



State of the City

January 28, 2014

Good evening everyone. Tonight, I gratefully and enthusiastically report that the City of Bentonville is financially sound. Through fiscal conservation, your staff and City Council have kept balance sheets firmly in the black. More importantly, the City has balanced its budget and flourished over the last seven years. As you know, during this time, the nation and many, many cities struggled through one of the worst economic periods in its history.

2014 economic predictions are in and most indicate calmer waters ahead. Optimistic forecasters envision a 3% growth in the gross national product by the end of the year.

And, the local economy should be outstanding. Local unemployment has remained low throughout the economic downturn and is now at 4.6 %.

To begin, a sincere thank you to City Council members, City staff, local non-profits, the business sector and involved citizens for their dedication, professionalism and commitment to the growth and nurturing of Bentonville. This City is most fortunate to be guided by such a distinguished citizenry.

2013 was a busy but productive year. Of note: 21c Museum Hotel opened in February. Harps relocated and built a beautiful new grocery store on North Walton. A new Neighborhood Market opened on I Street. The Chamber of Commerce hired a new Executive Director. Voters approved both Alcohol sales and a millage increase to build a 2nd high school. Three newly elected citizens began serving on the City Council. Bentonville was presented the Community Tourism Development Award at the Arkansas Governor's Conference on Tourism. For the 15th time, Bentonville was named Tree City USA by the Arbor Day Foundation. Crystal Bridges Museum of American Art surpassed one million visitors. 21c Museum Hotel began welcoming guests and art patrons while offering another new downtown dining experience.

Some national media coverage of Crystal Bridges, 21c Museum Hotel and Bentonville in the past year:

- ***USA Today*: “Since opening in November 2011, the Bilbao of the Ozarks (Crystal Bridges) is helping transform tiny Bentonville into an art lover’s mecca.... It’s Manhattan dressed up as Mayberry.”**
- ***The Washington Post*: “Bentonville’s downtown, which is undergoing a cultural and culinary renaissance, fits into a gift box of a square. Stout brick buildings dressed in bright awnings form a circle of friendship around a neatly landscaped park with a marble fountain, towering trees and the frequent dog on a leash. Main Street feels very “Mister Rogers’ Neighborhood.”**
- **Trip Advisor comments about 21c Museum Hotel: “we stopped counting the number of times WOW came out of our mouths...you have to dig the green penguins, awesomely hip balanced with down home hospitality...surprises around every corner...quirky and amazing...inspired hotel of excellent quality....the minute you walk in you feel a sense of discovery.” {Jan 22, 2014, 21C named 6th best hotel in U.S.!}**

Embedded in this speech lie accomplishments which are the success of many. At its conclusion, you’ll hopefully feel assured that your City staff and knowledgeable community leaders are skillful proponents of the City’s finances and economic growth. All work closely with state and federal agencies and nonprofits to procure additional monies to augment expenditures and maximize taxpayer dollars for future endeavors.

Bentonville's 2013 sales tax receipts surpassed 2012 collections and 2013 budget projection by more than 7%. We are fortunate to be able to set aside more than \$9 million in our fund balance insuring the City's ability to provide uninterrupted services going forward.

Bentonville's current population is estimated to be 40,400; this represents an increase of over 4% from 2013. Our City has grown more than 58% over the past decade.

Our 2013 economic stars are new home and commercial construction. The Community Development team issued 509 single family home permits and new commercial construction was up 65% over previous year.

City Utilities reported 20,551 accounts at year-end, a slight increase over 2012. Our Utility Billing team managed the collection and administration of more than \$103 million while providing a high level of professional customer service.

In 2013, the Electric Department completed numerous upgrades designed to minimize interruptions and increase the reliability of our delivery system. In 2014, a second app. will be available in the iPhone App store and at Google's App store. The new app will allow our customers to report a power outage on his/her mobile device and receive "push" notifications from the city concerning significant issues.

The Public Works Director continued his ongoing efforts to insure regulatory compliance at our City and Regional wastewater treatment facilities. At the same time our team continued challenging EPA's unfounded TMDL for phosphorous on

Town Branch. Staff had several positive engagements in 2013 with both ADEQ and EPA as we worked toward a scientifically based resolution. We anticipate further positive advancements on this matter in 2014. Collectively, we continued our efforts with Rogers, Springdale, Fayetteville, and Siloam Springs as part of the Northwest Arkansas Intergovernmental Working Group on Water and Wastewater Discharge Issues (IWG) to monitor and insure EPA follows correct TMDL processes on the Illinois River.

In 2013, the Transportation Department oversaw the completion of the SW “I” Street as well as the right-of-way and easement acquisition of the Main Street South project. Construction on the Main Street project should begin in the coming months.

