



City of Benton Finance Committee

Monday, September 8, 2025

410 River Street

Council Chambers

Beginning at 5:00 p.m.

Chair – Steve Brown

Vice-Chair – Jeff Morrow (Absent)

Staff Liaison – Mandy Spicer

Frank Baptist

Ann Spencer-Cole

Evelyn Reed

Mayor Tom Farmer

Judd Hart

Trevor Villines

Steve Lee

Jeff Hamm

I. Establish a Quorum

Council Member Brown called the meeting to order, recognized attendees, and established a quorum.

II. Statement of FOIA compliance

Council Member Brown read the following statement. I affirm that I have not engaged in any prohibited discussion, deliberation, or polling regarding any item on this meeting's agenda outside of a properly noticed and open meeting, in compliance with the Arkansas Freedom of Information Act, as amended by Act 505 of 2025.

CFO Spicer took a rollcall to confirm each member heard, understood, and will comply with the statement.

III. Approval of Minutes

Council Member Brown asked for the minutes from the August 11, 2025's meeting to be approved. Council Member Lee made the motion to approve. Council Member Hamm seconded it. A vote was taken. All those present were in favor and the motion carried.

IV. Benton Utilities

CFO Jimmy Garrett presented the July 2025 financials. He pointed out that there is now a highlights page included in his handout. From the highlights page, he reported revenue was over expenses \$928,388 which was down \$260,209 from this time last year. Year-to-date revenue was over expenses \$3,079,535, which was down \$1,140,541 from last year. Skipping down to the Electric, Water, and Wastewater, he pointed out that Benton Utilities increased the number of billing accounts for each.

Council Member Hart asked if what is budgeted left in the capital outlay projects will be spent. Mr. Garrett responded that they budgeted \$11.1 million. They have spent to date \$4.1 million, which leaves \$6.9 million left to spend. Council Member Hart asked to verify that \$6.9 is expected to be spent. Mr. Garrett confirmed they do expect to spend it. GM Todd Pederson advised they will not spend all the balance due to the project's timelines. The balance will get rolled into next year. Mr. Garrett added that there are some projects not budgeted for this year that may get rolled into this year, while others that were budgeted will get rolled into next year. Mr. Pederson gave the

example of the EQ Basin at the Water Treatment Plant getting rolled into this year. Once everything is ironed out, they will do a budget amendment to move the project.

Council Member Hamm asked if the water and wastewater on the bill should be the same charge. Mr. Garrett answered no they should not be the same. The wastewater bill is calculated on a 6-month average of water usage. Mr. Pederson explained the water usage from October through March is averaged and billed for a 12-month period for residential. Commercial is billed for the actual usage per. Council Member Hamm advised he needs his bill looked into if that is the case because his water and wastewater were the same. Mr. Pederson took down the address and advised he would look into it.

Mr. Garrett advised he has not calculated the power cost adjustment for this month but last month was the same. Council Member Hart asked if they had any calls about that. Mr. Garrett advised not that he knew of. Mr. Pederson advised all the calls they have been getting have been regarding the water bill.

V. Police surplus of assets – police car

Chief Hodges requests to surplus a 2009 Dodge Charge that is beyond its safe service capabilities with just under 100,000 miles. He requests he to be able to auction it.

Chief Hodges advised that this is standard. The vehicle is 16 years old and becoming unreliable with high mileage.

Council Member Hamm made the motion to approve the resolution. Council Member Spencer-Cole seconded it. A vote was taken. All those present were in favor and the motion carried.

VI. Police waiving competitive bid for the purchase of mobile radios

Chief Hodges requests to waive competitive bidding by upgrading the radios through Command Communications. The quote for the upgrade is \$81,000.

Chief Hodges explained that a sealed bid opening was took place the previous month, but the numbers were not accurate. At the time he did not know what his numbers were for all the radios. Command Communications did come in as the lowest bidder. Some of the radios were still under warranty. It was decided to take those to the Motorola dealer. He asked Command Communications to give a quote based on their bid for the remaining radios. In the quote he asked to include the radios to be tuned, aligned, and tested which the company had recommended but was not in their bid. The quote came back at \$81,000.

Council Member Brown asked if this \$81,000 is in addition to what the council voted on last month. Chief Hodges advised this is the final number, not an additional amount.

Council Member Villines asked how many radios the city is getting. Chief Hodges explained that this is an upgrade to the current radios. He added that when the city does get new radios they are about \$11,000 a radio. By completing this upgrade, it could extend the life of the radios for another 5 or more years. When these radios do start to fail then it will be time to replace them hopefully in small batches instead of 1 lump sum. He advised they have about 84 portable radios and 90 mobiles.

Council Member Villines asked if this is the same company that Saline County uses. Chief Hodges said yes and that this is where he got his information.

Council Member Hart asked if this was budgeted. CFO Spicer advised in the True-up this was accounted for. Chief Hodges added that he is not asking for any additional funding.

Council Member Hamm made the motion to approve the ordinance. Council Member Villines seconded it. A vote was taken. All those present were in favor and the motion carried.

VII. Bid acceptance for Streets & Drainage Grapple Truck

The city issued and advertised a request for proposals for the purchase of a Grapple Truck for the Streets & Drainage department. Bids were opened on Tuesday, September 2nd and River City Hydraulics was the low bidder. The recommendation is to enter into a contract with \$207,000. A budget amendment is required, cash held in the Streets & Drainage fund will be used for the expenditure.

