government	549	671	594	495	470.5	435.5	429.0	418.0	406.0	406.0

Source: Various city departments

City of Bentonville, Arkansas Operating Indicators by Function Last Ten Years

Table 16

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
General Government										
Building Permits Issued	1,732	1,562	1,461	1,375	1,227	1,225	1,253	866	812	832
Building Inspections performed	21,079	19,613	19,380	19,514	14,228	16,222	13,782	9,920	8,646	7,461
Fire										
Fire-related calls for service	1,485	1,553	915	759	656	541	483	493	438	387
EMS related calls for service	5,304	4,788	4,786	4,665	4,141	3,772	3,826	3,779	3,393	2,947
Police										
Calls for service Police	66,312	59,100	57,193	53,140	48,402	46,320	35,888	30,555	20,735	19,948
Calls for service Fire/EMS	6,997	6,031	6,294	6,111	5,455	5,029	4,925	4,907	4,364	3,759
Physical arrests	3,544	3,601	3,405	3,319	2,891	2,572	2,763	2,690	4,099	2,368
9-1-1 Calls	13,642	16,078	16,779	16,807	18,779	17,857	14,942	14,355	11,953	**
Recreation										
Program Participants	728,595	726,364	661,897	320,655	171,563	160,592	97,152	**	**	**
Transportation										
Streets Overlayed each year (miles)	2	3	3	2	4	2	3	3	4	2
Library										
Library card holders	26,867	26,929	27,058	35,514	30,621	27,190	27,108	28,066	28,340	27,339
Visits	302,398	286,311	300,766	298,585	296,819	296,031	300,652	277,059	282,300	267,288
Circulation (checkouts or materials)	667,538	675,787	679,444	651,289	602,218	560,778	541,028	482,198	473,351	445,582
Business-Type Activities										
Electric, Water, Wastewater Support Activities										
Meters read	572,648	555,128	530,850	503,834	483,297	466,085	450,585	438,307	426,214	410,290
Payments Processed (dollars)	\$ 93,816,589	\$ 90,026,317	\$ 88,326,913	\$ 84,277,799	\$ 84,480,153	\$ 73,951,537	\$ 72,493,590	\$ 70,010,486	\$ 70,851,679	\$ 67,461,899
Payments Processed (transactions)	206,571	193,627	190,814	183,054	188,319	182,533	177,907	173,423	173,668	166,158

** Data not available for given period.
Source: Various city departments

City of Bentonville, Arkansas Capital Asset Statistics by Function Last Ten Years

Table 17

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
General Government										
Number of general government buildings	4	4	4	4	4	4	4	4	3	3
Fire										
Fire Trucks available each year	8	8	8	8	7	7	7	7	7	7
Ambulances available each year	7	7	7	7	6	6	6	6	6	6
Fire Stations	6	6	6	6	5	5	5	5	5	5
Police										
Police Units (cars/trucks) that were available each year	91	89	85	83	80	77	70	69	69	69
Recreation										
Parks Acreage	341	341	341	341	311	311	311	309	291	285
Number of Parks	20	20	20	20	19	19	19	18	13	13
Number of Trails	27	25	25	24	23	23	23	21	16	15
Baseball/Soccer Fields	24	24	24	24	24	24	24	24	20	20
Soccer Fields / Football Fields	16	16	16	16	13	13	10	10	9	9
Tennis Courts	14	14	14	14	14	14	14	14	6	6
Basketball Courts	5	5	5	5	4	4	4	4	**	**
Swimming Pools / Splash Parks	4	4	4	4	2	2	2	2	1	1
Ice Rink	1	1	1	1	1	1	1	1	1	1
Indoor Rec Center	2	2	2	2	1	1	1	1	1	1
Transportation										
Total Paved Streets (miles)	288	274	261	250	253	246	244	237	235	234
Traffic Signals	49	45	45	41	41	41	41	41	39	39
Library										
Items Available for checkout	143,760	135,568	134,725	131,070	121,905	114,218	111,887	103,000	92,869	88,387
Business-Type Activities										
Electric										
Electric Substations	9	9	9	9	9	9	9	8	8	8
Electric Lines (miles)	925.50	915.68	884.88	846.25	837.40	723.50	696.50	669.00	638.50	608.00
Distribution	16.32	16.32	16.32	16.32	16.32	16.32	16.32	**	**	**
Transmission										
Water										
Water Lines (miles)	325.60	321.90	314.40	307.10	301.60	298.10	295.50	288.30	285.00	262.80
Sewer Lines (miles)	308.40	305.80	300.40	294.20	289.30	287.20	283.60	282.00	276.70	274.40

** Data not available for given period.
Source: Various city departments.

City of Bentoville, Arkansas

Water and Wastewater Rates

December 31, 2018

Table 18

Per 1,000 gallons						
	Water			Wastewater		
	Residential	Irrigation	Commercial	Residential	Commercial	
Inside City monthly usage rates						
First 4,000 gallons of water	\$ 3.27	N/A	N/A	N/A	N/A	
Next 6,000 gallons of water	3.74	N/A	N/A	N/A	N/A	
Over 10,000 gallons of water	5.41	N/A	N/A	N/A	N/A	
All Consumption	N/A	\$ 4.39	\$ 3.74	\$ 7.69	\$ 8.22	
Outside City monthly usage rates						
First 4,000 gallons of water	\$ 3.89	N/A	N/A	N/A	N/A	
Next 6,000 gallons of water	4.46	N/A	N/A	N/A	N/A	
Over 10,000 gallons of water	6.46	N/A	N/A	N/A	N/A	
All Consumption	N/A	\$ 5.24	\$ 4.46	\$ 9.23	\$ 9.86	

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

City of Bentonville, Arkansas
Schedule of Electric, Water and Wastewater Customers
and Annual Billable Water Gallons
December 31, 2018

Table 19

Type	Number of Customers
Electric	23,448
Water	21,582
Wastewater	17,388

Year Ended December 31, 2018	Gallons
Annual billable water gallons	2,755,845,000

City of Bentonville, Arkansas
Schedule of Insurance Coverage
December 31, 2018

Table 20

Policy Coverage	Policy Period	Coverage	Insurer
Property	7-8-18 to 7-8-19	\$183,267,674	Affiliated FM Insurance Company
Municipal vehicles - Includes property and bodily injury	1-1-18 to 1-1-19	\$25,000 for one person, \$50,000 for multiple persons	Arkansas Municipal League
Fraudulent or dishonest acts	7-1-18 to 6-30-19	\$300,000	Arkansas Fidelity Bond Trust Fund

Single Audit Section

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City of Bentonville, Arkansas
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development Programs				
<i>CDBG - Entitlement Grants Cluster</i>				
U.S. Department of Housing and Urban Development/Community Development Block Grant/Entitlement Grants	14.218		\$ -	\$ 7,000
		<i>Cluster Total</i>	-	7,000
Total Department of Housing and Urban Development Programs			-	7,000
Department of Transportation Programs				
<i>Highway Planning and Construction Cluster</i>				
U.S. Department of Transportation/Arkansas State Highway and Transportation Department/Highway Planning and Construction	20.205	AHTD #090218 LY10-3314-001	-	1,419,285
		<i>Cluster Total</i>	-	1,419,285
U.S. Department of Transportation/Airport Improvement Program	20.106		-	1,934,198
Total Department of Transportation Programs			-	3,353,483
United States Environmental Protection Agency				
U.S. Environmental Protection Agency/Regional Wetland Development Program	66.461		-	6,083
Total United States Environmental Protection Agency			-	6,083
Department of Homeland Security Programs				
U.S. Department of Homeland Security/Arkansas Department of Emergency Management/Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4254	-	150,122
Total Department of Homeland Security Programs			-	150,122
Total Expenditures of Federal Awards			\$ -	\$ 3,516,688