Transportation and Engineering staff members held an 8th Street Improvement Project public meeting to detail design plans. In 2014, 8th Street right-of-way and easement acquisitions and utility relocation will take place.

Additionally, the team began and completed right-of-way and easement acquisitions on Arkansas Highway 12. In partnership with the AR Highway and Transportation Department, we are hoping to award bid and begin construction on this venture in 2014. The final result will be a five lane highway from Walton & Rainbow Curve west to Shell Road.

A city wide traffic study has been completed and the findings will be presented to the City Council in the coming weeks.

Bentonville Municipal Airport's northern apron expansion and rehabilitation project increased aircraft parking and improved safety for aircraft maneuvering on the northern portion of the ramp. This project was made possible with a \$300,000.00 grant from the Arkansas Department of Aeronautics and a cost share of \$66,830.00 with a developer building a hangar concurrently.

Runway Safety Area improvements were completed: correcting slopes adjacent to the runway, lighting corrections within the runway safety area and the relocation of drainage swales and pipes to outside the safety area. An FAA grant was awarded in an amount of \$551,698.00 to cover 90% of the project costs.

A new hangar was completed on the northern end of the apron. The City signed the lease for the 13,000 square foot hangar in 2012. This project shared in the cost of the apron expansion project. Interest in hangars at the Airport has increased significantly. City staff, Airport Advisory Board and Fixed Base Operator, Summit Aviation, are working with a group of stakeholders to plan for hangars on the west side of the airport in conjunction with the Airport's overall development plan. Currently, three new hangars are expected to sign ground leases in 2014.

The Fire Department staff responded to a record 5,000 calls for service in 2013. Thankfully, the City experienced no loss of life due to fire in 2013. The fire department's staff is committed to public education. This commitment resulted in fire safety presentations to more than 13,000 children and adults. The fire safety

educations tools used during this training included the Fire Safety Trailer, Fire Extinguisher Training Unit, Medical and Fire Safety Lectures, Juvenile Fire Setter Classes, and the Fire Wise Program. The Fire department was awarded \$18,913.00 worth of grants in 2013.

Architectural, civil and mechanical plans were completed and approved for Fire Station 6. Station 6 will be located near the corner of SW “I” Street & SW Regional Airport Blvd. Construction will begin this spring and completion is expected in late 2014 or early 2015.

The Bentonville Police Department and Emergency Dispatch Center processed more than 45,000 total calls for service in 2013. This number includes all police, fire, and EMS calls and represents an increase of more than 5,000 calls made in 2012. For the second year in a row, the Police Department answered an additional 500 calls per month compared to the prior year. More than 14,000 9-1-1 cell phone calls were received at the police department’s Communications Center. The Bentonville Bomb Squad responded to more than 30 calls for service in 2013.

Despite a steady increase in calls for service, there was no notable increase in more serious crimes or crimes against persons. Likewise, there were no trends in criminal activity in our community that should be cause for concern.

However, one particular offense, Public Intoxication has demonstrated a very notable increase in 2013. Physical arrests for Public Intoxication increased more than 25% compared to 2012, with some months in 2013 experiencing nearly 40 such arrests.

Many of the Police Department's efforts and accomplishments were aimed toward preparing our officers and our agency to better serve our growing community.

Six new police officer positions were created in the 2013 budget and these positions were promptly filled. New officers were selected, trained, and put into service early in the year. The additional personnel allowed for the formation of a four man Narcotics Unit. An additional School Resource Officer (SRO) was also added in partnership with the Bentonville School District, bringing the total number of SRO's to four. Three new telecommunication positions were also added in 2013 to address the increasing call volume and further promote the safety of our officers and our citizens. Within the Police Department, aggressive recruiting and hiring resulted in full capacity staffing of Police Officers and Dispatchers for 90% of the year.

Training and employee development also received significant attention in 2013. Defensive Tactics training was completed for all our officers for the second year in a row. The Bentonville Bomb Squad hosted two 40 hour technical training classes for our Bomb Techs and other Arkansas Bomb Technicians. This training was funded by the Department of Homeland Security utilizing part of a \$482,522 Security Grant.

This grant also made possible the purchase of an additional compact and quickly deployable Bomb Squad robot.

Several equipment upgrades were also initiated or accomplished in 2013. These include updates to our communications system, security system, and interview recording system. A new and more reliable in-car video camera system was implemented and installed in a large percentage of the patrol fleet. Also, more than 20 Chevrolet Tahoes were also put into police service in 2013. In a departure from issuing paper tickets, a new digital citation system was also implemented.

