Special City Council Meeting
Final Agenda
November 4, 2003

A special meeting of the Fayetteville City Council will be held on **November 4, 2003 at 5:00 p.m. in Room 219** of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

A. CONSENT:

B. OLD BUSINESS:

2003 Millage Levy: An ordinance levying a tax on the real and personal property within the City of Fayetteville, Arkansas, for the year 2003 fixing the rate thereof at 0.4 mils for the Firemen's Pension and Relief Fund, 0.4 mils for the Policemen's Pension and Relief Fund, 1.0 mil for the Fayetteville City library; and 1.0 mil for General Purposes and Operations of the City; and certifying the same to the County Clerk of Washington County, Arkansas ***This Ordinance was left on the first at the October 7, 2003 City Council meeting.***

This Ordinance was tabled to a Special City Council Meeting on November 12, 2003 at the October 21, 2003 City Council meeting.

C. NEW BUSINESS:

Franchise Fees: An ordinance increasing franchise fees for electricity, natural gas and solid waste.

D. INFORMATIONAL:

1. **Council Tour: October 20, 2003**
2. **Veterans Day Holiday: November 11, 2003**
3. **Agenda Session: November 12, 2003 at 4:30 PM Room 326**

Special Meeting of November 4, 2003

Meeting adjourned at 5:45

Subject:	Roll					
Motion By: Seconded:						
Motion To:						
Jordan		✓				
Reynolds		✓				
Thiel		✓				
Cook		✓				
Marr		✓				
Rhoads		✓				
Davis		✓				
Lucas		✓				
Mayor Coody		✓				

Subject:	Remove from table				2003 Millage Levy
Motion By: Seconded:					
Motion To:					
Jordan		✓			
Reynolds		✓			
Thiel		✓			
Cook		✓			
Marr		✓			
Rhoads		✓			
Davis		✓			
Lucas		✓			
Mayor Coody		—			

Special Meeting of November 4, 2003

Amend Ordinance

Subject:	2003 Millage Levy.		Library Police & Fire		Remove Carried Fund Mill	
Motion By: Seconded:		Davis / Marr		Okay		
Motion To:						
Jordan		✓				
Reynolds		✓				
Thiel		✓				
Cook		✓				
Marr		✓				
Rhoads		✓				
Davis		✓				
Lucas		✓				
Mayor Coody		—				

Passed

Amend Ordinance

Subject:	2003 Millage Levy					
Motion By: Seconded:		Davis / Marr	Davis / Marr			
Motion To:		2nd read	3rd read	Pass		
Jordan		✓	✓	✓		
Reynolds		✓	✓	✓		
Thiel		✓	✓	✓		
Cook		✓	✓	✓		
Marr		✓	✓	✓		
Rhoads		✓	✓	✓		
Davis		✓	✓	✓		
Lucas		✓	✓	✓		
Mayor Coody		—	—	—		

Passed

Amended Ordinance 4525

Subject:	Franchise Fees Table Indef.					
Motion By: Seconded:		Jordan Davis				
Motion To:						
Jordan	✓					
Reynolds	✓					
Thiel	✓					
Cook	✓					
Marr	✓					
Rhoads	✓					
Davis	✓					
Lucas	✓					
Mayor Coody	~~✓~~					

New Business 6 Franchise Fees Table Indef.

Subject:						
Motion By: Seconded:						
Motion To:						
Jordan						
Reynolds						
Thiel						
Cook						
Marr						
Rhoads						
Davis						
Lucas						
Mayor Coody						

Special City Council Meeting
Final Agenda
November 4, 2003

A special meeting of the Fayetteville City Council will be held on **November 4, 2003 at 5:00 p.m. in Room 219** of the City Administration Building located at 113 West Mountain Street, Fayetteville, Arkansas.

A. CONSENT:

B. OLD BUSINESS:

Passed w/amendment delete General Fund #525

2003 Millage Levy: An ordinance levying a tax on the real and personal property within the City of Fayetteville, Arkansas, for the year 2003 fixing the rate thereof at 0.4 mils for the Firemen's Pension and Relief Fund, 0.4 mils for the Policemen's Pension and Relief Fund, 1.0 mil for the Fayetteville City library; and 1.0 mil for General Purposes and Operations of the City; and certifying the same to the County Clerk of Washington County, Arkansas ***This Ordinance was left on the first at the October 7, 2003 City Council meeting.***

This Ordinance was tabled to a Special City Council Meeting on November 12, 2003 at the October 21, 2003 City Council meeting.

