



Mayor – Sandy Sanders
City Administrator – Ray Gosack
City Clerk – Sherri Gard

Board of Directors

Ward 1 – Keith D. Lau
Ward 2 – Andre’ Good
Ward 3 – Mike Lorenz
Ward 4 – George Catsavis
At Large Position 5 – Pam Weber
At Large Position 6 – Kevin Settle
At Large Position 7 – Philip H. Merry Jr.

AGENDA
Fort Smith Board of Directors
Special Meeting / Study Session
June 10, 2014 ~ 12:00 Noon
Fort Smith Public Library Community Room
3201 Rogers Avenue

SPECIAL MEETING

ROLL CALL

PRESENTATION BY MEMBERS OF THE BOARD OF DIRECTORS OF ANY ITEMS OF BUSINESS NOT ALREADY ON THE AGENDA FOR THIS MEETING

(Section 2-37 of Ordinance No. 24-10)

1. Ordinance calling for a special election in the city of Fort Smith, Arkansas on the question of increasing the tax on real and personal property in the city of Fort Smith, Arkansas from one (1) mill to three (3) mills to be levied and collected for maintenance and operation of the public city library, and for other purposes

ADJOURN

STUDY SESSION

CALL TO ORDER

1. Presentation of draft report on the water and wastewater financial policies
2. Discussion regarding legal services for the City of Fort Smith ~ *Merry/Weber placed on agenda at the June 3, 2014 regular meeting ~*
3. Review preliminary agenda for the June 17, 2014 regular meeting

ADJOURN



OFFICE OF THE CITY CLERK
Sherri Gard, CMC, City Clerk
Heather James, Assistant City Clerk

MEDIA RELEASE

June 6, 2014

At the June 3, 2014 regular meeting, Directors Andre' Good, Pam Weber, Kevin Settle and Philip H. Merry, Jr. called a special meeting for 12:00 Noon, Tuesday, June 10, 2014 at the Fort Smith Public Library Community Room, 3201 Rogers Avenue to consider the following:

- Ordinance calling for a special election in the city of Fort Smith, Arkansas, on the question of increasing the tax on real and personal property in the city of Fort Smith, Arkansas from one (1) mill to three (3) mills to be levied and collected for maintenance and operation of the public city libraries, and for other purposes

The previously scheduled study session on same date will occur immediately following adjournment of the special meeting.

For agenda information, please contact the City Clerk's Office at 784-2208. Once finalized, the agenda for the special meeting and study session will be posted on the City's website, www.fortsmithar.gov.

A handwritten signature in blue ink that reads "Sherri Gard".

Sherri Gard, City Clerk

623 Garrison Avenue
P.O. Box 1908
Fort Smith, Arkansas 72902
(479) 784-2208
FAX (479) 784-2256
E-mail: cityclerk@fortsmithar.gov

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ORDINANCE NO. _____

AN ORDINANCE CALLING FOR A SPECIAL ELECTION IN THE CITY OF FORT SMITH, ARKANSAS ON THE QUESTION OF INCREASING THE TAX ON REAL AND PERSONAL PROPERTY IN THE CITY OF FORT SMITH, ARKANSAS, FROM ONE (1) MILL TO THREE (3) MILLS TO BE LEVIED AND COLLECTED FOR MAINTENANCE AND OPERATION OF THE PUBLIC CITY LIBRARIES, AND FOR OTHER PURPOSES

WHEREAS, pursuant to Amendment 30 to the Arkansas Constitution, one hundred or more taxpayers of the city of Fort Smith may file a petition with the Mayor asking for an increase in the library tax upon real and personal property be levied and collected for the maintenance and operation of the public city libraries and requiring that the question be submitted to the electors; and,

WHEREAS, such a petition has been submitted to the Mayor in proper form with the required number of signatures.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

SECTION 1: That there be, and there is hereby called a special election to be held on August 12, 2014, at which election there shall be submitted to the electors of Fort Smith the question of increasing the annual tax levied on real and personal property for the maintenance and operation of the Fort Smith Public Libraries.

SECTION 2: That the ballot title to be used at said special election shall be in the following form:

PROPOSED INCREASE OF LIBRARY TAX FROM ONE (1) MILL TO THREE (3) MILLS ON ASSESSED VALUATION OF REAL AND PERSONAL PROPERTY IN THE CITY OF FORT SMITH, ARKANSAS.

ON THE QUESTION OF INCREASING THE LIBRARY TAX AUTHORIZED PURSUANT TO AMENDMENT 30 TO THE ARKANSAS CONSTITUTION FROM ONE (1) MILL TO THREE (3) MILLS ON REAL AND PERSONAL PROPERTY LOCATED IN THE CITY OF FORT SMITH TO BE USED FOR MAINTENANCE AND OPERATION OF THE FORT SMITH PUBLIC LIBRARIES.

FOR increase of tax on real and personal property located in the city of Fort Smith to be used for the maintenance and operation of the Fort Smith Public Libraries from one (1) mill to three (3) mills.

AGAINST increase of tax on real and personal property located in the city of Fort Smith to be used for the maintenance and operation of the Fort Smith Public Libraries from one (1) mill to three (3) mills.

SECTION 3: That the results of the election shall be certified by the Election Commission and proclaimed by the Mayor, and his proclamation shall be published one time in a newspaper having general circulation in the City, which proclamation shall be conclusive unless attacked in the courts within thirty days.

SECTION 4: That the Mayor and City Clerk, for and on behalf of the City, are directed to do all things necessary to call and hold the special election and to perform all acts necessary to carry out the intent of this Ordinance.

SECTION 5: Emergency Clause. It is determined that the time requirements for timely presenting the matter for consideration to the electorate at a special election on August 12, 2014, constitute an emergency regarding the effective date of this ordinance. It is, therefore, determined that this ordinance shall become effective immediately upon passage.

THIS ORDINANCE ADOPTED this _____ day of June, 2014.