The accompanying notes are an integral part of this schedule

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City of Bentonville, Arkansas
Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2018

Notes to Schedule

1. This accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal awards activity of the City. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based on an Audit of the Financial Statements Performed in Accordance
with Government Auditing Standards**

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Bentonville, Arkansas
Bentonville, Arkansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bentonville, Arkansas, (the City) for the year-ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 19, 2019, which contained "Emphasis of Matter" paragraphs regarding changes in accounting principles.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Rogers, Arkansas
June 19, 2019

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Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Bentonville, Arkansas
Bentonville, Arkansas

Report on Compliance for Major Federal Program

We have audited the City of Bentonville, Arkansas (the City)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program

In our opinion, the City of Bentonville, Arkansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Rogers, Arkansas
June 19, 2019

City of Bentonville, Arkansas
Schedule of Findings and Questioned Costs
Year Ended December 31, 2018

Section I – Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies) identified? ☐ Yes ☒ None Reported
Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over compliance for major federal program:
Significant deficiency(ies) identified? ☐ Yes ☒ None Reported
Material weakness(es) identified? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal program:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

City of Bentonville, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2018

7. Identification of major federal program:

<u>Cluster/Program</u>	<u>CFDA Number</u>
Airport Improvement Program	20.106

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. The City qualified as a low-risk auditee?

☒ Yes ☐ No

City of Bentonville, Arkansas
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2018

Section II – Financial Statement Findings

Reference Number	Finding
No matters are reportable.	

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
No matters are reportable.	

City of Bentonville, Arkansas
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2018

Reference Number	Summary of Finding	Status
	No matters are reportable.	

Other Required Reports

Independent Accountant's Report on Compliance With Arkansas State Requirements

The Honorable Mayor and Members of the City Council
City of Bentonville, Arkansas
Bentonville, Arkansas

We have examined management's assertions that the City of Bentonville, Arkansas complied with the requirements of Arkansas Act 15 of 1985 and the following Arkansas statutes during the year ended December 31, 2018.

- (1) Arkansas Municipal Accounting Law of 1973, § 14-59-101 et seq.;
- (2) Arkansas District Courts and City Courts Accounting Law, § 16-10-201 et seq.;
- (3) Improvement contracts, §§ 22-9-202 – 22-9-204;
- (4) Budgets, purchases, and payments of claims, etc., § 14-58-201 et seq. and 14-58-301 et seq.;
- (5) Investment of public funds, § 19-1-501 et seq.; and
- (6) Deposit of public funds, §§ 19-8-101 – 19-8-107.

Management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the aforementioned requirements above based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, management's assertion that the City of Bentonville, Arkansas complied with the aforementioned requirements during the year ended December 31, 2018, is fairly stated, in all material respects.

This report is intended solely for the information and use of the governing body, management, and the State of Arkansas and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Rogers, Arkansas
June 19, 2019

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CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
X	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jake Harper

Department

Accounting

Phone

271-3115

ACTION REQUIRED:

Resolution declaring various additional items as surplus, and correction of the quantities items previously declared as surplus, to be sold at Public Auction. See attached list for more detail.

COST TO CITY:

Cost of this Request:

Additional Budget Amount \$0

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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PLEASE RECYCLE



2019 CITY OF BENTONVILLE SURPLUS

ADDITIONAL ITEMS TO DECLARE AS SURPLUS			
QTY	Administration	QTY	Planning
16	Computer Monitors	1	Desktop Printer
34	Servers and Components	QTY	Utility Billing
LOT	Server Racks (Server Component)	27	Stacking Chairs/Conference Chairs
33	APC Battery Back-Ups	15	Office Chairs, with Rollers
60	PC Workstations	6	Office Arm Chairs
24	Laptops	1	Counter Roller Chair
21	Switches	QTY	Wastewater
38	Used Keyboards	9	Outdoor Lights
40	New Keyboards	5	Office Desks
5	Desktop Printers	2	Office Chairs
3	TVs		
QTY	Fire		
2	Recliners		

CORRECTIONS TO QUANTITIES OF ITEMS DECLARED AS SURPLUS ON 9.10.2019		
ORIGINALLY SUBMITTED ITEM QUANTITIES	CORRECTED ITEM QUANTITIES	Inventory Department Item
9	10	Protected Starters for 250 Watt HPS
10	129	100 Watt HPS Bulb
129	88	250 Watt HPS Bulb
88	30	Bulb 175 Watt MV
30	9	Capacitor 280 Volts
9	84	Socket with Leads 1500 Watt
84	28	Bulb 250 Watt MV
28	10	Bulb 175 Watt Medium Base
10	4	Bulb 250 Watt MH
4	11	Bulb 250 Watt MH Retro White
11	7	Bulb 250 Watt MH Retro White-Vertical
7	17	Head Only Rent Light

RESOLUTION NO. _____

**A RESOLUTION DECLARING CERTAIN PROPERTY
BELONGING TO THE CITY OF BENTONVILLE,
ARKANSAS AS SURPLUS PROPERTY.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That certain property of the City of Bentonville, as more particularly described in the attached Exhibits, is hereby declared to be surplus and that previously approved surplus quantities are hereby adjusted in accordance with the attached Exhibits, and the Mayor or his designee is authorized to dispose of such property by auction or in another appropriate manner as set forth in section 3.04 of the Bentonville Municipal Code.

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2019.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
X	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Travis Matlock

Department

Electric

Phone

271-5941

ACTION REQUIRED:

Ordinance recommending the creation of the new City of Bentonville Utility Board.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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PLEASE RECYCLE



M E M O R A N D U M

DATE: September 24, 2019

TO: **City Council, Mayor Orman**

FROM: Travis Matlock, Electric Utility Director

RE: **Utility Board Creation**

Staff recommends the creation of a Utility Board to assist with the operations of the Electric/Water/Wastewater utilities for the City of Bentonville.

ORDINANCE NO. _____

**AN ORDINANCE CREATING THE BENTONVILLE UTILITY BOARD
AND MATTERS RELATING THERETO.**

WHEREAS, the City of Bentonville, Arkansas (“City”) is among the fastest growing cities in Arkansas; and,

WHEREAS, the City is the owner of a municipal utility that provides electric, water, and wastewater services to the community in a reliable, affordable, responsible, and locally responsive manner; and,

WHEREAS, municipal utility services are currently evolving at an unprecedented rate; and,

WHEREAS, as the City’s municipal utility operations grow in both size and complexity, the City Council should explore subordinate governance structures to advise and assist the City Council regarding important matters, to conduct public hearings and stakeholder processes, and to improve citizen participation; and,

WHEREAS, Arkansas law offers several statutory structures to establish and organize governance for a municipal utility or, alternatively, the City Council may create a board to act as an agency of the City as permitted under the common law of Arkansas described in *Cosgrove v. City of West Memphis*, 327 Ark. 324 (1997) and other decisions of the Arkansas Supreme Court dating back to 1920; and,

WHEREAS, senior employees of the City, including senior municipal utility employees, were anonymously surveyed to determine the municipal utility governance structure that would best enhance city operations; and,

WHEREAS, based upon the results of those surveys, the City’s municipal utility would benefit from governance that is structured as an agency of the City authorized to perform such ministerial, administrative, and executive functions as are described herein while the essential authority to operate the municipal utility remains vested in City Council.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: *Creation.* That there is hereby created and established the Bentonville Utility Board (“Board”).