C. NEW BUSINESS:

Tabled Indefinitely

Franchise Fees: An ordinance increasing franchise fees for electricity, natural gas and solid waste.

D. INFORMATIONAL:

1. **Council Tour: November 3, 2003**
2. **Veterans Day Holiday: November 11, 2003**
3. **Agenda Session: November 12, 2003 at 4:30 PM Room 326**

Left on 1st Read
10/7/03

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

CITY COUNCIL AGENDA ITEM

TO: Mayor Dan Coody and Fayetteville City Council

THRU: Hugh Earnest, Chief Administrative Officer
Stephen Davis, Finance & Internal Services Director

FROM: Kevin Springer, Budget Manager

DATE: September 17, 2003

SUBJECT: **2003 Millage Levy**

Recommendation:

Staff recommends the levy of 2.8 mils on real and personal property taxes for 2004. The millage levy is comprised of the following:

Millage Item	Millage Type	Millage Amount
General Fund Operations	discretionary	1.0
Library (approved in 2002)	voter approved	1.0
Fire Pension & Relief Fund	voter approved	0.4
Police Pension & Relief Fund	voter approved	0.4
Total		2.8

Background:

Each year the City must approve an ordinance to renew the levy of ad valorem taxes on real and personal property within the City. This request will provide for such levy on property assessed during 2003.

A millage levy ordinance must be approved by City Council in order for the City to continue to collect property taxes for the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund. The millage levy for the Policemen's Pension and Relief Fund is 0.4 mils for real

TABLED Sp. CC Mtg
Nov. 12, 2003

property and 0.4 mils on personal property. The millage levy for the Firemen's Pension and Relief Fund is 0.4 mils for real property and 0.4 mils on personal property.

In addition, a millage levy must be approved for the operation of the Fayetteville Public Library that was approved by the voters on October 1, 2002. The millage levy for the Fayetteville Public Library is 1.0 mils for real property and 1.0 mils on personal property.

The total assessed value of real and personal property located within the city limits of Fayetteville, as of September 14, 2003, is approximately $689 million. The assessed valuation is before the Washington County Board of Equalization has made all the changes to the County Assessors Abstract. Based on the preliminary assessments, the growth in real estate assessments is approximately 7.2%. The change in assessed real estate value is due to newly discovered, newly constructed property (6.2%) and reassessment of existing property (1.0%). The final assessments are anticipated from Washington County mid October.

Discussion:

In addition to the mils authorized for Police Pension, Fire Pension, and the Fayetteville Public Library, City Council has the option of approving the assessment of up to 5 discretionary mils on real and personal property. City Council may choose to exercise its option to levy some or all these discretionary 5 mils to provide a financial cushion to General Fund to offset the budget shortfalls as a result of lower than projected sales tax collections.

During the August 4, 2003 Budget Briefing to City Council, staff recommended that City Council approve 1.0 mil for the operation of Fire Station #7.

Even with the additional 1.0 mil slated for the operation of Fire Station #7, General Fund needs an additional 1.0 mil or $678,000 in revenue to balance the 2004 Budget. This millage does not provide any funding for this projected expense nor is any funding made available for either requested moneys to fund current services or to address any pay range or benefit cost increases.

Funding Item	Amount	Millage Needed
Current budget shortfalls due to Sales Tax collections	678,000	1.00
Identified funding needs to maintain operations at existing service levels.	323,000	0.50
Total	1,001,000	1.50

The combined funding needed to balance General Fund and provide funds to continue existing services at current levels is $1,001,000 or an additional 1.5 mils.

This additional revenue could come from increased sales tax collections, increases in franchise fees, or a combination of these items plus user fee increases.