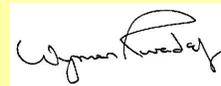
APPROVED:

MAYOR

ATTEST:

CITY CLERK

Approved as to form:



MEMORANDUM

June 6, 2014

TO: Ray Gosack, City Administrator

FROM: Sherri Gard, City Clerk

RE: Special Election - Fort Smith Public Library Millage Increase

Pursuant to Amendment 30 to the Arkansas Constitution, the Fort Smith Public Library filed a petition with the Mayor on June 3, 2014. Said petition calls for the question of a tax millage increase from one (1) mill to three (3) mills for maintenance and operation of the Fort Smith Public Libraries be presented to the electorate of Fort Smith.

The petition has been thoroughly reviewed and determined to be sufficient for the matter to be placed on a general or special election ballot.

The Library has requested the measure be submitted to the voters of Fort Smith at a special election on August 12, 2014. In order for such to occur, an ordinance calling for the special election must be adopted by the Board of Directors; therefore, an ordinance authorizing same is attached for consideration.

In order to ensure a special election date of August 12, 2014, said ordinance must be filed with the Sebastian County Clerk's Office no later than Friday, June 13, 2014.

The ordinance is of general and permanent nature; therefore, such requires five (5) affirmative votes for passage on its first reading, which is scheduled for the June 10, 2014 special meeting. In the event such receives only four (4) affirmative votes, the ordinance must be read in its entirety on three (3) separate dates. In order for all required readings to occur prior the filing deadline, the Board will need to call for two (2) additional special meetings on separate dates prior to Friday, June 13, 2014, i.e. Wednesday and Thursday, June 11 and 12, 2014.



To: Mayor and Board of Directors
From: Jennifer Goodson, Library Director 
Subject: Library Millage Election Information
Date: June 6, 2014

As a follow-up to the information I provided at last Tuesday's Board of Directors meeting, I want to share some additional details related to the costs of the August 12 special election the Fort Smith Public Library is proposing.

I've been working with county election staff to develop a plan for the election to reduce the cost of the election. Elements of this plan include:

- having one polling place in each ward (four polling places citywide)
- not gathering voting data by precinct
- utilizing electronic voting exclusively (except for a small number of paper provisional and absentee ballots)

With this structure in place, election commission staff estimates the cost of the special election to be about \$10,000.

The FSPL Board of Trustees and the Election Commission still need to approve this plan, but preliminary conversations with several key stakeholders give me confidence that this plan will be acceptable.

In addition, the FSPL is committed to funding the election privately rather than using public money. We have potential donors who have expressed interest in underwriting the election expense. The library foundation (the FSPL Endowment Trust) is also available to fund the election costs. We more than anyone want to see public library funds used for library purposes rather than for funding an election, and we are committed to accomplishing that.

I appreciate your willingness to consider the ordinance in a special meeting on June 10 and look forward to discussing this with you further at that time. Please feel free to call me at 783-0229 or email me at jgoodson@fortsmithlibrary.org if I can provide any additional information before June 10.

3201 Rogers Avenue ■ Fort Smith, Arkansas 72903 ■ 501/783-0229

INTER-OFFICE MEMO**TO:** Ray Gosack, City Administrator**DATE:** June 4, 2014**FROM:** Steve Parke, Director of Utilities**SUBJECT:** Utility Financial Policies

In September 2013 the Board authorized Burns & McDonnell to provide water and wastewater cost-of-service rate work together with the development of formal financial policies for the water and wastewater utilities as recommended by the efficiency study. Utility financial policies typically address reserve funds, infrastructure renewal and replacement funding targets, debt financing policies, system development charges and long term financial planning.

Burns & McDonnell has prepared the attached interim report which presents potential policies for discussion and receiving input from the Board. Representatives from Burns & McDonnell and staff will be present at the Board's June 10 study session to present the information in more detail and to address any questions from the Board. Using their feedback, the policies will be evaluated during the cost-of-service rate work and additional input from the Board will be sought at that time. This will allow us to understand how the contemplated policies actually affect rates and financial performance of the water and wastewater funds before the policies are finalized.

Should you or members of the Board have any questions, please let me know.

attachment

pc: Jeff Dingman



June 2, 2014

Mr. Steve Parke
Director of Utilities
3900 Kelley Highway
Fort Smith, AR 72904

Preliminary Utility Financial Policies Report
Burns & McDonnell Project Number 75670

Mr. Parke:

Burns & McDonnell is pleased to submit this preliminary report on the Utility Financial Policies for the Utilities Department of the City of Fort Smith, Arkansas (the Department). The preliminary report details proposed financial policies that are drafted with a number of goals in mind, including:

- Addressing the directives of the Board as adopted in the Efficiency Study;
- Support the Department's Mission to provide services "that promote health, safety, and quality of life for all customers;"
- Enhance the financial resiliency of the utilities; and,
- Support the concept of self-sustaining and equitably funded enterprises.

This report represents a step in a comprehensive rate study process that is currently underway. As such the proposed policies are considered preliminary and are submitted to obtain Board feedback and to support an upcoming Board work session. Policies may be modified based on Board feedback. A financial assessment will be performed as part of the rate study to evaluate the impact the proposed policies may have on the utility's revenue requirements, and will provide another opportunity for discussion with the Board on potential financial policies.

We appreciate the opportunity to be of service to the Department and are grateful for the meaningful assistance received from staff to reach this point. Should you have any questions regarding this preliminary report, please contact me.