Section 2: Membership. That the Bentonville City Council (“City Council”) hereby finds and determines that the number of persons serving on the Board shall be five (5). Board members (“Members”) shall be qualified electors of the City and customers of the municipal utility and should represent diverse utility interests in the community. Before entering upon their duties, each Member shall take the oath prescribed in Article 19, Section 20 of the Arkansas Constitution: “I, _____, do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of the State of Arkansas, and that I will faithfully discharge the duties of the office of Bentonville Utility Board Member, upon which I am now about to enter.”

a. **Ex officio membership.** In addition to the regular membership of the Board, one member of City Council may be appointed as a non-voting ex officio Member who will not be included in determining the presence of a quorum. The appointment will be made according to the procedures described in Section 4.

b. **Removal.** Any Member may be removed at any time with or without cause upon a majority vote of the City Council. If a vacancy shall occur during the term of any Member, a successor shall be appointed to such vacancy for the unexpired portion of the term.

Section 3: Initial Members. That on or before the first day of December of 2019, the Mayor shall nominate qualified persons to serve as the initial Members of the Board. The City Council shall consider the confirmation of such nominations on or before December 31, 2019. Nominations shall be made according to position, as described below:

- a. Position #1, with a term to expire December 31, 2021.
- b. Position #2, with a term to expire December 31, 2021.
- c. Position #3, with a term to expire December 31, 2022.
- d. Position #4, with a term to expire December 31, 2022.
- e. Position #5, with a term to expire December 31, 2023.

Section 4: Successors. That a Board vacancy, whether by expiration or otherwise, shall be filled through nomination by the Mayor and confirmation by majority vote of City Council approving a resolution of appointment. Successor Members shall be appointed for a term of three years. No person shall serve as a member of the Board for more than two (2) consecutive terms.

Section 5: Compensation. That properly appointed voting members of the Board shall be entitled to compensation equal to two hundred fifty dollars (\$250.00) per month. Members of the Board may be reimbursed for travel-related expenses incurred while performing Board duties; provided that: (a) such expenses were approved according to City travel policies; and (b) funds were properly appropriated and available for payment.

Section 6: Meetings.

a. **Initial meetings.** That the Board shall begin holding monthly meetings in January of 2020 for the sole purposes of education, training, and organization. The time and place of these meetings shall be determined by the person appointed to Position #1 until such time as an election of officers has occurred pursuant to Section 7. The Board shall begin holding regular and special meetings in June of 2020.

b. **Regular meetings.** The Board shall hold regular monthly meetings. The time and place of such meetings shall be made available to the public and advertised on the City's website. Any Member who refuses or otherwise fails to attend three (3) regular meetings during a one-year period without excuse shall be deemed to have abandoned his or her position and may be replaced accordingly. The Board may excuse a Member's absence by majority vote within sixty (60) days that the absence occurred.

c. **Special meetings.** The Board Chairperson or any three (3) Members may call a special meeting; provided that each Member is provided notice by electronic means at least twenty-four (24) hours prior to the special meeting. Notice shall include the matters to be discussed at the special meetings. Members may waive notice requirements.

d. **Staff attendance.** The senior employee of the electric utility, water utility, and wastewater utility will attend Board meetings or, when attendance is impractical, direct another senior employee to attend. The electric utility will provide administrative support to the Board.

e. **Meetings to be open.** All meetings, regular and special, shall comply with the open meeting requirements of the Arkansas Freedom of Information Act.

f. **Open records.** Board records shall be available for inspection and copy by the public in accordance with the Arkansas Freedom of Information Act.

Section 7: *Officers.* That at the first official meeting of the Board and annually thereafter, the Members shall elect from among themselves a person to serve as Chairperson (who may be called the “Chairwoman” or “Chairman” at the discretion of the person so elected) who shall be tasked with presiding over meetings of the Board, and a Vice-Chairperson (who may be called the “Vice-Chairwoman” or “Vice-Chairman” at the discretion of the person so elected) who shall be tasked with presiding over meetings of the Board in the absence of the Chairperson. When both the Chairperson and Vice-Chairperson are absent, a Member shall be elected to preside over the meeting by majority vote of those Members who are present and participating. The Board may establish such other offices and committees that the Board deems necessary or advisable, provided that any person occupying such office or committee must be a Member.

Section 8: *Procedural rules.* That the Board shall determine the rules that govern its proceedings; provided that, an affirmative vote of a majority of all Members appointed to the Board shall be required to approve any matter. The Board shall not adopt any procedural rule in violation of any ordinance or resolution of the City Council. The Board’s procedural rules shall comply with the Arkansas Freedom of Information Act.

Section 9: *Required training.* That each Member shall annually receive training in the operations, management and governance of a municipal utility and governmental ethics. Before the first anniversary of a Member’s initial appointment, the Member shall receive no less than eight (8) hours of training, including one (1) hour of ethics training. In subsequent years, each Member shall receive no less than two (2) hours of training, including one (1) hour of ethics training, before the end of the year. Any Member who refuses or otherwise fails to timely obtain required training shall, upon motion of any Member, be prohibited from voting until such time that training is complete. A Member may be removed for failing to receive required training under Section 2b.

Section 10: *Tasks.* That, after receiving such reports, testimony, public comments and other information that the Board deems relevant and necessary regarding the operations of the municipal utility, the Board may recommend appropriate actions to be taken by City Council in matters described in this Section 10. The City Council shall defer actions on utility matters described in this Section 10 until a recommendation is received from the Board, except that the City Council may determine in its sole discretion that circumstances exist requiring an

immediate decision without recommendation. Upon request of City Council, the Board shall render a recommendation on any question pertaining to the municipal utility within ninety (90) days, or such other time as may be provided by City Council.

a. Strategic Guidance. The Board shall develop and communicate long-term goals and policies for the provision electric, water, and wastewater services by the City and submit the same for approval by the City Council. The Board shall revise and update approved long-term goals and policies at intervals of not more than five years.

b. Rates. The Board shall, on intervals of not more than five years, examine the rate schedules for electric, water, and wastewater services and timely report any recommended actions to City Council.

c. Debt. The Board shall, on intervals of not more than five years, review outstanding debt instruments secured in whole or in part by revenues from the sale of electric, water, or wastewater service and make recommendations to City Council regarding refinancing, retirement, or issuance of debt instruments.

d. Regulations governing services. The Board may propose to City Council regulations that govern interactions with customers and prospective customers of the electric, water, and wastewater utilities. These regulations may include, without limitation: procedures to connect, disconnect, alter, pay for, and guarantee payment for such services. These regulations may also include, without limitation, rules that restrict customer activities and behaviors that in order to ensure the safety of workers and the safe and reliable delivery of service to all customers.

e. Policies governing internal operations. The Board may propose to policies and internal guidelines to City Council that govern the conduct of employees in the provision of electric, water, and wastewater services.

f. Disposition of property. The Board may review the City's use of real and personal property for the provision of electric, water, or wastewater services, or any combination thereof, and recommend alternate disposition of such property to City Council when appropriate.

g. Execution of interlocal agreements. The Board may review proposed interlocal agreements pertaining to the provision of electric, water, or wastewater

services, or any combination thereof, and recommend approval of such agreements by City Council when appropriate.

h. Wholesale purchases of water or electricity. The Board shall review proposals for bulk purchases of water or electricity for resale to customers and recommend approval of such agreements by City Council when appropriate.

i. Obligations and expenditures. The Board shall review proposed purchases, agreements, and contracts for materials, supplies, property of every nature, services, and professional services related to the provision of electric, water, or wastewater services, or any combination thereof, and recommend approval of such purchases, agreements, and contracts by City Council when appropriate.

j. Budget requests and adjustments. The Board may, in accordance with the administrative schedules of the City, submit requests for appropriations through the City's annual budgeting process. The Board may also consider and recommend the approval of amendments to the budget by City Council when appropriate.

k. Exercise of eminent domain. When constructing public improvements to provide electric, water, and wastewater service, the Board may request the City to exercise the power of eminent domain.

l. Extension of services outside the City. The Board may request the City Council to authorize the extension of services outside of the municipal boundary of the City when authorized by law.

m. New services. The Board may explore offering additional utility or communication services through study, modeling, beta-testing, or other prudent method. The Board may recommend new services and related fee and rate schedules for approval by City Council.