Budget Impact:

If the millage is not approved for General Fund operations, the impact for 2004 will be a budget deficit of $1,641,000. This would reduce the 2004 projected ending fund balance amount to $4,185,000 which is $37,000 below the Required Fund Balance Reserve amount approved by City Council in 2002.

Conclusion:

The millage levy must be at Washington County, November 6 to be included in their consolidated levy ordinance which will be approved at the November 13, Quorum Court meeting. The City levy will be added to the levies by Washington County, the various school districts, improvement districts and other cities within the County when the Washington County Quorum Court adopts its millage levy for 2003.

If you have any questions concerning this agenda request please contact either myself at 575-8226 or Stephen Davis at 575-8330.

City of Fayetteville
Property Tax Revenue per Mil
August 2, 2003

Millage	Approximate Revenue
0.10	$ 66,000
0.20	$ 131,000
0.30	$ 197,000
0.40	$ 262,000
0.50	$ 328,000
0.60	$ 393,000
0.70	$ 459,000
0.80	$ 524,000
0.90	$ 590,000
1.00	$ 655,000
2.00	$ 1,310,000
3.00	$ 1,965,000
4.00	$ 2,620,000
5.00	$ 3,275,000

The millage revenue reflected above is based on the Washington County Preliminary Summary Report of County Assessments for the Year 2003 dated August 2, 2003 and excludes real and personal property for Utilities. The City Council can approve up to 5.0 mils for operations. The table assumes a 95% collection rate. Total real and personal property assessments for 2003 amount to approximately $689 million excluding real estate and personal property for utilities.

The change in assessed value for real estate from 2002 to 2003 is approximately $37.9 million or 7.2%. The change in assessed real estate value is due to newly discovered, newly constructed property (6.2%) and reassessment of existing property (1.0%). This change is offset by a total reduction of approximately $37.4 million in the assessed value for personal property. The net change for all assessments is approximately $0.5 million or 0.07%. It is noteworthy to mention that personal property continues to be assessed right up until the values are turned over for collection. The current negative amounts are preliminary and are being compared to last year's final totals.

Property Tax Impact Illustration

	Appraised Value	Assessed Value	1 Mil Tax / Year
Single Family Home	$ 75,000.00	$ 15,000.00	$ 15.00
Single Family Home	$ 100,000.00	$ 20,000.00	$ 20.00
Single Family Home	$ 150,000.00	$ 30,000.00	$ 30.00

H:\BUDGET\PROJECTS\MILLAGE\Millage Increase - 2003.xls

WASHINGTON COUNTY
STATE OF ARKANSAS
Washington County Courthouse
280 North College – Suite 250
Fayetteville, Arkansas 72701

LEE ANN KIZZAR
COUNTY ASSESSOR

TELEPHONE
479/444-1500

August 12, 2003

Mr. Steve Davis
Budget Officer
113 W Mountain
Fayetteville AR 72701

Dear Mr. Davis

Enclosed is a copy of the Preliminary Summary Report of County Assessments for the Year 2003.

Please remember that personal property continues to be assessed right up until the values are turned over for collection. Don't be alarmed that many of the personal property increases are negative. These preliminary totals are being compared to last year's final totals.

I hope you find this information useful. Please feel free to call me if you have any questions.

Sincerely

Lee Ann Kizzar

Lee Ann Kizzar

Washington County
Preliminary Summary Report of County Assessments for the Year 2003

School District Totals

	2002	2003	NDP	% Change	% NDP
Benton County	7,410,504	7,641,490	219,297	3.12	3.79
Elkins	30,382,955	32,132,757	1,623,174	5.76	6.97
Farmington	73,692,596	77,975,666	3,991,367	5.81	6.34
Fayetteville	726,917,272	731,815,745	31,744,856	0.67	5.42
Greenland	37,885,077	42,152,991	1,036,145	11.27	4.35
Lincoln	43,730,267	45,595,332	2,512,711	4.26	7.46
Prairie Grove	54,421,153	57,772,428	3,116,008	6.16	7.12
Springdale	723,779,728	737,361,516	32,270,954	1.88	5.78
West Fork	33,495,837	34,415,640	981,131	2.75	3.96
Winslow	10,085,582	10,787,359	372,536	6.96	5.60
Grand Total	**1,741,800,971**	**1,777,650,924**	**77,868,179**	2.06	**5.69**