Sincerely,

BURNS & MCDONNELL

David F. Naumann
Project Manager



Report on the

Utility Financial Policies

City of Fort Smith, Arkansas

Project No. 75670

June 2014

Utility Financial Policies

prepared for

**City of Fort Smith, Arkansas
Utility Department**

June 2014

Project No. 75670

prepared by

**Burns & McDonnell Engineering Company, Inc.
Kansas City, Missouri**

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June 2, 2014

Mr. Steve Parke
Director of Utilities
3900 Kelley Highway
Fort Smith, AR 72904

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Sincerely,

BURNS & MCDONNELL

David F. Naumann
Project Manager

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LIST OF ABBREVIATIONS

<u>Abbreviation</u>	<u>Term/Phrase/Name</u>
ABT	Additional Bonds Test
AWWA	American Water Works Association
BMcD	Burns & McDonnell
CAFR	City of Fort Smith Comprehensive Annual Financial Report
CIP	Capital Improvement Program
Department	Fort Smith Utility Department
EPA	Environmental Protection Agency
O&M	Operating & Maintenance
WEF	Water Environment Federation

1.0 EXECUTIVE SUMMARY

1.1 Purpose and Approach

In February 2013, the “Water and Sewer Operations Efficiency Study” (the Efficiency Study) was published and provided, among other things, recommendations to develop and adopt formal financial policies for the water and sewer utilities. This Utility Financial Policies report has been prepared for the Fort Smith Utility Department (the Department) to document and describe several policies to be considered by the City of Fort Smith. Taken as a whole, these recommended policies address the spirit and nature of the recommendations made in the Efficiency Study. Overall, the proposed policies will improve the overall financial strength and stability of the Department.

This document is intended to summarize the potential policies under consideration and provide a basis for discussion with the City’s Board, staff, and other stakeholders as appropriate to obtain further input and direction into the policy development. Using this feedback, the policies will be evaluated during the upcoming rate study to assess the potential impact associated with implementation. Formal adoption of policies is not recommended until the detailed impact assessment is completed during 2014. The general approach envisioned for the policy development process is depicted in Figure 1-1.

Figure 1-1: Policy Development Approach



The Introduction Section 2.0 of this report provides additional background and an overview of the policy development process. Section 3.0 Proposed Financial Policies documents the policies and the rationale behind them; where possible, a high level impact assessment is provided. A more comprehensive impact assessment will be provided in the rate study work to be completed in 2014.

The remainder of this Executive Summary summarizes the proposed policies.

1.2 Proposed Policies

Included herein are the proposed policies for the City of Fort Smith Utilities Department. Details regarding the rationale behind specific policies and considerations made during their development are found in subsequent sections of this report. It should be noted that while these policies are proposed, it is recommended that formal adoption of these policies be made only after the full financial impact is

understood. This understanding will be provided during the financial planning and rate study analysis which will be completed in 2014.

Rules governing the flow of funds, the use of funds, and certain reserves are set forth in existing bond covenants. The proposed policies have been crafted to complement these requirements. Nothing in this document should be interpreted to be in conflict with or undermine existing bond covenants, which take precedence over all proposed policies contained herein.

1.2.1 Proposed Policy: Revenue-Funded Capital

The Utility Department will annually provide cash funding from the Water and Sewer Fund for the Capital Improvement Program at a minimum level equal to the prior year's annual depreciation. CIP spending may include fleet and equipment replacement, system renewal and replacement, and other capital projects. The amount of annual cash funding shall be at least equal to the amount of the prior year's depreciation expense. The amount of annual cash funding will be determined by the Utility Director during the annual budgeting and CIP planning process and subject to Board approval.

1.2.2 Proposed Policy: Targeted Debt Service Coverage Levels

The Department will provide through its annually approved budget the Net Revenues necessary to produce a planned debt service requirement that achieves a minimum debt service coverage level of 1.40 times annual debt service as reported in the latest CAFR. In the event actual annual debt service coverage reported in the CAFR is below the minimum threshold of 1.40 times annual debt service, the Utility Director will produce a financial plan in the next budget cycle that provides revenue or expense adjustments or a combination of revenue and expense adjustments necessary to restore coverage to 1.40 times annual debt service within 3 budget years after the shortage was initially reported.

1.2.3 Proposed Policy: Debt Service as a Percent of Revenue Stream

Unchanged from current City policy.

1.2.4 Proposed Policy: System Development Charges

Under consideration and to be determined during rate study efforts in 2014.

1.2.5 Proposed Policy: Rate Methodology

Rates for water and sewer billing shall be developed and periodically reviewed at least every five years using a cost of service methodology generally accepted in the water and sewer industries. The intent of the rates will be to reasonably recover costs allocated to each customer class from the respective customer

class, fund the water and sewer systems so neither system subsidizes the other, and support the goals and objectives of the water and sewer systems.

1.2.6 Proposed Policy: Affordability Assessment

The Department shall include affordability analysis as a component of the ratemaking process.

1.2.7 Proposed Policy: Billing Collections

The water and sewer customer bills shall become past due if not paid within 22 days after the billing date. When past due, a penalty shall be added to the account in the amount of 10% of the past month's current billed amount, and a past due and shutoff notice will be mailed to the customer's address of record. Services for bills not paid within 30 days after the billing date are subject to suspension of service and may be turned off until the account is paid in full.

1.2.8 Proposed Policy: Billing Corrections

The City may make water and sewer billing corrections to customers' bills and/or accounts to correct errors that occurred as a result of one or more of the following:

- The meter was misread.
- The water and/or sewer usage was inaccurately estimated when an actual meter reading was not used.
- The water meter, sewer meter, meter reading system, billing system, and/or accounting system did not operate properly.

Corrections shall be calculated as the difference between the erroneous usage and the corrected usage. The corrected meter reading shall be recorded on the customer's account when identified and shall be used so that the usage billed and usage subsequently billed shall be calculated using the corrected meter reading. Customer charges shall not be changed independently of meter readings. Meter readings will not be held over until the actual usage catches up to the erroneous meter reading.

In the event that the correction increases or decreases the usage so that the resulting change in either water or sewer charges exceeds the lesser of four times the average water or sewer bill for that service point over the previous twelve months or \$1,000, approval of the correction will require the Finance Department to escalate the matter to the Utility Director or designated representative for approval within five business days from the date of escalation.

1.2.9 Proposed Policy: Forgiveness Policy

Credits to water and sewer utility bills may be granted to customers to account for water leaks fixed by plumbing repairs and filling swimming pools. Credits may be applied to customer accounts subject to the following conditions.

