



State of the City

January 22, 2013

Financial and economic anxiety overshadowed much of the past year. Local, state, national governments were impacted by the uncertainty of the world's financial markets. Locally, we see a glimpse of economic recovery embedded in the 2012 data; a welcome positive sign for Bentonville and NW Arkansas. Many forecasts now point to a slowly recovering U.S. economy. Throughout the past five years, NW Arkansas has maintained employment numbers significantly better than the total U.S.; currently we are near 4.6% unemployment. While many continue to struggle, I gratefully report that Bentonville is financially sound. Through fiscal conservation, your Staff and City Council have kept balance sheets firmly in the black during a puzzling economic period.

All eight City Council positions were included in the November election process; the new 2013 Council includes five returning members and three new citizens, all of whom are committed to serving our City.

2012 was a year of more accolades! For the third year in a row, Bentonville was named a Volunteer Community of the Year by the State of Arkansas, proving that our citizenry is one that cares about its community and its people. In 2012, 14,430 volunteers recorded more than 361,000 hours of service resulting in a gift to our community worth \$7.8 million.

In December, *Arkansas Business* magazine named Bentonville a 2012 City of Distinction in the Tourism category. Too, *The Washington Post* named Bentonville's dining scene to its 2013 "In" list over Charleston, South Carolina. In a *Southern Living* magazine article titled, "Is Bentonville the South's New Cultural Mecca?" several local restaurants were featured and praised for their exceptional cuisine. In this article, Matt McClure, the new chef at the 21C Hotel, said, "Bentonville is a big city with a small town mask." It seems there is tremendous interest from around the world....travelers can't wait to see what's beneath the mask.

Surpassing everyone's expectations, 2012 recorded more than 655,000 visitors to Crystal Bridges Museum of American Art. Many are visiting our state and city for

the first time. Recent spring and summer visitors shared many kind remarks about the friendliness, cleanliness and beauty of Bentonville. The downtown restaurant community has stepped up to this grand opportunity by offering a wide variety of culinary experiences to all who come.

The “Wayfinding” signage project is near completion. Tastefully done signage throughout the City now helps all visitors find their way with minimal confusion. The majority of the funding for this project was furnished by the Bentonville Convention and Visitor’s Bureau.

Early this year, the 21C Museum Hotel will begin welcoming guests and art patrons while offering a new dining experience. This unique attraction further solidifies Bentonville as a destination by adding yet another reason to visit Bentonville and NWA.

Bentonville’s 2012 sales tax receipts surpassed 2011 collections and 2012 budget projection by more than 14%. The County portion of our sales tax receipts were over 2011 receipts and ended with a double digit increase. 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.

Since 2003, our sales tax receipts have increased an average of 8.3% annually. Moreover, the City's revenue from sales tax dollars has basically doubled since 2002.

After 5 years of “zero staff growth”, the City opted to invest in new staff in several mission-critical areas, including Police, Parks & Recreation, and Parks & Public Works Maintenance. These new additions were in direct response to increases in law enforcement calls-for-service, parks & recreation activities, and parks acreage. The modest staff increases are targeted to fast-growing activities within the City. Importantly, we are committed to the internal management of existing staff. This internal management has allowed us to address critical personnel needs without adding additional staff. We focus on staffing critical areas that are experience rapid growth. This strategy has allowed the City to develop and expand programs and improve services associated with technology and growth.

Our 2012 economic stars are home renovations and new home construction. There were 490 single family home permits issued in 2012 – putting Bentonville clearly in first place for new home construction. Overall, building permits have seen an increase of 70% since 2008 - reflecting a robust recovery in Bentonville's housing market.

City Utilities total number of accounts closed the year at 19,774; a slight increase over 2011. The Utility Billing team managed the collection and administration of more than \$72 million while providing a high level of professional customer service.