Section 11: Reporting. The Board shall annually submit a report describing the state of affairs of the electric, water, and wastewater services of the City with such reports being submitted on or before the first day of June for reports pertaining to the previous calendar year. The Board shall timely file copies of approved minutes, and any recordings required by state law, with the City Clerk.

Section 12: Dissolution. That the Bentonville Utility Board may only be dissolved by a majority vote of City Council.

Section 13: *Repealer.* That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

Section 14: *Severability.* That the provisions of this Ordinance are hereby declared to be severable and if any section, phrase, or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases, or provisions.

PASSED AND APPROVED this ____ day of _____, 2019,

APPROVED:

ATTEST:

MAYOR

CITY CLERK



CHECK ALL THAT APPLY		
	Bid Award	Bid #
x	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jon Simpson

Department

Police

Phone

271-3172

ACTION REQUIRED:

Change order related to Nabholz contract for new Emergency Communications and Criminal Investigations Center recognizing additional weather delays. See attached letter from WER Architects/Planners.

COST TO CITY:

Cost of this Request: \$17,758

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE





Prime Contract Change Order

City of Bentonville Emergency Communications CProject # 02-17-2468
1505 Derek Dr.
Bentonville, AR 72712

Tel: Fax:

Nabholz Construction Corporation

Date: 8/26/2019
To Contractor:
Nabholz Construction Corporation
3301 N 2nd St (72756), PO Box 277
Rogers, AR 72757

Architect's Project No: 02-17-2468
Contract Date: 7/25/2017
Contract Number: 02172468
Change Order Number: 027

Owner acknowledges that Contractor is an independent contractor and the Owner has no ownership or control over Contractor, private entity. Contractor has not agreed to act as a custodian of public records for the Owner subject to the provisions of the Arkansas Freedom of Information Act, Ark. Code Ann. §25-19-101, et seq. Owner further acknowledges and agrees that certain documents and information provided to Owner pursuant to the terms and conditions of this agreement may place Contractor and Owner at a competitive disadvantage if the information is disclosed by Owner. In the event Owner receives a request for disclosure pursuant to subpoena or other means, Owner shall provide notice of such request to Contractor within twenty-four (24) hours of receipt of the request, subpoena or demand, and shall not disclose such records without order.

The Contract is hereby revised by the following items:

Additional Weather Delays

PCO	Description	Amount
153	Additional Weather Delays	\$ 17,758.00

While the date has been pushed back 20 days. The calculation does not include weekends or holidays. This brings the total days of compensation to thirteen days. The following is a breakdown of cost per day per job title.
(2)Tradesman \$216/day/person
Superintendent \$415/day
PM \$519/day

Daily total is \$1,366/day
13 days x \$1,366/day = \$17,758

The original Contract Value was.....	\$ 16,000.00
Sum of changes by prior Prime Contract Change Orders.....	\$ 8,331,058.73
The Contract Value prior to this Prime Contract Change Order was.....	\$ 8,347,058.73
The Contract Value will be changed by this Prime Contract Change Order in the amount of.....	\$ 17,758.00
The new Contract Value including this Prime Contract Change Order will be.....	\$ 8,364,816.73
The Contract duration will be changed by.....	20 Days
The revised Substantial Completion date as of this Prime Contract Change Order is.....	9/5/2019

Witsell Evans & Rasco PA
ARCHITECT
2241 Green Acres Road
Fayetteville, AR 72703
Address
By John Langham
SIGNATURE
DATE

Nabholz Construction Corporation
CONTRACTOR
3301 N 2nd St (72756), PO Box 277
Rogers, AR 72757
Address
By John Eccleston
SIGNATURE
DATE

CITY OF BENTONVILLE
OWNER
117 W. Central Avenue
Bentonville, AR 72712
Address
By Jon Simpson
SIGNATURE
DATE



WER NWA
112 W Center Street, Suite 410
Fayetteville, Arkansas 72701

Phone 479-966-4477
Fax 501-374-5247
www.WERarch.com

Jon Simpson, Police Chief
Bentonville Police Department

RE: Bentonville Emergency Communications Center, Time Delays

WER would like to affirm that we have reviewed Change Order 27 and agree with Nabholz assessment of the most recent delays due to unforeseen conditions. Below is a summary of the delay days presented at our fortnightly meetings.

The first group of lost time is 105 days that were logged as lost due to both unforeseeable and foreseeable events. These were listed in Change Orders and our Meeting Minutes as no change to the completion date. The Construction Management process is designed to reduce the risk as much as possible early on in the project by carefully adjusting the Scope of Trades and Schedule. The process identified early issues that through careful phasing changes have allowed some but not all delay time to be made up and therefore it has not been billed to the project.

The second block of time approved was 35 days added to the completion date without additional cost. This was an accounting mechanism to change the Date Only as specific events that caused the delay could not be billed in arrears once a Change Order was signed listing no impact to the completion date. All previous Change Orders included time in the cost even if the date was not modified. Change Order #18 accounts for all of these previously approved change orders that listed no date impact but did add time.

The final request to extend the contract 20 days with additional compensation is a reasonable request under the terms of the agreement and appears to only include necessary work. The inability to complete the work in proper sequence due to an unforeseeable series of weather events at the end of the project was not accounted for in Change Order 18 as we decided to deal with additional delays when or if they occurred.

If you have any questions, please feel free to call,

J Ashley Tucker, AIA.



CHECK ALL THAT APPLY		
	Bid Award	Bid #
x	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

Jon Simpson

Department

Police

Phone

271-3172

ACTION REQUIRED:

Budget adjustment to provide insurance (\$9,846.00) for new Emergency Communication and Criminal Investigations Center.

COST TO CITY:

Cost of this Request: \$9,846

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





Date of Request: September 24, 2019

Justification: Insurance cost for new Emergency Communications and Criminal Investigations building and costs.

Revised 5/1/07



Stephens Insurance, LLC

111 Center St
Suite 100
Little Rock, AR 72201-4451
(501)377-2300

City Of Bentonville
117 West Central
Bentonville, AR 72712

INVOICE

Customer	City Of Bentonville
Acct #	348
Date	09/10/2019
Customer Service	William Cobb Felecia Prince
Page	1 of 1

Payment Information	
Invoice Summary	\$ 9,846.00
Payment Amount	
Payment for:	Invoice#936401
GS865	

Thank You

Please detach and return with payment



Customer: City Of Bentonville

Invoice	Effective	Transaction	Description	Amount
936401	08/26/2019	Policy change	Policy #GS865 07/08/2019-07/08/2020 Affiliated FM Insurance Company Commercial Property - Add 1501 Derek Street Due Date: 9/10/2019	9,846.00
				Total
				\$ 9,846.00

Thank You

Stephens Insurance, LLC	(501)377-2300	Date
111 Center St Suite 100		
Little Rock, AR 72201-4451	insurpc@stephens.com	09/10/2019



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
x	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Resolution authorizing the Mayor and Clerk to enter into an agreement with Ecological Design Group, in the amount of \$39,500.00, to redesign the damaged vehicle access to Slaughter Pen Mountain Bike Park.