- A service point is eligible for a water leak credit to water charges for not more than 2 months, provided a water leak credit was not posted to the account in the most recent 12 month period. Similarly, a service point is eligible for a credit to sewer charges for not more than 2 months related to water leakage, provided a sewer credit related to water leakage was not posted to the account in the most recent 12 month period. In addition, an account is eligible for a credit to sewer charges for one month related to filling a swimming pool each calendar year.
- Each water credit is subject to a maximum of either four times the average monthly water charges or \$1,000, whichever is less. Similarly, each sewer credit is subject to a maximum of either four times the average monthly sewer charges or \$1,000, whichever is less.
- Credits applied to billed water volumes may not lower the billed volume for any month of service below its most recently 12 month average or 6 CCF, whichever is higher.
- Credits applied to billed sewer volumes may not lower the billed volume for any month of service below its most recently designated winter average or 6 CCF, whichever is higher.
- The customer must provide the City with written proof that the leak was fixed by plumbing repairs for a leak credit to be considered by the City.

In the event a proposed credit exceeds these conditions, approval of the credit will require the Finance Department to escalate the matter to the Utility Director or designated representative for approval within five business days from the date of escalation. The Utility Director or designated representative may approve a water and sewer credits as follows:

- A maximum water credit of \$1,000 plus 50% of the billed water amount greater than \$1,000, not to exceed \$5,000 total credit for water.
- A maximum sewer credit of \$1,000 plus 50% of the billed sewer amount greater than \$1,000, not to exceed \$5,000 total credit for sewer.

If the proposed credit is denied by the Utility Director or designated representative, the decision may be appealed by the customer to the City Administrator or designated representative, within 10 business days from the date of the decision made by the Utility Director or designated representative..

1.2.10 Proposed Policy: Winter Averaging for Residential Sewer Bills

Billable volumes for residential sewer customers during the April, May, June, July, August, September

and October billing cycles will be determined based on the most recent evaluation of winter period water consumption, defined as the average monthly water usage during the immediate preceding November, December, January, February and March billing cycles at the same service point. The monthly billable volume for each residential account will be established as either actual water usage or the winter average calculated usage, whichever is lower for the applicable month. If a residential sewer customer does not have a winter period water consumption, for example an account initiated after the start of the winter period, the billable volume during the months of April, May, June, July, August, September and October will be either actual water usage or 6 CCF whichever is lower.

1.2.11 Proposed Policy: Water and Sewer Fund (Revenue Fund)

The Department will maintain a reserve balance of a minimum of 33 percent (120 days) to 49 percent (180 days) of the annual operation and maintenance expenses for liquidity and emergencies. Balances will be made available to fund ongoing operation and maintenance costs, and fund emergency operations or unforeseen events. If the end of year Water and Sewer Revenue Fund balance is calculated to be less than 120 days or more than 180 days, the Utility Director will provide a financial plan to the Board to restore this fund balance to the targeted range within 3 budget years after the variance was initially reported.

1.2.12 Proposed Policy: Fleet and Equipment Replacement Reserve

The Department will establish and maintain a Fleet and Equipment Replacement Reserve (FERR) to be funded annually by a deposit equal to the prior year's equipment depreciation expense. Such deposits will be considered a portion of the transfers from the Revenue Fund to provide revenue funding for capital expenditures. Assets classifiable as fleet or mobile equipment are eligible for funding from the FERR. No minimum balance is required to be maintained in the FERR. If funding provided by the annual deposit exceeds the current year's fleet and mobile equipment purchases, available balances will carry forward to subsequent years. If funding provided by the annual deposit and any other available balance within the FERR is not sufficient to fully fund the current year's fleet and mobile equipment purchases, the Department will secure additional capital improvement funding consistent with current utility practice. If the balance available in this reserve exceeds fleet and mobile equipment spending identified in the CIP, additional deposits to this reserve may be suspended until the balance in this reserve does not exceed fleet and mobile equipment spending identified in the CIP.

1.2.13 Proposed Policy: Water/Sewer Capital Improvement Fund

The Department will maintain reserves in the Water/Sewer Capital Improvement Fund to provide funding for the capital improvement program. An annual deposit from the Revenue Fund will be proposed by the

Department and subject to Board approval that, together with deposits to the Depreciation Fund and Fleet and Equipment Replacement Reserve, amount to a minimum of the prior year's depreciation expense. All assets of the Department are eligible for funding from the Water/Sewer Capital Improvement Fund reserves. No minimum balance is required to be maintained in the Water/Sewer Capital Improvement Fund reserves. If available funding exceeds the current year's capital expenditures, available balances will carry forward for use during subsequent years. If balances are not sufficient to fully fund the current year's capital expenditures, the Department will secure additional capital improvement funding consistent with current utility practice. If the balance available in the Water/Sewer Capital Improvement Fund exceeds infrastructure, facility, and resource capital spending identified in the CIP, additional deposits to this fund may be suspended until the balance in this fund does not exceed infrastructure, facility, and resource capital spending identified in the CIP.

1.2.14 Proposed Policy: Depreciation Fund

The Department will maintain reserves in the Depreciation Fund to fulfill bond covenants and to provide funding for investment in fixed assets. An annual deposit from the Revenue Fund will be proposed by the Department and subject to Board approval that, together with deposits to the Water/Sewer Capital Improvement Fund and Fleet and Equipment Replacement Reserve, amount to a minimum of the prior year's depreciation expense. No minimum balance is required to be maintained in the Depreciation Fund in excess of that fulfilling the bond requirement. If balances are not sufficient to fully fund the current year's capital expenditures, the Department will secure additional capital improvement funding consistent with current utility practice. If the balance available in the Depreciation Fund exceeds capital spending as identified in the CIP, additional deposits to this fund may be suspended until the balance in this fund does not exceed capital spending identified in the CIP.

2.0 INTRODUCTION

2.1 Overview

The mission of the Fort Smith Utility Department (the Department) is “to ensure the sustained delivery of quality water and sewer services that promote health, safety, and quality of life for all customers.”