City Totals

	2002	2003	NDP	% Change	% NDP
Elkins	11,077,558	12,680,225	1,373,019	14.47	13.27
Elm Springs	9,097,960	10,217,766	910,158	12.31	10.47
Farmington	31,643,668	32,789,619	1,130,490	3.62	4.21
Fayetteville	713,711,345	716,244,620	32,880,016	0.35	5.79
Goshen	9,454,069	11,415,195	1,828,977	20.74	18.31
Greenland	6,971,696	7,487,812	413,938	7.40	6.82
Johnson	28,330,308	29,474,409	1,669,379	4.04	7.11
Lincoln	14,119,515	13,779,195	319,078	(2.41)	2.95
Prairie Grove	23,038,498	24,235,990	1,235,520	5.20	6.26
Springdale	527,805,979	532,866,230	20,815,853	0.96	5.25
Tontitown	19,110,348	21,650,221	1,898,541	13.29	11.66
West Fork	14,656,874	15,331,361	515,633	4.60	4.27
Winslow	2,477,551	2,535,162	0	2.33	0.00

ORDINANCE NO. _____

AN ORDINANCE LEVYING A TAX ON THE REAL AND PERSONAL PROPERTY WITHIN THE CITY OF FAYETTEVILLE, ARKANSAS, FOR THE YEAR 2003 FIXING THE RATE THEREOF AT 0.4 MILS FOR THE FIREMEN'S PENSION AND RELIEF FUND, 0.4 MILS FOR THE POLICEMEN'S PENSION AND RELIEF FUND, 1.0 MIL FOR THE FAYETTEVILLE CITY LIBRARY; AND 1.0 MIL FOR GENERAL PURPOSES AND OPERATIONS OF THE CITY; AND CERTIFYING THE SAME TO THE COUNTY CLERK OF WASHINGTON COUNTY, ARKANSAS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That a tax is hereby levied on the real and personal property within the City of Fayetteville, Arkansas, for the year 2003, to be collected in 2004, for the following purposes at the following rates:

REAL AND PERSONAL PROPERTY

Purpose	Levy
Fayetteville City Library	1.0 mils
Policemen's Pension Fund	0.4 mils
Firemen's Pension Fund	0.4 mils
General Purposes of City Government	1.0 mils
TOTAL	2.8 mils

Section 2. That the real and personal property tax so levied and the rates provided therefore are hereby certified to the Clerk of Washington County, Arkansas, to be placed in the tax book by the County Clerk and collected in the same manner that the county and school district taxes are collected.

Section 3. The City Clerk is hereby authorized and directed to file certified copies of this ordinance in the office of the County Recorder, County Clerk, County Assessor, and the County Tax Collector for Washington County, Arkansas.

Section 4. That the 1.0 mil levied above for the general purposes of the City Government is almost enough to fund the operation of the new Rupple Road Fire Station.

PASSED and **APPROVED** this the 7th day of October, 2003.

APPROVED:

By: _____
DAN COODY, Mayor

ATTEST:

By: _____
SONDRA SMITH, City Clerk

STAFF REVIEW FORM - NON-FINANCIAL OBLIGATION

XX AGENDA REQUEST

For the Fayetteville City Council Meeting of: October 7, 2003

FROM:

Kevin Springer	Budget & Research	Finance & Internal Services
Name	Division	Department

ACTION REQUIRED: City Council is requested to adopt real and personal property tax rates for 2003 for the Policemen's Pension & Relief, the Firemen's Pension & Relief Funds, the Fayetteville Public Library and General Government Operations. The rate to be adopted for the Policemen's Pension & Relief Fund and the Firemen's Pension & Relief Fund is 0.4 mils for real property and 0.4 mils for personal property, the millage for the Fayetteville Public Library is 1.0 mil for real property and 1.0 mil for personal property and the millage for General Government Operations is 1.0 mil for real property and 1.0 mil for personal property. This millage request corresponds to the millage prediction included in the City Council budget briefing of August 4, 2003.