The Electric & Engineering Department continued its commitment to reduce overall costs and electrical usage. In 2012, the Electric Department contracted with Mueller Systems to begin the installation of new smart electric meters which will automate our meter reading system. New software will allow Bentonville residents to monitor and manage their homes' water and electric consumption. The Electric Department also contracted with Professional Answered Telephones Live (PAT) to handle after hour outage and service interruption calls. This service also allows residents to report power outages via the City's website or via their cellular telephones. The City's website now features an "Outage Status Map" which provides users with real-time information related to a power outage. The Electric team has improved local system reliability by rebuilding old lines, replacing older poles, installing capacitor banks and updating old transformers.

With City Council approval, the City completed a comprehensive analysis of water and wastewater rates. The Water Utility is sound, with no adjustments required, while the Wastewater Utility needs adjustment. The financial effects of the City's commitment to NACA, with minimal regional participation, necessitates that rates be

adjusted in order to service debt. I and Staff continue to aggressively challenge EPA's unfounded mandates. I am glad to report we have had positive responses from ADEQ and EPA and now have reserved optimism that a positive resolution to this issue may be reached in 2013.

In September, Bentonville's Municipal Airport (Louise M. Thaden Field) was named 2012 Arkansas Airport of the Year by the Arkansas Airport Operators Association. This award represents the City's commitment to aviation and reflects the leadership of the City Council, tireless voluntary efforts of the devoted members of the Airport Advisory Board and the professionalism and dedication of the Airport's fixed base operator, Summit Aviation.

Also City staff contracted for the design of an aircraft apron expansion and rehabilitation project which is currently under construction. The City signed a lease for a 13,000 square foot hangar at the north end of the apron. This project shared the cost of the apron expansion. The hangar is currently under construction and should be completed this spring.

In 2012, the Transportation Department oversaw the completion of the East Central Avenue project. Central Avenue opened in late December to everyone's delight...and five months ahead of schedule. The completed design project moved utilities

underground, widened the two lane road, added new sidewalks and trail access, new lights, landscaping, and ironwork; plus a bridge over Town Creek. Construction will wrap up in the next 30 days on the SW “I” South project.

In December, City Council approved a city wide traffic study to be completed by August 2013. The last traffic study was in 2001. The traffic study will include street corridor plans, trail master plans, and pedestrian and bicycle facilities. This study will outline our future needs, set priorities and provide cost projections so that we can plan the allocation of future state road turnback funds.

The Fire Department purchased and placed into service a wild land firefighting vehicle. This all terrain type vehicle will be utilized to respond to fires in and around our trail system. Fire station #2 was renovated and expanded by 800 square feet. Additionally a new front line fire truck was purchased for FS #3. All City ambulances are now equipped with state-of-the-art Lucas CPR devices and Lifepak front line heart monitors.

The Fire department was awarded a \$158,000 FEMA grant for the purchase of 38 self-contained breathing apparatus (SCBA). With this purchase, each front line BFD apparatus is compliant with the latest integrated safety standards.

The Fire Department staff responded to a record 4,926 calls for service in 2012. Thankfully, the City experienced no loss of life due to fire in 2012. The Fire Department's commitment to public education resulted in almost 9,000 children and adults attending fire safety presentations.

At the Bentonville Police Department and Emergency Dispatch Center, 2012 represented a busy year marked with several accomplishments. Total calls for service in 2012 were more than 41,000. This number represents a significant increase over 2011 totals. On average, police answered 500 more calls per month in 2012 as compared to 2011.

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

One step in this preparation process was to remodel a significant portion of Police headquarters. The former National Guard Armory Building was adopted by the Police Department and remodeled for use by the Bomb Squad. The remodeled building provides 7,000 square feet of space dedicated to Bomb Squad use; plus other departmental needs. The facility allows all of the Bomb Squad's vehicles and equipment to be contained under one roof while providing office space, a training room, and repair shop to support the Bomb Squad Team. The project was self-

managed, promptly done and accomplished at significant dollar savings thanks to the use of resources, equipment, and manpower from numerous city departments.

Aggressive recruiting and hiring resulted in full capacity staffing of Police Officers and Dispatchers for 90% of the year. A fifth Dispatch Console was added to the Dispatch Center to better accommodate increasing demands and increase current efficiency.