Development and adoption of financial policies will support the Department in the pursuit of its mission in several ways:

- Fulfill the mission with focus that
 - Ensures sustained delivery of quality water and sewer services
 - Promotes health, safety and quality of life
 - Provides excellent service to customers
 - Creates value through operational excellence
 - Ensures long-term regional success
- Provide liquidity to adequately fund operating and capital costs
- Mitigate the risk of financial stress caused by
 - Revenue shortfalls due to weather anomalies
 - Sudden increases in commodity costs
 - Cost of major equipment failure or fixed asset failure
 - Unexpected expenses due to civil disorder, catastrophes, or other emergencies
- Better position the utility to fund capital projects that are necessary to comply with regulatory requirements and liabilities associated with aging infrastructure and future system growth
- Assist in the compliance with existing bond covenants, and position the Department more favorably for ratings reviews associated with future debt issuance thereby lowering the cost of borrowing money
- Enhance the stability in user rates and fees by minimizing the severity of rate shock that can result if inherent risks noted above are realized

The development of financial policies will also assist the Department in addressing certain recommendations that resulted from the “Water and Sewer Operations Efficiency Study” (the Efficiency Study) published during February 2013. The Efficiency Study identified several options regarding financial management that collectively were intended to strengthen the Department’s financial resiliency. Furthermore, the financial policies will help to enhance the Department’s long-term financial stability and its ability to reasonably maintain stable rates. Unless otherwise noted, the policies are applicable to both the Water and Sewer Systems.

2.2 Project Approach

The approach used to develop the proposed policies is illustrated below in Figure 2-1. The approach began with an assessment of current policies and practices in certain strategic areas.

Figure 2-1: Policy Development Approach



These strategic areas were identified in a variety of ways, including input from Department management and staff; recommendations from the Efficiency Study; observations from prior financial planning and rate projects; review of financial performance and material variance drivers; and other techniques. Current policies and practices were identified. BMcD then worked with Department staff to develop financial policy concepts to either further strengthen existing policies or establish new policies as needed. Input in the development of these policy concepts was obtained from multiple perspectives, as shown in Figure 2-2.

Figure 2-2: Policy Development Perspectives Considered



Multiple perspectives were considered as policy concepts were formulated. The degree to which the proposed policies address Department concerns, align with industry best practices either from the perspective of BMcD or the City's Financial Advisor, meet the priority recommendations of the Efficiency Study, and recognize City policies and practice was considered.

Where possible, targets for the policies were identified, and current Department compliance with these targets was evaluated. To the extent a policy target was not currently met, a high level impact on existing revenues was calculated to provide context regarding the potential adjustment necessary to achieve desired policy targets. Because some policies and targets are inter-related (e.g. improvements in debt service coverage will provide funds that may be used for reserves), a full evaluation of the impact of these policies will take place during 2014 using the financial planning and rate models currently in development (1). Following this evaluation, the proposed policies may be refined.

This document is intended to summarize the potential policies under consideration and provide a basis for discussion with the City's Board, staff, and other stakeholders as appropriate to obtain further input and direction into the policy development. Using this feedback, the policies will be evaluated during the rate study to assess the potential impact associated with implementation and refined as needed. Formal adoption of policies is not recommended until the detailed impact assessment is completed during 2014.

Rules governing the flow of funds, the use of funds, and certain reserves are set forth in existing bond covenants. The proposed policies have been crafted to complement these requirements. Nothing in this document should be interpreted to be in conflict with or undermine existing bond covenants, which take precedence over all proposed policies contained herein.

2.3 Statement of Limitations

In the preparation of this report, BMcD used the information provided by Fort Smith and additional third parties to make certain assumptions with respect to conditions that may exist in the future. While BMcD believes the assumptions made are reasonable for the purposes of this report, we make no representation that the conditions assumed will occur. BMcD has also relied on the information provided to us without independent verification and cannot guarantee its accuracy or completeness. Therefore, to the extent that actual future conditions differ from those assumed in the Study or from the information provided to us, the actual results may vary from those projected.

3.0 PROPOSED FINANCIAL POLICIES

3.1 Introduction

In this report, proposed policies have been aggregated into three general groups, described as follows:

- Capital Funding Policies: Policies that guide the funding of capital projects and management of debt
- Rate Policies: Policies that guide the administration of user charges
- Reserve Fund Policies: Policies that establish specific reserves and targeted balances

This section of the report will discuss each general policy group, and detail specific proposed policy recommendations within each group. Groups were determined based on similarities in the underlying policy's purpose. However, policies can be interrelated on different levels both within groups and across groups.

Rules governing the flow of funds, the use of funds, and certain reserves are set forth in existing bond covenants. The proposed policies have been crafted to complement these requirements. Nothing in this document should be interpreted to be in conflict with or undermine existing bond covenants, which take precedence over all proposed policies contained herein.

3.2 Capital Funding Policies

3.2.1 Background

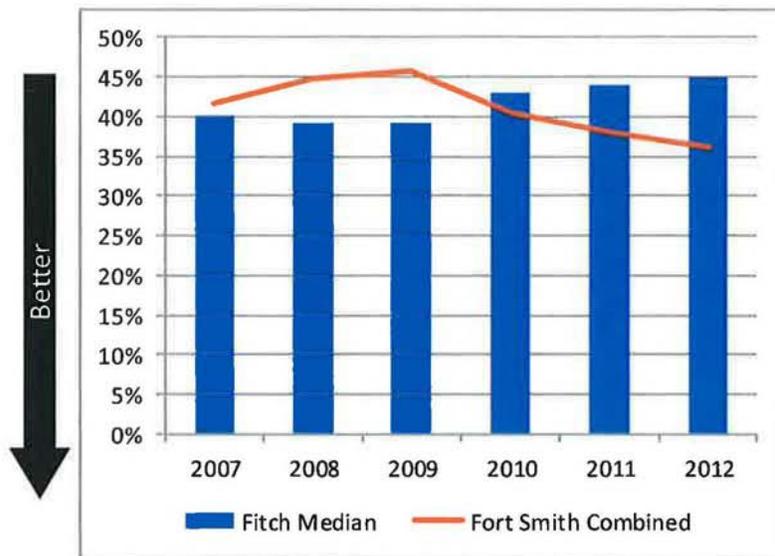
As a municipal utility the Department is charged with operating and managing water and sewer utility systems with a net book value in excess of \$480 million as of December 31, 2012. Water and sewer utilities are capital intensive enterprises requiring significant investment in above and below ground infrastructure. The need for further investment in the system can be caused by many factors, including the addition of system capacity to accommodate growth, the enhancement of the system's capabilities to meet increasing regulatory requirements, the renewal and replacement of aging assets that are approaching the end of their useful lives, and the desire to improve operating efficiency.