COST TO CITY:

Cost of this Request: \$39,500

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor Orman
From: David Wright, Parks and Recreation Director
Date: September 12, 2019
Re: Council approval of a Resolution, authorizing the Mayor and City Clerk to enter into an agreement with Ecological Design Group, in the amount of 39,500, for the design of low water crossing for Slaughter Pen Mountain Bike Park.

Parks and Recreation is seeking City Council's approval of a resolution, authorizing the Mayor and City Clerk to enter into an agreement with Ecological Design Group (EDG) for the design of a low water crossing for Slaughter Pen Mountain Bike Park.

In recent years, the uptick of damaging floods have created issues for the low water crossing that provides emergency access to Slaughter Pen Mountain Bike Park. Earlier in 2019, the around around the crossing was completely washed away restricting access. This access is the sole entrance for maintenance vehicles and equipment. More importantly, it's the only access for emergency EMT access. In order for access to be available for Parks, Fire and Police staff, this access should be reconstructed. While there is a potential for external funding for construction, the design is necessary for us to move forward.

Parks and Recreation worked with Purchasing to determine the most qualified professional design firm for the work. EDG was selected by using the Professional Services Selection Criteria. The cost of the agreement is 39,500. If you look at the attached agreement, you will see other price options. The City decided to hire a survey group directly, to save costs. But we felt it necessary to include a hydrologic and hydraulic analysis. The overall goal of this is to create a project that does not cause a rise to the overall water level.

If City Council approves this agreement, we will begin design work immediately and hope to move forward with the project in 2020. If you have any questions regarding this item, please call me at 479.271.6813, or email dwright@bentonvillear.com.



August 29, 2019

Mr. David Wright
Director, City of Bentonville Parks and Recreation
215 SW A Street
Bentonville, AR 72712

Re: Professional Civil Engineering Services for
Slaughter Pen Emergency Access Stream Crossing - Bentonville, Arkansas

Dear David:

Per your request, we are pleased to submit our proposal for civil engineering services for a permanent stream crossing to accommodate emergency vehicles to the Slaughter Pen trail system as identified in an email received on August 15, 2019. The existing low water crossing has failed, and the intent is to provide a permanent box culvert crossing in which has no impact to the existing floodway. If a rise is unavoidable, then a Letter of Map Revision may be required.

SCOPE OF WORK

The Scope of Work for Basic Services will consist of but not limited to the following: Site visits, coordination and meetings with ownership, sub-contracting and management of the existing conditions survey, sub-contracting and management of a consultant to perform HEC Ras hydrologic and hydraulic analysis for the proposed crossing to determine the impact to the base flood elevation, Prepare stamped construction plans including details and specifications, Prepare floodplain development permit application and submit to the City of Bentonville Floodplain Administrator, Perform construction administration.

BASIC SERVICES AND REMUNERATION

Given the above scope of work, we will provide the following basic services at a lump sum fee:

Task A – Prepare stamped construction documents including details and specifications:	\$15,000.00
Task A.1 – FTN consulting with EDG on design options to limit a rise in the floodway:	\$ 5,000.00
Task B – Prepare floodplain development permit application and submit to the City FA:	\$ 1,500.00
Task C – Perform Bidding and Negotiations and Construction Administration:	\$ 6,000.00
Total Basic Services	\$27,500.00
+reimbursable expenses nte	\$ 825.00

Given the above scope of work, we will provide the following specialized services at an hourly rate not to exceed allowance:

Task D – Morrison Shipley – Existing Conditions Survey:	\$ 4,350.00
Task E – FTN - HEC Ras hydrologic and hydraulic analysis, no rise modeling:	\$12,000.00
Task F – FTN - CLOMR & LOMR <i>only if a no rise is not achievable</i> :	\$28,000.00

Reimbursable Expenses:

The Client shall, in addition to payment of the fee, reimburse the Consultant for expenditures made for such items as, surveys, drawings and reports necessary to conduct the work and not otherwise furnished by the Client; computer plots; reproductions; prints; postage; mileage (.58/mile). Reimbursable expenses will be billed at 1.0 times direct cost. **Reimbursement Expenses shall not exceed 3% of the Basic Service Fee.*

Ecological Design Group, Inc. 314 S 3rd Street, Rogers, AR 72756 | www.ecologicaldg.com

Hourly Rates

The following hourly rates apply to Ecological Design Group's Basic Services and to any Additional Services requested:

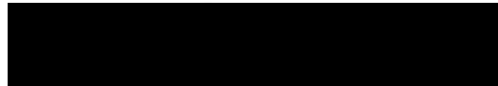
Standard Hourly Rate Schedule:

Principal Landscape Architect	\$150.00
Principal Civil Engineer	\$150.00
Project Manager Landscape Architect	\$130.00
Project Manager Civil Engineer	\$130.00
Landscape Architect	\$120.00
Civil Engineer	\$120.00
Civil Engineer Intern	\$ 95.00
Illustrator/Graphics Designer	\$ 90.00
Landscape Designer	\$ 90.00
Botanist	\$ 70.00
Biologist	\$ 70.00
CAD Technician	\$ 70.00
Technical/Clerical	\$ 60.00

We sincerely thank you for the opportunity to submit this proposal and look forward to working with you on this exciting project. Your signature in the space provided on this proposal, returned to us, will indicate Agreement and permit us to proceed with the work as directed.

Respectfully submitted,

ECOLOGICAL DESIGN GROUP, INC.



Brahm Driver, P.E.
Civil Engineer

Accepted: _____ Date: _____

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE MAYOR AND
CLERK TO ENTER INTO AN AGREEMENT WITH
ECOLOGICAL DESIGN GROUP FOR PROFESSIONAL
SERVICES RELATED TO SLAUGHTER PEN TRAIL
VEHICLE ACCESS.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That the Mayor and Clerk be and are hereby authorized to enter into an
an agreement with Ecological Design Group, in the amount of \$39,500.00, for professional
services to redesign the damaged vehicle access to Slaughter Pen Mountain Bike Park, as per the
proposal attached hereto as Exhibit "A".

Section 2: This resolution shall be in full force and effect from and after the date of its
passage.

PASSED and APPROVED this _____ day of _____, 2019.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY			
	Bid Award	Bid #	
☒	Budget Adjustment		
☐	Change Order		
☐	Informational		
☐	Ordinance		
☐	Resolution		
☐	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Budget adjustment in the amount of \$39,500.00, to redesign the damaged vehicle access to Slaughter Pen Mountain Bike Park.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712
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PLEASE RECYCLE





Budget Adjustment #
(Assigned by Admin)

Department: Accounting/Purchasing

Date of Request: September 19, 2019

Acct Number	Account Name	Revenue + (-)	Expense + (-)	Fund Balance + (-)
	Fund Balance	\$39,500.00		\$ 39,500.00
	Capital - Other Services		\$39,500.00	\$ (39,500.00)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
	Totals	\$ 39,500.00	\$ 39,500.00	\$ -

Justification:

Budget adjustment is necessary to redesign the damaged vehicle access to Slaughter Pen Mountain Bike Park.

FOR ACCTING USE ONLY

Council Action: Approved Disapproved Other _____

Date: _____ Date entered: _____ By: _____

Revised 5/1/07

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712
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PLEASE RECYCLE





CHECK ALL THAT APPLY			
	Bid Award	Bid #	
x	Budget Adjustment		
	Change Order		
	Informational		
	Ordinance		
	Resolution		
	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Budget adjustment recognizing revenue and expenses of increased participation in recreation programming for Parks and Recreation Department.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE



Memo



To: City Council, Mayor Orman
Through: David Wright, Parks and Recreation Director
From: Josh Stacey, Recreation Services Manager
Date: September 12, 2019
Re: Council approval of a Budget Adjustment of \$210,000 to account for increased participation in recreation programs in 2019.