In the area of Training and Employee Development, Defensive Tactics training was completed for all officers. Six Uniform Division Patrol Officers received hands on training in Criminal Investigations. This training was accomplished by rotating these officers into the Detective Division and allowing them to work cases and fulfill other duties of our detectives. This training will benefit our community by helping to provide the best quality initial responses from our officers. The Bomb Squad also added a fifth member with training that was also completed in 2012. This addition to our Bomb Squad Team will further enhance the response and services they provide to our community as well as the 15 plus counties they service.

A Bike Officer provided security on our City Trail System five (5) days a week and personal contacts were given a high priority. Adjustments were also made in scheduling and manpower resources to create a Summer Traffic Safety Initiative Program. This program targeted numerous intersections and roadways within the city in an effort to increase awareness and encourage safe driving. Areas were

targeted based upon known traffic safety problems and also citizen complaint information.

Police and Fire Dispatchers implemented and completed a 9-1-1 education program for students at our local elementary schools. This program allows emergency dispatchers to interact with First Graders and explains when and how 9-1-1 should be used. The program also instructs children to “stay calm” and “stay on the phone”. Magnetic decals are provided to students and these decals make necessary address, name, and number information readily available in the case of an emergency.

In response to nationwide school security concerns, the Police Department initiated a school security check program. This program involves random visits to elementary and middle schools not staffed with School Resource Officers. Visiting officers check school locations throughout the school day and provide site security while also developing relationships with school staff and students. In the first week of the program more than 65 school visits were conducted. We plan to expand our efforts and create daily opportunities for our officers to periodically visit classrooms to encourage good personal choices at a very early age. Subjects will range from safety at home to education designed to discourage drug and alcohol use.

Several Police Department policies were reviewed and a new policy was added to initiate a Chaplain Program. This Chaplain Program will help the City's officers to better handle difficult situations. Another new addition for 2012 included the formation of a Hostage Negotiation Team. Also, in 2012 several high profile cases were successfully investigated and promptly cleared by arrest.

Overall, the 2012 efforts and accomplishments of our Police Department will help us better support, protect and serve our community both now and in the future.

The City of Bentonville Legal Department prosecuted an extensive docket of criminal and traffic cases in Bentonville District Court. In 2012, 4,817 new City cases were filed in the Court, a significant increase in case load from past years. Our Legal Department also expanded its commitment to bring positive results to the community as a team member of the County's first DWI Court. Launched in 2012, DWI Court provides intensive monitoring, treatment, and support for multiple DWI offenders, with the goal of long term sobriety for participants and improved community safety for citizens.

The Staff Attorney also prepared 81 ordinances and resolutions, reviewed hundreds of criminal cases for probable cause, prepared contracts for approval, and consulted regularly with all City departments.

2012 Parks and Recreation programs grew far beyond our expectations. Total participation for organized sports and recreation programs based in Bentonville Public Parks exceeded 96,000 people. Pavilion and reservations doubled in the past twelve months with 1,314 reservations with more than 56,000 people attending these events. More than 10,000 participants visited the Ice Rink at Lawrence Plaza. Over 13,000 people utilized the Fountains at Lawrence Plaza. Over 2,500 kids were registered in the Youth Soccer program. More than 2,400 kids played Youth Softball and Baseball in 2012. These numbers indicate a vibrant & growing community.

The most impressive number is the total volunteer hours provided to the City. Patrons donated more than 41,000 hours to benefit our parks facilities and programs.

Parks and Recreation staff renovated the football fields at Phillips Park. Improvements included the installation of irrigation, crowning the fields and new sod. Additionally, lights were installed at the Memorial Park volleyball courts. The lights will provide time for more adult league tournament play at the facility. The \$56,000 lighting was paid for by the Bentonville Advertising and Promotions Commission.

In May Parks and Recreation was honored to host U.S. Representative Steve Womack's Congressional Art Competition. More than 40 pieces of artwork, created by students from the congressional district, were on display at the Downtown Activity Center. A winner was chosen from the collection and the artwork is currently on display in the United States Capital.