SUMMARY EXPLANATION:

Each year the City must levy property tax millages on the current year assessments to be collected in the subsequent year. This year's levy includes millages for the Policemen's Pension & Relief, the Firemen's Pension & Relief Funds, the Fayetteville Public Library and General Government Operations. The millages for the pension plans and the Library are voter approved and the millage levy for General Government Operations is from the 5.0 discretionary mils that City Council is authorized by the Arkansas Constitution and Code.

STAFF RECOMMENDATION:

Division Head	Date: 9-24-03
City Attorney	Date: 9/24/03
Department Director	Date
Finance & Internal Services Dir.	Date: 9-24-03
Chief Administrative Officer	Date: 9-24-03
Mayor	Date

Received in Mayor's Office _____ Date

Cross Reference:

Previous Ord/Res#: _____

Orig. Contract Date: _____

Orig. Contract Number: _____

New Item: **Yes** **No**

FAYETTEVILLE

THE CITY OF FAYETTEVILLE, ARKANSAS

Special City Council Meeting November 4, 2003

TO: Dan Coody, Mayor

THROUGH: Hugh Earnest, Chief Administrative Officer

FROM: Stephen Davis, Finance & Internal Services Director

DATE: October 31, 2003

SUBJECT: Franchise Fee Ordinance Revisions – Rate Increase

Recommendation:
Approve the necessary franchise fee ordinance amendments to increase the utility franchise fees collected in General Fund for electricity, natural gas and solid waste. The proposed franchise fee increase for electricity and natural gas is as follows:

Residential and Commercial	–	increase from 3% to 4%
Industrial	–	increase from 1% to 1.3%

The franchise fee assessed on solid waste revenues is proposed to be increased from 3% to 4.25%.

Discussion:
The City has historically relied on sales & use taxes to provide a major portion of the revenue that funds General Fund operations. The City's is experiencing a shift in consumer behavior and sales taxes are no longer providing the revenue support critical city services need. Approval of this request will begin the process of diversifying the General Fund's revenue base.

The impact on a residential customer who has a monthly electric and gas bill totaling $200.00 is $2.00.

Please contact Stephen Davis if you have any questions or need additional information concerning this item.

ORDINANCE NO. _____

AN ORDINANCE TO INCREASE THE FRANCHISE FEES FROM 3% TO 4% FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS FOR ELECTRICITY AND NATURAL GAS AND INCREASING THE FRANCHISE FEES FROM 1% TO 1.3% FOR INDUSTRIAL CUSTOMERS OF ELECTRICITY AND GAS AND INCREASING THE FRANCHISE FEE FROM 3% TO 4.25% ON SOLID WASTE REVENUES

DRAFT

WHEREAS, Ordinance No. 2740 enacted August 4, 1981 set the franchise fee for natural gas at 3% for residential and commercial customers and 1% for industrial customers; and

WHEREAS, Ordinance No. 2741 and 2742 enacted August 4, 1981 set the franchise fee for electrical service at 3% for residential and commercial customers and 1% for industrial customers; and

WHEREAS, Ordinance No. 4449 enacted on December 17, 2002 set the franchise fee for solid waste service at 3%; and

WHEREAS, A.C.A. §14-200-101 (a) (1) gives the City Council jurisdiction and authority to determine a reasonable franchise fee for public utilities which are permitted to occupy city streets, easements, right-of-ways and other public places in an amount of up to Four and One-quarter (4¼%); and

WHEREAS, additional revenue is necessary for operation of the City and to institute half of the proposed Hay Plan salary adjustment study in 2004.

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

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby amends Ordinance No. 2740 by increasing the franchise fee for residential and commercial natural gas customers from 3% to 4% and for industrial customers from 1% to 1.3%.

Section 2. That the City Council of the City of Fayetteville, Arkansas hereby amends Ordinance No. 2741 and 2742 by increasing the franchise fee for residential and commercial electric customers from 3% to 4% and industrial customers from 1% to 1.3%.

Section 3. That the City Council of the City of Fayetteville, Arkansas hereby amends Ordinance No. 4449 by increasing the franchise fee for solid waste from 3% to 4¼%.

PASSED and **APPROVED** this the 4th day of November, 2003.