Many other projects received attention throughout the year as well. A Bike Officer provided security on our City Trail System five (5) days a week and personal contacts were given a high priority. Police and Fire Dispatchers once again implemented and completed a 9-1-1 education program for kids at our local elementary schools. This program allows emergency dispatchers to interact with First Graders and covers when and how 9-1-1 should be used. Bentonville Police Officers, in association with the Fraternal Order of Police and the Bentonville Public School System, provided a “Shop with a Cop Christmas” for 40 area children.

In response to nationwide school security concerns, the Police Department also continued a program to increase safety and security in the schools. This program involves random visits to elementary and middle schools that are not attended by School Resource Officers. Visiting officers check in at school locations throughout

the school day and provide site security while also developing relationships with both school staff and students. Officers averaged about 30 of these visits each week and also took advantage of daily opportunities to encourage good personal choices at a very early age.

2013 was a year of change and new beginnings as a newly elected judge began serving Bentonville's District Court.

The Court's proudest accomplishment in 2013 was the graduation of five candidates from its DWI Court Program. Graduates completed (at a minimum) a one year program; the basics of which are intensive treatment, support and accountability. The DWI Court Program uses a team approach with the goal of enhancing public safety through reducing the number of repeat DWI offenders. The DWI Court team is comprised of representatives from not only the District Court but also from Bentonville Police and Legal Departments. The DWI Court program was the recipient of a \$15,000 grant from the Arkansas State Police Highway Safety Department. This grant will allow the DWI Court team to attend training conferences designed to aid the further growth of this important program.

In 2013, the City of Bentonville's Legal Department began utilizing a secure paperless online case and document management system. Previously, each year more than 4,000 cases received from Bentonville Police Department and Bentonville District Court were handled on paper. Discovery documents were prepared and

printed for defendants and defense counsel, and the office maintained several thousand active paper files.

With the electronic system, the Legal Department can provide discovery more efficiently, utilize mobile and laptop technology in the Courtroom, and access case information 24 hours a day, seven days per week. Efficiencies were gained with time savings, courtroom performance, improved customer service, and the elimination of tracking down paper files.

The Staff Attorney also prepared 77 ordinances and resolutions, reviewed hundreds of criminal cases for probable cause, prepared contracts for approval, and consulted regularly with all City departments.

To control headcount growth in 2013, the City realigned departments and consolidated positions. Most notably, the Engineering Department reorganized to increase its technical knowledge and abilities. By eliminating outdated positions and replacing them with more contemporary and higher skilled positions, the engineering department will bring some projects in-house and eliminate outside contracting costs. New efficiencies were also created in the Fire, Water, Community Development, and Utility Billing departments.

2013 was the first full year of the Federal Government's new managed healthcare initiatives. Accordingly, the City undertook a complete review of our health benefits

programs with a goal to improve benefits while maintaining costs. We reviewed over 17 different health benefit options, closely examined three finalists, and came away with the option that provided our employees and their families the best coverage. Thankfully, the costs are well below the industry market average.

2013 Parks and Recreation programs grew far beyond our expectations. Total participation for organized sports and recreation programs based in Bentonville Public Parks exceeded 122,600 people. More than 22,000 people used the splash park and 15,000 people enjoyed ice skating at Lawrence Plaza. Melvin Ford Aquatic Center participation reached an all-time high with more than 59,000 visitors. Total Recreation program revenue exceeded \$834,000.

Parks and Recreation’s message of “Get Out and Play, Bentonville” is proving to be effective in our adult wellness programs. In 2013, the Run Bentonville Series, Running Festival and training programs included more than 5,400 participants who ran a combined total of 105,718 miles.

In 2013, Parks and Recreation began implementing a plan to make much needed improvements to the Elm Tree ball fields. In April, a new restroom and concession facility was added. Later in the year, the department received \$70,000 in grants from

the Scotts Company and Bentonville Youth Baseball to improve field turf, add scoreboards and batting cages. With another aggressive year of improvements scheduled in 2014, this facility has the potential to become one of Bentonville's finest recreation areas.

In August, the Downtown Trail was extended by .5 mile, connecting the Bentonville Public Library and the Wal-Mart headquarters to the Razorback Greenway. This \$98,000 project was funded by a \$45,000 grant from Arkansas Highway and Transportation Department and \$53,000 from Community Development Block Grants.

On November 12, the City began construction of a new 80,000 square foot community recreation center. This new facility will include two swimming pools, fitness areas, basketball gymnasium, indoor running track, arts and craft and community rooms. Truly a facility for the entire community, this recreation center and surrounding park will provide green space and recreation opportunities in the underserved and rapidly growing area of southwest Bentonville.