Thanks to a donation from Crystal Bridges Museum of American Art, Parks and Recreation staff relocated the art wall from the Crystal Bridges property to two locations in Downtown Bentonville; the Downtown Activity Center and Lawrence Plaza.

Parks and Recreation staff hosted the new Camp Bentonville Program in late spring 2012. This initiative became an instant success. Camp Bentonville – a series of affordable summer programs for kids – included Mountain Bike Camps, Camp Memorial, Camp Downtown Bentonville and a soccer camp. Because of last year's success, this series will expand in 2013 to include an Adventure Camp at Bella Vista Lake, Spring Break Camp, Science Camps and Lego Camp.

In August, Bentonville welcomed the Cal Ripken 10 Year Old World Series. The Memorial Park baseball complex hosted 10 teams from across the U.S. who competed for a National Championship. Not only did the event showcase the amazing condition

of the ball fields at Memorial Park, but it had an economic impact of \$326,745 for our community.

This fall, Bentonville was named a Bicycle Friendly Community by the League of American Bicyclists. Bentonville is one of only 242 bike friendly communities in the nation and only the fourth in the State of Arkansas to receive this designation. In October, the City participated in the Grand Opening of the Razorback Greenway, celebrating the first completed portion of a trail tying the northern tip of Bentonville to South Fayetteville. The event included more than 100 cyclists riding from Bentonville to Rogers.

On October 27, Parks and Recreation formally opened Wishing Spring Trail, connecting the North Bentonville Trail and Lake Bella Vista Trail. Bentonville becomes the first community to complete their portion of the Razorback Greenway which was funded with a grant from the Bentonville / Bella Vista Trailblazers and the Walton Family Foundation.

This past November approximately 150 people attended the grand opening of our newest park, Austin Baggett Park. The 1.2 acre park includes a playground, pavilion, picnic areas, landscaping, open space, and Bentonville's first wheelchair friendly swing set.

The Bentonville Public Library (BPL) reached three significant milestones in usage this year: over 30,000 program attendees, more than 300,000 library visits and over 500,000 checkouts were recorded in 2012!

The Library introduced a new circulation procedure to promote responsible return of overdue library materials. BPL's Materials Recovery Program has resulted in excellent stewardship of library resources. Since launching this program in July, the Library has recouped more than \$20,000 worth of materials, fines and fees.

The Library launched a new website; the new interface is user-friendly, professionally designed and has many customized features. For those on the go, the Library launched a mobile website and mobile app. Both of these projects were grant-funded through the Bentonville Library Foundation.

The Foundation also provided funding for e-Readers in the form of NOOKs and Netbooks. Mid 2012, BPL began providing NOOKs with preloaded digital content to serve a growing user need. The Library also offered 15 Netbooks for in-library use.

Our children's librarian, Sue Pekel, was honored as the 2012 Ann Lightsey Children's Award winner, a state-wide recognition for her service to children. Our library director, Hadi Dudley, was selected by the Arkansas Library Association to

serve as an **American Library Association Councilor** representing the State of Arkansas.

In 2012, Bentonville Library presented another successful summer reading program. Some good statistics > Children and teens read 19,716 hours this past June and July; 7,156 people attended summer events at the library; 102,971 items were checked out during the two month reading program.

One of our greatest gifts is our volunteer citizenry. Volunteers help build good strong communities. The City's Outstanding Citizen Award Program was initiated three years ago and it has been our pleasure to publicly recognize deserving individuals. I encourage the citizens of Bentonville to honor their colleagues, neighbors, church members, teachers, children and others by nominating them for this award.

Going back to Chef McClure's comment....yes, Bentonville has big city amenities. What's behind the small town mask? I believe it's the many caring faces of those who have taken it upon themselves to be involved in the growth of our community. Living in a small community allows us all to be a part of this growth...to shape the way we look, the way we live, the way we play, and the way we treat each other. I feel blessed to share a role.

The healthy financial condition of our City is a result of excellent planning and teamwork. The intentional conservative disciplines embraced by Council and Staff allow for uncompromised funding for the critical public safety, utility and quality of life amenities that make our City a special place to live and work. We believe if we are intentional, we can create a much better future.

May the 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