APPROVED:

By: _____
DAN COODY, Mayor

ATTEST:

By: _____
SONDRA SMITH, City Clerk

DRAFT

2740

ORDINANCE NO. 2740

1981 AUG 17 AM 10 58
WASHINGTON COUNTY, ARK.
ALMA HOLLMEYER
CIRCUIT CLERK

AN ORDINANCE AMENDING ORDINANCE NUMBER 2663 TO LOWER THE FRANCHISE TAX PAYABLE BY ARKANSAS WESTERN GAS COMPANY.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the first sentence in paragraph (7) of Sec. I of Ordinance No. 2663 is hereby amended to read as follows:

(7) During the life of this franchise, the Grantee shall pay to Grantor each year a franchise tax in an amount equal to three percent (3%) of its sales, before taxes, of natural gas to residential and commercial consumers within the corporate limits of the City of Fayetteville and one percent (1%) of its sales, before taxes, of natural gas, to industrial consumers within the City of Fayetteville.

Section 2. That this ordinance shall be effective thirty (30) days after the date of publication by the Washington County Court of the proclamation declaring the results of the election on a county sales tax held July 28, 1981; provided, in the event of an election challenge the effective date of this ordinance shall be the first day of the first calendar month subsequent to the final judicial determination of the challenge.

PASSED AND APPROVED this 4 day of August, 1981.

APPROVED:

MAYOR John Todd

ATTEST:

CITY CLERK

1046 282

ORDINANCE NO. 2741

1981 AUG 17 AM 10 56

WASHINGTON COUNTY, ARK.

AN ORDINANCE AMENDING ORDINANCE NUMBER 1224 TO LOWER THE FRANCHISE TAX PAYABLE BY OZARKS ELECTRIC COOPERATIVE CORPORATION.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That Sec. 2 of Ordinance No. 1224, as amended by Ordinance No. 1584 and Ordinance No. 2238, is hereby amended to read as follows:

> Section 2. That Ozarks Electric Cooperative Corporation agrees to pay to the City a sum equal to three percent (3%) of its gross sales of electrical power to domestic and commercial consumers within the corporate limits of the City of Fayetteville and one percent (1%) of its gross sales of electrical power to industrial consumers within the City of Fayetteville. Said sum shall be payable quarterly and the company shall have thirty (30) days from the end of each quarter to compute and make the payments provided for herein.

Section 2. That this ordinance shall be effective thirty (30) days after the date of publication by the Washington County Court of the proclamation declaring the results of the election on a county sales tax held July 28, 1981; provided, in the event of an election challenge the effective date of this ordinance shall be the first day of the first calendar month subsequent to the final judicial determination of the challenge.

PASSED AND APPROVED this 4 day of August, 1981.

APPROVED:

MAYOR John Todd

ATTEST:

CITY CLERK

1048 228

FILED FOR RECORD
1981 AUG 18 PM 3:36
WASHINGTON COUNTY, ARK.
ALMA KOLLEY
CIRCUIT CLERK

ORDINANCE NO. 2742

AN ORDINANCE LOWERING THE FRANCHISE TAX PAYABLE BY SOUTHWESTERN ELECTRIC POWER COMPANY.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the first paragraph after the last "Whereas" clause of the street rental contract between Southwestern Electric Power Company and the City of Fayetteville, dated December 29, 1944, as amended by Resolution No. 4-68 and Ordinance No. 2237, is hereby amended to read as follows:

> Southwestern Electric Power Company (successor to Southwestern Gas and Electric Company) agrees to pay to the City a sum equal to three percent (3%) of the company's gross revenues derived from the sale of electric power and energy to domestic and commercial customers within the city limits of the City of Fayetteville and one percent (1%) of the company's gross revenues derived from the sale of electric power and energy to industrial consumers within the City limits of the City of Fayetteville. Said sum is to be due and payable quarterly, and the company shall have thirty (30) days after the expiration of each quarter in which to make said payment.

Section 2. That this ordinance shall be effective thirty (30) days after the date of publication by the Washington County Court of the proclamation declaring the results of the election on a county sales tax held July 28, 1981; provided, in the event of an election challenge the effective date of this ordinance shall be the first day of the first calendar month subsequent to the final judicial determination of the challenge.