In December, Parks and Recreation completed the first phase of the Legacy Orchards project at Orchards Park. This phase included site work, mass grading, irrigation and the installation of 90 sugar maple trees in a formal orchard setting.

This is another multiple year project that should conclude in 2014. Once completed, the improvement will provide a beautiful and colorful attraction to one of our most visible facilities.

Most impressive is the total value of donations and grants awarded or pledged to Parks and Recreation in 2013...more than \$6.1 million!

The Bentonville Public Library presented a milestone summer reading program. Participation surpassed 1,700 children and teens who read 22,852 hours during June and July; 7,597 people attended summer events at the library; 110,954 items were checked out during the two month reading program.

In 2013, our Library offered a new mobile app called BPL Mobile. The project was grant-funded through the Bentonville Library Foundation. The library added to its tech loan program by purchasing nineteen eReaders and tablets for children, teens and adults. The technology was grant-funded through the Bentonville Library Foundation from the Bentonville/Bella Vista Daybreak Rotary Club, the Walmart Women's Officers Caucus and private donors. The Library now offers 60 devices for patron usage.

Continuing its tech savvy offerings, the Library began providing free downloadable magazines for patrons with Zinio. Another downloadable audiobook product was also added to the Library's digital collections, called One-Click Digital. Both services were added through discounted consortium pricing models in partnership with other regional public libraries.

The Library was awarded a second "American Dream Starts @ your Library" grant through the American Library Association and Dollar General Literacy Foundation. The \$10,000 grant supports family literacy, specifically English Language Learner families in our community. From this award, the Library was able to host Family Literacy Days in partnership with the ESL Department at the Bentonville Public Schools.

A new Teen Services Librarian was hired through a public/private partnership. The professional salary for 18-months is funded by donations from the Bentonville Library Foundation, the Friends of the Bentonville Library and private donors. The City of Bentonville partnered by offering benefits for the position.

The Library was also awarded a grant for a Rain Garden project from the Illinois River Watershed Partnership. Through team efforts across various City of Bentonville departments and volunteerism, the new garden is highly visible from

Main Street. The nature initiative will serve as an educational opportunity for our community.

BPL continued volunteer opportunities for junior partners, teens, adults, program presenters and corporate groups. For 2013, 395 library volunteers gave 8,022 hours to Bentonville Library. This contribution is valued at \$177,600.66.

Grants, sponsorships and donations greatly support the public library in its service to our community. In 2013, contributions valued at \$90,650.18 were made to support our Library.

Beginning in 2012, the City established an Economic Development Manager position to broaden Bentonville's economic development efforts and to better leverage the Chamber of Commerce's historic economic development role with the City.

In 2013, the Community Development staff unveiled two significant economic development plans for the City; the North Walton Boulevard Corridor Enhancement Plan and the SE Downtown Area Plan. Each plan was presented and discussed at several public meetings. Additionally, the team began work on a five year strategic plan entitled Bentonville Blueprint. The staff worked with a development consulting firm who gathered input from the community. The firm held individual & group

interviews, as well as visioning sessions. The final study is expected to be completed in the first quarter.

Additionally, the Community Development team, in collaboration with Walmart, Crystal Bridges, Arvest, Crossland Construction and Bentonville Public Schools, participated in the national “Make a Difference Day” event. Over 200 volunteers planted more than 1,000 trees thanks in part to a \$25,000 donation made by Walmart.

For the fourth year in a row, Bentonville was named a Volunteer Community of the Year by the State of Arkansas. In 2013, 16,520 volunteers recorded more than 388,959 hours of service resulting in a gift to our community worth \$8.6 million. Not surprisingly, the lion’s share of volunteer hours was spent helping disadvantaged children, stocking food banks, and participating in school curriculums and athletic programs.

In summary, I want to graciously point out that in 2013 the City of Bentonville was the recipient of over \$16.2 million in grants, donations and volunteer hours -- an unprecedented amount. Thanks Community!

As I stated earlier, our successes are the attributes of many. Speaking of success, here are a few thoughts:

If at first you don't succeed, skydiving is not for you.

Go the extra mile. It's never crowded.

And, Albert Einstein said, "If A equals success, then the formula is: $A=X+Y+Z$. X is work. Y is play. Z is keep your mouth shut."

As I look back over the last seven years, I am awed by what has unfolded. A commitment to serve professionally is the key motivator of our community's leaders. The collective success we are experiencing is no accident. Our city has become a "point of difference" by becoming the preferred destination for work, play and living life! May this commitment to quality of life and the desire to serve others remain a high priority as we embrace change and its related challenges in the coming years.

Thank you and may God continue to bless our City and Northwest Arkansas.

**Mayor Bob McCaslin
City of Bentonville**