Generally speaking, a capital investment plan can easily surpass the ability of the utility to fund the improvements in its entirety. In such cases, planning and project prioritization are needed to assist in the alignment of the sources and uses of capital funds. Funding for capital projects typically includes available balances, revenues from user charges, the issuance of long term debt, state revolving loans, or less frequently, grant funding. Fort Smith has used both revenue-backed debt instruments and sales and

use taxes funded debt to finance projects for the water and sewer systems. Funding can also be derived from system development charges or connection fees assessed to new connections as they are added to the system.

Historically, the issuance of debt has represented a significant portion of the Department’s capital funding approach. One measure frequently used to evaluate the reasonableness of the outstanding utility debt level is to compare outstanding debt to the value of the fixed assets of the system. Figure 3-1 shows the trend in the relationship between debt and net plant (defined as original cost less depreciation of fixed assets) for the Department. This ratio is compared against results published by Fitch Ratings for municipal water and sewer systems.

Figure 3-1: Fort Smith Utility Debt to Net Plant



As shown in Figure 3-1, the level of debt outstanding for Fort Smith’s water and sewer utilities was relatively high from 2007 through 2009, but has been on an improving trend in more recent years. Improvements in this ratio can be achieved through providing more pay-as-you-go funding sources such as revenues from user charges or system development charges. Improvements can also be achieved through use of alternative funding sources such as taxes.

The Department currently does not have a policy regarding the level of funding to be provided from debt or other sources. The risk in relying too heavily on debt issuance to fund capital improvements is that a utility can become over-leveraged and suffer erosion of system equity, which could signal increased riskiness of the Department’s debt to the municipal bond investor. Lower bond ratings and higher cost of

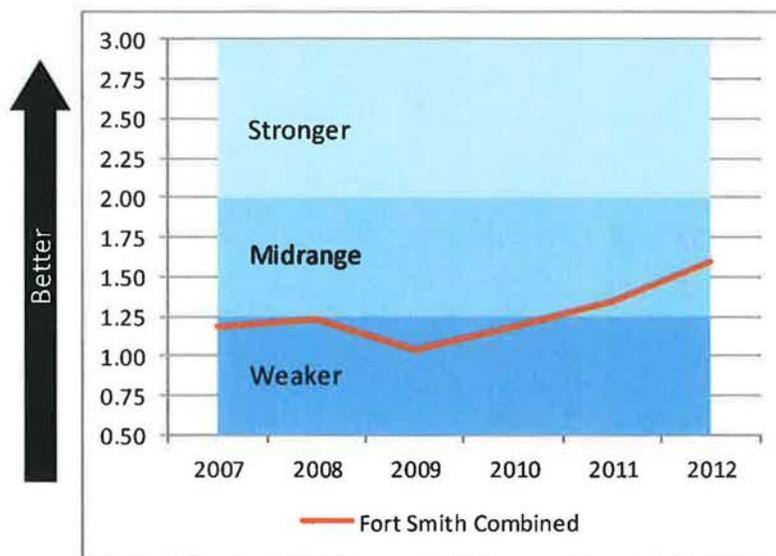
issuing future debt could result, and drive the need for additional rate increases. Furthermore, over-reliance on debt as a capital funding mechanism can place pressure on debt service coverage.

Minimum debt service coverage levels are usually established by utility revenue bond covenants. For Fort Smith, existing debt covenants define annual debt service coverage as:

$$\frac{[\text{Maximum Annual Principal and Interest payable on all Revenue Bonds}]}{[\text{Net Revenues}]} = \text{Annual Debt Service Coverage}$$

Net Revenues are defined as gross revenues less the amounts required to pay the costs of operations, maintenance and repair of the utility systems excluding depreciation, interest and amortization expenses. For Fort Smith, the minimum annual debt service coverage required by covenants is 1.10 times annual debt service. Fort Smith also has an additional bonds test (ABT) that is required to be met in the event additional parity revenue bonds are issued. The ABT requires debt service coverage of 1.25 times average debt service in the most immediately prior year and 1.30 times average debt service for the next projected year. The next projected year allows for adjustments for any increase in rates that may have been adopted and any new debt service payments. The additional bonds coverage test is only applied as a condition of issuing additional parity debt. Figure 3-2 shows the trend in the Department’s annual debt service coverage in recent years, compared to Fitch Ratings’ stratification of weaker, midrange, and stronger performance for municipal water and sewer utilities.

Figure 3-2: Fort Smith Utility Debt Service Coverage



As shown in Figure 3-2, debt service coverage for Fort Smith has improved significantly after reaching a

low point during 2009 and is now firmly within the midrange performance. The trend in debt service coverage is consistent with improvements observed in the Debt to Net Plant ratio shown previously in Figure 3-1.

While the Department is obligated by covenant to maintain a minimum debt service coverage threshold, the Department does not have a formal policy regarding targeted debt service coverage. Based on BMcD's experience, it is recommended that debt service coverage targets be established at a level higher than the minimum as a component of the utility's financial plan. By targeting a level of debt service coverage in excess of the absolute minimum required, a utility is much better positioned to handle unexpected variances (such as abnormally low revenues due to weather conditions). Additionally, rating agencies look favorably on debt service coverage levels that are consistently higher than absolute minimum requirements.