Parks and Recreation is seeking City Council's approval of a budget adjustment in the amount of a \$210,000 increase in revenue in account 0010-5030-25-3468 and an increase of expense of \$210,000 in account 010-5030-452.34-10.

This adjustment is due to higher than anticipated participation in our recreation services. Programs such as Swimming Lessons, Tennis, and Camps have all grown at a level higher than anticipated for the year. Bentonville Parks and Recreation utilizes specialized contractors to operate these programs for our community. This budget adjustment is fully recovered from revenue generated by these programs.

If you have any questions regarding this item, please call me at 696.0204, or email jstacey@bentonvillear.com.



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
x	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Change order to the existing contract with Morrison Shipley, in the amount of \$10,350.00, for extra additional design work and construction administration for the North Trail Parking Lot and trail improvement project.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor Orman
From: David Wright, Parks and Recreation Director
Date: September 12, 2019
Re: Council approval of a Change Order, for 10,350, for the Razorback Greenway Improvements Project.

Parks and Recreation is seeking City Council's approval of a Change Order to an agreement with Morrison Shipley, for \$10,350, for additional design work and construction observation for the Razorback Greenway Improvements Project. The project included a low water crossing for the Urban Trail, widening the Greenway, straightening the greenway for safety, a new parking lot at Cub and Tiger, and more.

And after the design work and bidding was complete, and contractor was on site, City Staff required multiple changes to the original design. The required changes created a number of problems. While most were resolved, a few of the issues were eliminated from the overall project. These eliminations untimely resulted in the decrease of the overall project costs. However, the required changes resulted in increased time and resources by Morrison Shipley. They requested to be compensated for their additional hours, and City Staff agrees it is appropriate to move forward with the change order.

Staff requests Council's approval of a \$10,350 change order. This change order ultimately lowered the overall project costs, but increased the price of our contract with Morrison Shipley for additional design fees and additional construction observation. This project is part of the Greenway Improvements Grant awarded by the Walton Family Foundation in December 2017. All funds are paid via grant funding.

If you have any questions regarding this item, please call me at 479.271.6813, or email dwright@bentonvillear.com.



May 16, 2019

Mr. David Wright, Director
Bentonville Parks and Recreation
215 SW A Street
Bentonville, AR 72712
(479) 464-7275

**RE: Amendment 1 to Morrison-Shipley Contract
 Greenway Trail Improvements
 City of Bentonville, Arkansas**

Dear David:

This Amendment 1 shall be considered to be in addition to the original contract between MSE and The City of Bentonville, titled "**Greenway Trail Improvements**" dated January 29, 2018 and signed by the City on March 1, 2018.

PROPOSED SCOPE OF SERVICES

Morrison-Shipley's additional services for Amendment 1 will consist of the following items:

Construction Phase services will be provided as described above in the original contract with an additional fee of \$10,350.00 added to the contract for Construction Phase Services. We regret seeking the additional fees but the resolution of design issues subsequent to the approval of the plans resulted in a significant expenditure of time.

Our original contract amount was \$5,400.00. **This amendment will increase our Maximum allowable construction phase fees for this project to \$15,750.00.** Services not listed in this proposal or any further changes to the project scope that are requested by the City of

Mr. David Wright
Greenway Trail Improvements
Page 2 of 2

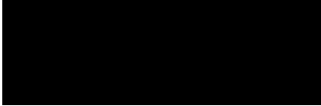
Bentonville or other parties will be billed as ADDITIONAL SERVICES in accordance with our fee schedule that is current when the work is performed.

All terms listed in the contract between MSE and The City of Bentonville, titled "**Greenway Trail Improvements**" dated January 29, 2018 and signed by the City on March 1, 2018 will remain unchanged unless stated to be modified with this Amendment.

We appreciate your consideration of our request and will be happy to answer any questions you might have.

If the terms of this Amendment are acceptable to you, please have this Amendment signed below and provide me with a signed copy.

Sincerely,
Morrison-Shipley Engineers, Inc.



Douglas C. Melton, Jr., P. G., P. E.
Senior Project Manager

City of Bentonville

Honorable Stephanie Orman
Mayor



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
x	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Ordinance for City Council approval of a bid waiver, in the amount of \$48,706.00 to the City of Fayetteville to recognize revenue and allocated expenses from the Square to Square Bike Ride.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE



REQUEST FOR WAIVER OF BID

[illegible]

Memo



To: City Council, Mayor Orman
From: Josh Stacey, Recreation Services Manager
Through: David Wright, Parks and Recreation Director
Date: September 16, 2019
Re: Council approval of a Bid Waiver to the City of Fayetteville in the amount of \$48,706 for the registration fees for the Fall Square 2 Square Bike Ride.

Parks and Recreation is seeking City Council's approval of a bid waiver in the amount of \$48,706 to the City of Fayetteville for the Square to Square Bike Ride.

Immediately following the grand opening of the Razorback Greenway, team members from Bentonville Parks and Recreation visited with Fayetteville Parks and Recreation to think about a family friendly, community event that celebrated cycling and the Northwest Arkansas Razorback Greenway. The results of the meeting was the birth of the Square to Square Bike Ride. Four years later and eight (8) events completed, the Square to Square has become to most popular cycling event in Northwest Arkansas and the 2nd largest in the entire state. In the fall event, more than 2,000 registered participants rode from Lawrence Plaza in Bentonville to the Fayetteville Square.

Logistically, the two departments share responsibilities to produce the event. Most of the responsibilities fall upon the community that is hosting the finish line. Moreover, since each community hosts the finish line once per year, the responsibilities are equal on an annual basis. Participants in the event pay a registration fee to be part of the ride. After the event's expenses, the two departments share the profits equally. As the event has grown and has created its own identity and brand, our departments have recognized the value of one central registration point. Therefore, for the ease of our participants, we use Bentonville Parks and Recreation's registration software. Because of the number of recreation programs and revenue our department produces, we have invested in a higher quality Point of Sale system. Because of the quality and ease of our POS, we choose to use our current system. This means the City of Bentonville is responsible for registration for the Fall and Spring events.

During the spring event, BPR manages the logistics and expenses for the event. Once all expenses are paid, and we determine the total profit for the event, we share the proceeds equally. During the fall event, FPR manages the logistics and expenses and shares the net profit with us. However, during the fall event, BPR is collecting all registration fees. Per

our Memorandum of Understanding (please see attached), we collect the registration fees and send them to the City of Fayetteville on a monthly basis.

After visiting with Finance Director Jake Harper and Staff Attorney Camille Thompson, we believed that in an effort to be as open and transparent, we should bring this item to city council as a bid waiver to the City of Fayetteville for the payments. Although each city is following each of their own city purchasing policies, and ultimately Arkansas State Law, in an abundance of caution, we wanted to seek your approval for this practice. As in all our programs, all expenses are recovered 100% through registration fees. All funds in this agreement is fee based.

If you have any questions regarding this item, please call me at 696.0204, or email jstacey@bentonville.com



MEMORANDUM OF UNDERSTANDING

Between

Fayetteville Parks & Recreation

And

Bentonville Parks & Recreation



This Memorandum of Understanding sets the terms and agreements between Fayetteville Parks & Recreation and Bentonville Parks & Recreation for the collaborative effort of establishing, organizing, and producing the Square 2 Square Bicycle Rides. This MOU shall be agreed to in February of 2019 and auto-renew annually on December 31, for the next five years, expiring December 31, 2023. This MOU may be terminated by either party with a 60 day written notification. If revenues are collected or expenses incurred each would be shared equally by both parties.