Council Member Baptist asked if the purpose of the truck is to pick up larger pieces, trees, and such. John Richey confirmed this and added that it will also help with debris pickup as well.

Council Member Villines asked if this is a new truck. Mr. Richey advised it is new and has a 20-yard capacity.

Council Member Baptist made the motion to approve the resolution. Council Member Spencer-Cole seconded it. A vote was taken. All those present were in favor and the motion carried.

VIII. 2024 Legislative Audit acceptance & Financial Stability movement

Council Member Brown explained that the council members should have received a copy in the mail at their homes that day. He explained there was an error in printing and some of the data was cut off. Each member has been given a draft copy, printed correctly, in their packet so they can read all the data.

Legislative Audit has completed the review of the 2024 financial statements. There were no material findings and the ending GF balance for the year is \$1,199,513. Per Ordinances #84 of 2007 and #50 of 2010 – half of the excess General Fund revenues per the annual financial audit shall be deposited into the Financial Stability fund. For 2024, this amount is \$599,756. The remaining excess of \$599,757 shall remain in the General Fund.

Council Member Brown advised that the movement of the excess money in the General Fund is normal.

Council Member Hart asked what the money will be used for. CFO Spicer advised that the \$599,756 moved into the Financial Stability Fund per the ordinance will be left there. The plan is to grow that money into more of a nest egg to be used in case of a natural disaster. The \$599,757 will be left in the General Fund for cash flow purposes.

Council Member Villines asked if the Financial Stability Fund is just for emergencies. Mayor Farmer answered yes. CFO Spicer added that it must be appropriated by the city council. This fund is not in the annual budget. In case of an emergency the mayor will come to the city council asking for

appropriations. Council Member Villines followed up asking if there is interest rate on this account. CFO Spicer advised it is the same thing as all the other accounts with Bank OZK.

Council Member Hart asked with this deposit what will be the balance. Mayor Farmer advised it will be about \$2,000,000. Council Member Brown advised prior to the movement there was about \$1.6 million, so this will put the fund at about \$2.2 million.

Council Member Hart asked if there is goal to be reached for this fund. Mayor Farmer advised his goal is \$5,000,000 while he is in office.

Council Member Hart made the motion to approve the resolution. Council Member Villines seconded it. A vote was taken. All those present were in favor and the motion carried.

IX. Request for retirement for Alderpersons

We have had a request by an alderperson about the Council members being eligible for APERS retirement. This has been researched, and law only provides for the elected positions of Mayor, City Attorney, and City Clerk that work more than 80 hours per month.

Mayor Farmer advised that the city attorney had researched this, and the law does require that an elected official must work a minimum of 80 hours per month.

X. Request for increase for Old Fire Pension members

We have had a request from one of the Old Fire Pension members for an increase in their monthly retirement disbursement. The process for this is to obtain legislation from the City Council with the recommended increase and start date in order for LOPFI to conduct an actuarial valuation. Upon checking with LOPFI the window for submissions is April 1 through September 30 of each year. We will bring back up for discussion March 2026.

Council Member Brown advised they would not be able to request and get the actuarial valuation back in time to meet the September 30 deadline this year. He advised this will be readdressed this spring when it reopens. He advised that it looks like there is an opportunity to consider a nice increase based on some data he has seen. He just wanted to share with the council the effort thus far and that it will be brought back up in the spring.

Council Member Hart asked if a number has even been giving from the pension plan as to the what the cost would be to buy back years in the new plan. CFO Spicer advised that she is still working on that.

XI. Other Business

a. A&P RV Park discussion

On August 26th we opened proposals submitted for the A&P RV Park dirt work RFQ. There were 3 submittals, interviews were held Friday, September 5th. The decision by the panel was to go with ***

Council Member Brown advised that the recommendation from the panel will be presented to the A&P Commission on Wednesday. The recommendation is the Garrett firm.

Mayor Farmer advised the 3 companies provided an RFQ. Each came in for an interview. One, out of Glenwood, came in with a \$7.5 million budget, but it only included the RV park and not the soccer fields. Another company cut half of the RV park and all the soccer fields out. Their budget was \$7,000,000. Garrett advised they could do the entire project for \$7,000,000. If the A&P Commission does go with Garrett, then the next step is to get with McClelland Consulting Engineers to do some engineering value and then negotiate the contract.

Council Member Villines asked what the plan is for getting the dirt. Mayor Farmer advised that Garrett has already acquired the dirt from across the street plus some dirt that Buc-ees will not be using.

b. August 2025 Financials

CFO Spicer presented the August 2025 Financials. Sales tax had another good month. August of 2025 over August of 2024 was a 1.44% increase. This gets the city year-to-date to a -.13% decrease, so getting close to break even. She pointed out the last 4 months have had a positive sales tax, so are moving in the right direction. In the General Fund is \$183,952.05 in the black for the year. The Animal Services transfer out from the General Fund was more than in the last couple of months due to a \$233,000 payment for the construction of the new building. This will be a recurring expenditure for the rest of the year until the new building is opened. Tentative date for opening is December 19. Other interesting things were under ARPA; pay requests for the PD renovation, and the final pay request for the downtown water project, which was a Benton Utilities project, which will come out in September. Benton Utilities is has used all the ARPA money appropriated to them. She advised the rest was pretty regular.

Council Member Hart asked if the 5% hold on expense was still in effect. Mayor Farmer answered no. It is business as normal.

XII. Adjournment

With no further business to discuss, Council Member Brown called the meeting adjourned.