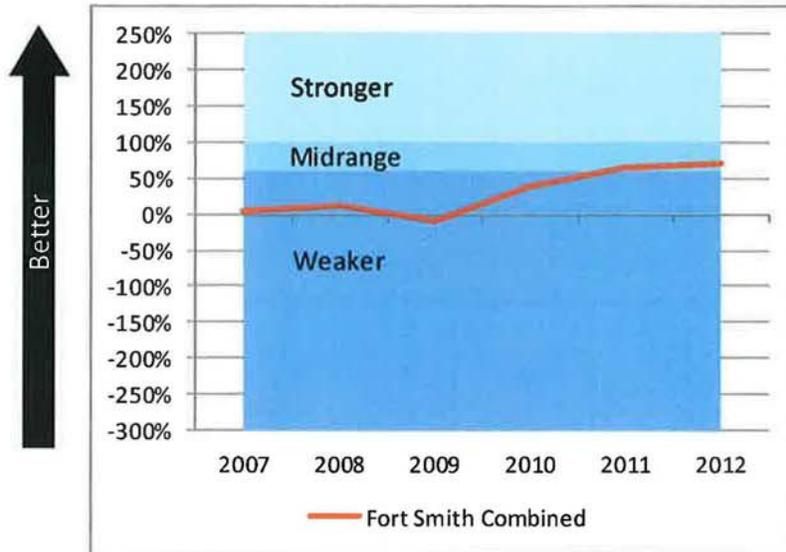
System development charges (also known as impact fees) represent one possible source of revenue for funding projects that are required to support growth in customers and increased capacity in the systems. System development charges differ from connection fees. Connection fees are designed to fund the costs of physically installing customer connections and service lines to the customer's property. In contrast, system development charges are intended to fund growth-related backbone facilities, such as treatment plants, transmission mains, and water source development.

While the Department does assess charges to specific service areas to cover the cost of extending service to that service area, it does not currently assess system development charges to recover cost of capacity investment in backbone facilities. The determination of system development charges is governed by the State of Arkansas by Arkansas Code 14-56-103. The Department and BMcD are currently engaged in a financial planning and rate study which will take into consideration the possibility of implementing such charges and the level at which the system development charges may be established.

Figure 3-3 shows depreciation as a percent of free cash flow. This measure examines a utility's ability to generate cash in excess of operating costs and debt service, sufficient enough to meet the level of annual depreciation expense. At the heart of this concept is that a prudent utility should be able to produce enough cash to reinvest in its system equal to annual depreciation. Fitch Ratings reserves its "Stronger" designation for utilities able to generate cash in excess of depreciation annually.

Fort Smith has shown substantial improvement since 2009, and as noted previously the improving results in several figures within this report are inter-related.

Figure 3-3: Fort Smith Utility Depreciation as a Percent of Free Cash Flow



3.2.2 Proposed Policy: Revenue-Funded Capital

It is recommended that the Department adopt a policy regarding the cash funding of future capital improvement program (CIP) projects to provide revenue funded capital at a level consistent with the prior year’s annual depreciation as reported on the Department’s audited financial statements. The proposed policy may read as follows:

The Utility Department will annually provide cash funding from the Water and Sewer Fund for the Capital Improvement Program at a minimum level equal to the prior year’s annual depreciation. CIP spending may include fleet and equipment replacement, system renewal and replacement, and other capital projects. The amount of annual cash funding shall be at least equal to the amount of the prior year’s depreciation expense. The amount of annual cash funding will be determined by the Utility Director during the annual budgeting and CIP planning process and subject to Board approval.

3.2.3 Proposed Policy: Targeted Debt Service Coverage Levels

As noted previously the Department is generally obligated to provide annual debt service coverage at a minimum level of 1.10 times annual debt service. The ABT is more restrictive and requires coverage of 1.25 times average debt service in the prior year and 1.30 times average debt service in the next year (2). The additional bonds coverage test is only applied as a condition of issuing additional parity debt. However, in an environment where future revenue bond issues are likely, prudent planning should provide for the fulfillment of the more stringent requirements of the ABT. It is recommended that the

Department adopt a policy to achieve an annual debt service target of 1.40 times annual debt service levels (1). The proposed policy may read as follows:

The Department will provide through its annually approved budget the Net Revenues necessary to produce a planned debt service requirement that achieves a minimum debt service coverage level of 1.40 times annual debt service as reported in the latest CAFR. In the event actual annual debt service coverage reported in the CAFR is below the minimum threshold of 1.40 times annual debt service, the Utility Director will produce a financial plan in the next budget cycle that provides revenue or expense adjustments or a combination of revenue and expense adjustments necessary to restore coverage to 1.40 times annual debt service within 3 budget years after the shortage was initially reported.

Setting an annual debt service coverage minimum target of 1.40 times annual debt service positions the utility to more easily pass the ABT threshold; is consistent with rating agency preferences as demonstrated in Figure 3-2 and confirmed with the City's financial advisor; and will by definition provide revenue streams that may be applied toward the revenue-funded capital policy described in Section 3.2.2, thereby mitigating the impact of that policy. During 2012, the Department achieved debt service coverage of 1.59 times. Future CIP projects will require issuance of additional bonds, so while the current coverage ratio is sufficient to meet the minimum recommended level of 1.40 times, future revenue adjustments may be necessary to maintain that threshold.

3.2.4 Proposed Policy: Debt Service as a Percent of Revenue Stream

The City currently maintains a policy that debt service should not exceed 25 percent of the related revenue stream. This policy is likely intended to prevent the utility or other City operations from becoming overly burdened with debt. During 2012 the Department was out of compliance with this policy as the ratio was approximately 29 percent. For the utilities, the clarity of this policy is clouded by the use of alternative funding strategies such as sales tax revenues. Considering the proposed utility policies to revenue fund a portion of the CIP based on depreciation expense and to maintain a minimum annual debt service coverage level of 1.40 times, the likelihood of future compliance with this policy is expected to improve. Based on 2012 results, an increase in revenues of approximately 17 percent would have been required to comply with the 25 percent policy target. An assessment of this policy will be provided in the rate study work to be completed in 2014.