Background:

It is understood that the event will take place twice a year, rotating direction of travel, giving each community the opportunity to host a start and a finish. Events will take place in May and September of each year. Each community will be equally responsible for planning logistics, promoting the event, and recruiting volunteers.

Registration and Revenue Collecting:

Revenues will include donations, sponsorship, and registration fees collected for each event. Online registration will be collected by Bentonville Parks and Recreation. Bentonville Parks and Recreation will distribute the revenues collected for the fall ride to Fayetteville Parks and Recreation in three installments; July 1st, August 1st and after registration has closed. Both ride organizers will have access to the online registration system during the registration period to view numbers and revenues from registration. It is understood that together both communities will seek out additional funding, through sponsorship and in-kind service, for future events. Registration numbers and financial reporting are agreed to be shared on a regular basis.

Expenses and Profit Sharing:

It is understood that the community hosting the finish line will be considered the host city and will undertake the purchasing for the event. Bentonville will handle event expenses for the spring ride and Fayetteville will for the fall ride. Each City will follow their respective purchasing policies when hosting the finish and handling event expenses. Expenses will include items such as event t-shirts, participant items and product, finisher medals, and event entertainment. Purchasing will be discussed and agreed to prior to buying for each event. Both City's will work together to approve items jointly.

It is understood that the net proceeds from the events will be shared 50/50. The host city will provide a summary event statement showing by line item the revenues and expenses related to the event and how the total net proceeds was computed. This summary event statement will be provided to the non-host city for review and approval along with payment of the net profits within sixty days post event.

Consideration:

The Square 2 Square Bike Rides benefit individual participants, the local parks and recreation departments, and the community at large. The event provides an outlet for individuals to participate in a healthy lifestyle activity. Fayetteville Parks and Recreation and Bentonville Parks and Recreation will generate a profit from

the event that may allow for additional activities or facilities. Finally, each community receives recognition, publicity, and an economic benefit by way of participants and visitors attending local attractions and businesses.

Contact Information:

Fayetteville Parks and Recreation
Director, Connie Edmonston
479-444-3471

Bentonville Parks and Recreation
Director, David Wright
479-464-7275

Agreement Signatures



Lionel Jordan
Mayor, City of Fayetteville, AR



Stephanie Orman
Mayor, City of Bentonville, AR

ORDINANCE NO. _____

**AN ORDINANCE RATIFYING THE AGREEMENT WITH THE
CITY OF FAYETTEVILLE, RECOGNIZING REVENUE AND
EXPENSES AND APPROVING A WAIVER OF BID RELATED TO
THE SQUARE TO SQUARE BIKE RIDE.**

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF
BENTONVILLE, ARKANSAS.**

Section 1: That the agreement with the City of Fayetteville related to the Square to Square Bike Ride should be and the same is hereby ratified as attached hereto as Exhibit A.

Section 2: Because this event is a partnership between the two cities and because the event revenue and corresponding distribution to Fayetteville exceeded predictions, it would be neither practical nor feasible to advertise for competitive bidding, and that requirement is herein waived.

PASSED and APPROVED this ____ day of _____, 2019.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY			
	Bid Award	Bid #	
x	Budget Adjustment		
	Change Order		
	Informational		
	Ordinance		
	Resolution		
	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 24, 2019

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Budget adjustment, in the amount of \$48,706.00, to recognize revenue and expenses from the Square to Square Bike Rides.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor Orman
From: Josh Stacey, Recreation Services Manager
Through: David Wright, Parks and Recreation Director
Date: September 16, 2019
Re: Council approval of a Budget Adjustment of \$48,706 for Square to Square payments for 2019.

Parks and Recreation is seeking City Council's approval of a budget adjustment in the amount of a \$48,706 to recognize revenue and allocate expenses for the Square to Square Bike Ride.

As we mentioned in the previous council item, Bentonville Parks and Recreation (BPR) is now accepting all registration for the Square to Square Bike Ride events. This practice is to streamline registration process and assist our participants. This Budget Adjustment recognizes those funds coming to through our point of sale system and into our General Fund. Then it allocates the gross revenue to share with the City of Fayetteville.

As in all our recreation programs, 100% of these expenses are from participation registration fees. If you have any questions regarding this item, please call me at 696.0204, or email jstacey@bentonvillear.com.



CHECK ALL THAT APPLY		
Bid Award	Bid #	IFB-19-57
Budget Adjustment		
Change Order		
Informational		
Ordinance		
Resolution		
Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 10, 2019

Submitted by:

Crant Osborne

Department

Parks and Rec

Phone

271-3190

ACTION REQUIRED:

Bid Award to Lights by Sparky in the amount of \$42,728.02 for square light installation.

COST TO CITY:

Cost of this Request: \$42,728

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor Orman
Thru: David Wright, Parks and Recreation Director
From: Crant Osborne, Parks Operations Manager
Date: September 10, 2019
Re: Bid award IFB-19-57 in the amount of \$42,728.02 to Lights by Sparky to install lights on downtown buildings.

Parks and Recreation Staff is requesting City Council's approval to award bid IFB-19-57 to Lights by Sparky to install lights on downtown buildings.

We received three bids to replace the existing "Christmas"/building lights downtown. One bid was from Christmas Décor in the amount of \$45,255.80 and two bids from Lights by Sparky. Lights by Sparky gave two bids one for \$35,677.59 and one for \$42,728.02. After visiting with Lights by Sparky, the big difference is, the cheaper bid has an open track for the LED lights and wiring (wiring and lights would be exposed to the elements) and the second more expensive option has a little larger track with a cover. The cover would protect all of the lights and wiring and after reviewing each, we believe it will be more aesthetically pleasing and the wiring should last longer because it is protected from the elements.

We currently have incandescent C-9 lights that were not professionally installed. The wiring is deteriorating as well as the sockets for the lights. We have to change the bulbs twice a year to keep them burning. We are proposing to install new LED lighting in a track system, professionally installed that will have tight, straighter lines and will not require us to change the bulbs.

The City will be reimbursed 100% from the cost of the project. The funding is providing by the Bentonville Advertising and Promotions Commission. Please see attached budget adjustment request showing revenues to meet the expenses for this project.

If you have any questions regarding this item, please let me know. Please call me at 271-3190, or email cosborne@bentonvillear.com.

Attachments:

Bid Tabulation



BID TABULATION:
TRACK LIGHTING FOR THE DOWNTOWN BENTONVILLE SQUARE
IFB-19-57
BID OPENING:
AUGUST 30, 2019
at 2:00 P.M

BIDDER NAME	Product Bid	5% BID GUARANTEE	BID COMPLETE	TOTAL BID PRICE
Lights by Sparky	BLEE Christmas Designers (Track)	X	X	\$35,677.59
Lights by Sparky	INCEPTION - GEN 3 (Track)	X	X	\$42,728.02
Christmas Décor of NWA	Permalites 365 by Minleon	X	X	\$45,255.80



CHECK ALL THAT APPLY		
	Bid Award	Bid #
x	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 10, 2019

Submitted by:

Crant Osborne

Department

Parks and Rec

Phone

271-3190

ACTION REQUIRED:

Budget adjustment, in the amount of \$43,729.00, to recognize funding from Bentonville Advertising and Promotions Commission for new lights in the Downtown Bentonville Square.