PASSED AND APPROVED this 4 day of August, 1981.

APPROVED:

MAYOR John Todd

ATTEST:

CITY CLERK

Bk 1648 Pg 224

ORDINANCE NO. 4449

AN ORDINANCE SETTING THE FRANCHISE FEE OF FOUR AND ONE-QUARTER PERCENT (4 ¼%) ON THE GROSS REVENUES OF THE CITY WATER AND SEWER FUNDS AND THREE PERCENT (3%) ON THE GROSS REVENUES OF THE SOLID WASTE FUNDS AND REPEALING ORDINANCE NO. 3804

WHEREAS, A.C.A. §14-200-101 (a) (1) gives the City Council jurisdiction and authority to determine a reasonable franchise fee for public utilities which are permitted to occupy city streets, easements, right-of-ways and other public places in an amount of up to Four and One-quarter percent (4 ¼%); and

WHEREAS, in order to equalize the amount of franchise fee for each utility and to provide sufficient funding to permit raises for police and fire personnel pursuant to the special 2002 Hay Plan study, it is necessary to raise additional revenue.

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

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby determines that the Water and Sewer Fund shall pay to the City of Fayetteville General Fund a reasonable franchise fee in the amount of four and one-quarter percent (4 ¼%) of annual total gross water sale revenues for the privilege of operating a water transmission system within or below city streets, city easements, right-of-ways and other public places in the City of Fayetteville and elsewhere within the water district served by the City of Fayetteville.

Section 2. That the City Council of the City of Fayetteville, Arkansas hereby determines that the Water and Sewer Fund shall pay to the City of Fayetteville General Fund a reasonable franchise fee in the amount of four and one-quarter percent (4 ¼%) of annual total gross sewer service revenues that for the privilege of operating a sewer collection system within or below city streets, city easements, right of ways and other public places within the area served by the City of Fayetteville sewer system.

Section 3. That the City Council of the City of Fayetteville, Arkansas hereby determines that the Solid Waste Fund shall pay to the City of Fayetteville

General Fund a reasonable franchise fee in the amount of three percent (3%) of annual total gross solid waste revenues for the privilege of operating a solid waste collection system upon the streets, avenues, alleys, roads, and public places in the City of Fayetteville.

Section 4. That the City Council of the City of Fayetteville, Arkansas hereby determines that the franchise fee shall be based upon the prior calendar year's revenues.

Section 5. That the City Council of the City of Fayetteville, Arkansas hereby repeals Ordinance No. 3804 and any other ordinance that is in conflict with this franchise fee ordinance.

PASSED and **APPROVED** this the 17th day of December, 2002.

APPROVED:

By: _____
DAN COODY, Mayor

ATTEST:

By: _____
Heather Woodruff, City Clerk

STAFF REVIEW FORM - NON-FINANCIAL OBLIGATION

XX AGENDA REQUEST

Special City Council Meeting Nov 4, 2003

For the Fayetteville City Council Meeting of:

FROM:

Stephen Davis		Finance & Internal Services
Name	Division	Department

ACTION REQUIRED: Approve an ordinance increasing franchise fees from 3% to 4% for residential and commercial customers for electricity and natural gas and increasing franchise fees from 1% to 1.3% for industrial customers for electricity and natural gas and increasing the franchise fee from 3% to 4.25% on solid waste revenues.

SUMMARY EXPLANATION:

This franchise fee revenue increase is requested to provide additional revenue to fund on-going General Fund operations. The City's primary source of funding (sales taxes) has decreased, requiring a diversification of revenue sources for general government operations.

STAFF RECOMMENDATION:

Division Head _____ Date _____

City Attorney _____ Date _____

Department Director _____ Date _____

Finance & Internal Services Dir. Stephen Davis Date 10-31-03

Chief Administrative Officer Doug Sumner Date 10-31-03

Mayor _____ Date _____

Received in Mayor's Office _____ Date

Cross Reference:

Previous Ord/Res#: _____

Orig. Contract Date: _____

Orig. Contract Number: _____

New Item: **Yes** **No**