COST TO CITY:

Cost of this Request: \$43,729

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor Orman
Thru: David Wright, Parks and Recreation Director
From: Crant Osborne, Parks Operations Manager
Date: September 10, 2019
Re: City Council approval of a budget adjustment, in the amount of \$43,729, to recognize revenue from the Bentonville Advertising and Promotions Commission, for new lights in the Downtown Bentonville Square.

The previous council item discussed the new lights to be installed on the Downtown Bentonville Square. Visit Bentonville, as part of their 2019 budget, agreed to provide funding for this project. This budget adjustment approves the revenue coming to our General Fund and expenses being allocated to our capital budget.

If you have any questions regarding this item, please let me know. Please call me at 271-3190, or email cosborne@bentonvillear.com.

Attachments:

Budget Adjustment Request Form



September 19, 2019

To: City Council Members & City Clerk
From: Mayor Stephanie Orman
Subject: Appointment of Dennis Cherry to the City of Bentonville's Airport Advisory Board.

I recommend Dennis Cherry for appointment to the City of Bentonville's Airport Advisory Board. Mr. Cherry's term will expire on September 27, 2022.

Stephanie Orman



APPLICATION FORM

For appointment to City of Bentonville Boards & Commissions

Please Print or Type all Answers

FOR OFFICE USE ONLY

Board / Commission Appointed to:

Date of Appointment:

Term Expires:

Terminate:

Replaced:

APPLICANT INFORMATION

Name

If married, spouse's name:

Home Address

City Zip Code

Home/Cell Phone

Business Phone

Email Address

Occupation

Employer

Length of Residency in Bentonville

* Must be a Bentonville resident to serve on a Bentonville Board or Commission.

REFERENCES

Name

Phone

Email

Name

Phone

Email

Please select all commissions / boards for which you would like to be considered:

- ☐ Advertising & Promotion Commission
- ☒ Airport Advisory Board
- ☐ Bentonville Facility Board
- ☐ Board of Adjustment
- ☐ Bentonville Housing Authority
- ☐ Criminal Nuisance Abatement Board

- ☐ Library Advisory Board
- ☐ Ozark Regional Transit Authority (Bentonville representative)
- ☐ Parks & Recreation Advisory Board
- ☐ Planning Commission
- ☐ Public Art Advisory Committee
- ☐ Tree & Landscape Advisory Committee

1. What are your qualifications for serving on this commission or board, including education and expertise in the subject matter?

I am a licensed pilot and hold an FAA Air Transport Pilot (ATP) Certificate, Multi-engine. I served 30 years in the military, 27 years as an USAF fighter pilot. I have held command positions responsible for airfield management, air traffic controller training, aircraft maintenance, and flight safety. I served as the Chief of Safety for the USAF Air Defense Weapons Center (1990-1991); Director of Safety, US Air Forces in Europe (1998-2000); and am a graduate of the USAF Accident Investigation Board President's course.

2. Why would you like to be considered for appointment to this commission or board?

I maintain a keen interest in aviation. I view Thaden Field as a real benefit to the citizens of Bentonville and desire to help ensure its continued operation for our future.

RETURN THIS APPLICATION TO: Submit by E-mail to Janice Hopkins, jhopkins@bentonvillear.com or deliver to the Mayor's Office, 117 West Central, Bentonville, AR 72712. If you have any questions, call 271-3112.

If you are not appointed, your application will be kept for one year and will automatically be resubmitted during that time. After a year if you want to be considered for a position, you will need to reapply.

Restrictions on Appointees

By signing below, applicants confirm their awareness that persons appointed to offices of the city are bound by the following rules:

1. It is unlawful to use or attempt to use a city position to gain special privileges or exemptions for yourself, family members, or others in a substantial financial relationship. A.C.A. § 21-8-304(a).
2. It is unlawful to accept employment or engage in public or professional conduct that would require or induce you to disclose confidential city information. A.C.A. § 21-8-304(b).
3. It is unlawful to use information gained by virtue of public service for personal gain or benefit. A.C.A. § 21-8-304(b).
4. It is unlawful to accept a gift or compensation, as defined by law, other than the income and benefits provided by the city, for the performance of the duties and responsibilities of your position. A.C.A. § 21-8-801(a).
5. It is unlawful to be interested, directly or indirectly, in the profits of any contract with the city unless disclosed and permitted by city council. A.C.A. § 14-42-107(b).
6. It is unlawful to receive or furnish utility services unless payment is made according to the usual and regular rates, and in the same manner as the general public. A.C.A. 14-42-108.
7. No person may serve as an officer of the city who has been convicted of a felony offense, or a misdemeanor offense that meets the following definitions:
 - a. Embezzlement of public money,
 - b. Bribery,
 - c. Forgery,
 - d. Abuse of office,
 - e. Tampering, or
 - f. An offense involving deceit, fraud, or false statement, including without limitation a misdemeanor offense related to the election process.

Signature: _____

Date: 9-17-2019



9-19-19

To: City Council Members

From: Mayor Stephanie Orman

Subject: Appointment of Jeff McClelland to the Northwest Arkansas
Conservation Authority Board (NACA).

I would like to recommend that Jeff McClelland be appointed to the Northwest Arkansas Conservation Authority Board. Mr. McClelland will be filling Mike Bender's unexpired term that will end on December 31, 2022.


Stephanie Orman



APPLICATION FORM

For appointment to City of Bentonville Boards & Commissions

Please Print or Type all Answers

FOR OFFICE USE ONLY

Board / Commission Appointed to:

Date of Appointment:

Term Expires:

Terminate:

Replaced:

APPLICANT INFORMATION

Name Jeff McClelland

If married, spouse's name: Debi McClelland

Home Address [Redacted]

City Bentonville Zip Code 72712

Home/Cell Phone [Redacted]

Business Phone N/A

Email Address [Redacted]

Occupation Retired

Employer The Coca-Cola Company

Length of Residency in Bentonville 7yr 2mo

* Must be a Bentonville resident to serve on a Bentonville Board or Commission.

REFERENCES

Name Steve Weir

Phone [Redacted]

Email [Redacted]

Name Walton Hook

Phone [Redacted]

Email [Redacted]

Please select all commissions / boards for which you would like to be considered:

- | | |
|---|--|
| ☐ Advertising & Promotion Commission | ☒ NACA Board |
| ☐ Airport Advisory Board | ☐ Library Advisory Board |
| ☐ Bentonville Facility Board | ☐ Ozark Regional Transit Authority (Bentonville representative) |
| ☐ Board of Adjustment | ☐ Parks & Recreation Advisory Board |
| ☐ Bentonville Housing Authority | ☐ Planning Commission |
| ☐ Criminal Nuisance Abatement Board | ☐ Public Art Advisory Committee |
| ☐ Utility Board | ☐ Tree & Landscape Advisory Committee |

1. What are your qualifications for serving on this commission or board, including education and expertise in the subject matter?

- 1983 Graduate Ashland Univ (Ohio) BSBA Marketing / Bus. Management
 - 33 Year Business Career @ The Coca-Cola Co. (Sales/Marketing/Franchise leadership)
 - Extensive business experience in problem solving, negotiation, team dynamics, budgeting
 - Have met w/ Mike Bender and have support for strong training in Public works technical training

2. Why would you like to be considered for appointment to this commission or board?

- Have been specifically requested to serve by Mayor Oman
 - Ardent supporter of City of Bentonville and interested in "giving back" to community
 - Committed to the time & work necessary to become an effective board member
 - Personal learning opportunity

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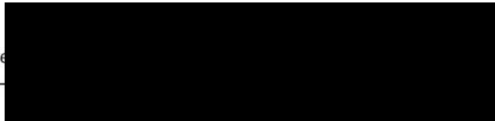
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Signature



Date:

9/17/19