3.2.5 Proposed Policy: System Development Charges

As noted in Section 3.2.1, system development charges (or impact fees) represent one possible source of revenue for funding projects that are required to support growth in customers and increased capacity in

the systems. Currently growth-related costs are comingled with other costs of the water and sewer systems and theoretically recovered through water and sewer user rates. In the design of system development charges, the water and sewer costs associated with growth and related system expansion are discretely identified, and the charges are applied to new customers as they join the system. Such fees cannot be arbitrarily set, and must reasonably be related to the cost and level of service. Generally speaking, system development charge revenues can only be used to pay for growth-related projects. In this way, system development charges align the cost of growth and related system expansion more directly with new customer development.

The key policy consideration is whether the cost of new infrastructure should be recovered from new customers joining the system, or if it should be shared among all users through higher usage rates.

The State of Arkansas enables municipal utilities to charge system development charges under Arkansas Code 14-56-103. As noted previously, the Department and BMcD will analyze potential system development charges as a component of the rate study scheduled for 2014. BMcD recommends waiting to provide an opinion on the use of system development charges as a method to fund growth-related infrastructure until the relative level of these fees has been evaluated (1). However, in the event system development charges are adopted, it does not change other recommendations for Capital Funding Policies contained in this document. The adoption of system development charges would represent an additional funding source for the growth-related portions of the CIP.

3.3 Rate Policies

3.3.1 Background

User charges must be sufficient to provide adequate funding for operating and capital needs, meet debt service requirements, and maintain sufficient reserves. The Department's planning horizon for user charges is five years. A five year plan is prepared and, to the extent revenue adjustments are necessary, proposed rates are developed and presented to the Board for approval. Rate approvals are typically provided by the Board for one to three years. Subsequent adjustments, if necessary over the five year planning horizon, are evaluated after the initial approval term has expired. This process is repeated every five years to refresh the plan for known or anticipated changes. The current process has resulted in the adoption of revenue increases periodically, but not always regularly.

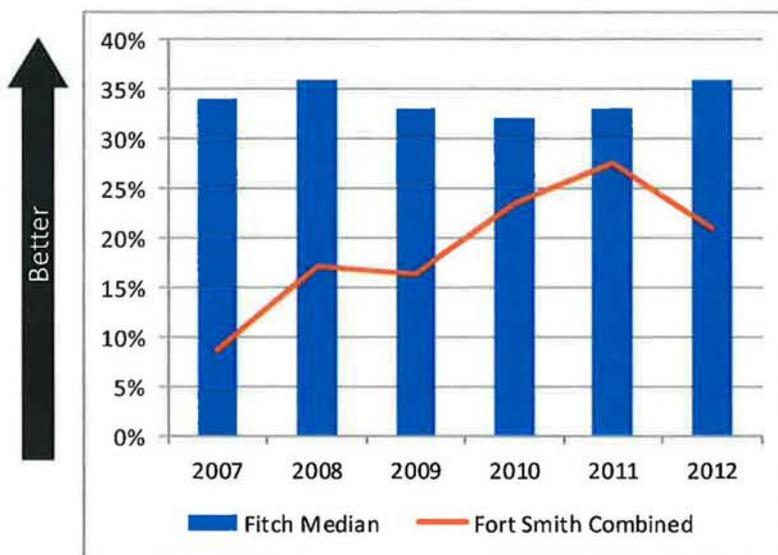
Plans are developed specifically for the water utility and the sewer utility. Rates are developed to recover the costs associated with each utility's respective financial plans. Within the plans, forecasts are made for direct costs of operating each utility and the indirect costs of support provided by the City. Some of the

direct and indirect cost centers that provide service to the Department benefit both the water and the sewer utility. For those cost centers, allocation factors are used to identify the portion applicable to either the water or sewer utility. These allocation factors are updated periodically, with the most recent update at the end of 2013. Overall financial reporting for the Department is consolidated to reflect the combined water and sewer performance.

During the evaluation of the five year plan, typical bills are calculated to illustrate changes in bills for various Fort Smith customer classifications resulting from proposed rate adjustments. Comparisons are made to neighboring utilities for a typical customer classes for regional benchmarking. The concept of evaluating affordability was noted in the Efficiency Study as another way to indicate the reasonableness of proposed rates.

From a utility enterprise point of view, one indicator of the sufficiency of revenues (beyond coverage and reserve levels) is annual operating margin and annual cash flow. Figure 3-4 shows the trend in operating margin for Fort Smith compared to the Fitch Ratings median result.

Figure 3-4: Fort Smith Utility Operating Margin



Operating margin is defined as operating income divided by total operating revenues. In comparison to the Fitch Ratings median, Fort Smith has consistently been lower but on an improving trend. The improvement seen since 2009 also contributes to the improvement in debt service coverage shown previously in Figure 3-2 and depreciation as a percent of free cash flow shown in Figure 3-3. The decline during 2012 is largely attributable to an increase in depreciation during 2012.

Several policies regarding rate and financial management are proposed herein. These policies are designed to support the improving trend of the Department's financial performance.

3.3.2 Proposed Policy: Rate Methodology

Receiving revenues in a manner that is equitable for customers at levels that adequately fund both the water and sewer utilities is important to sustain water and sewer services. Cost of service methodologies generally accepted in the water and sewer industries are intended to set user charges and rates that reasonably recover the cost of serving customers from the respective customers and achieve the objectives of the water and sewer systems. It is proposed that Fort Smith consider continuing using the cost of service methodology in setting water rates and adopt this methodology for setting sewer rates.

The Department generally proposes three-year rate plans to the Board for their consideration and approval. Implementing systematic rate adjustments at regular intervals helps mitigate the risk of rate shock. BMcD is of the opinion that the current approach that adopts multi-year rate adjustments is reasonable.

A policy regarding rate methodology may be structured as follows:

Rates for water and sewer billing shall be developed and periodically reviewed at least every five years using a cost of service methodology generally accepted in the water and sewer industries. The intent of the rates will be to reasonably recover costs allocated to each customer class from the respective customer class, fund the water and sewer systems so neither system subsidizes the other, and support the goals and objectives of the water and sewer systems.

3.3.3 Proposed Policy: Affordability Assessment

During the Efficiency Study, the concept of including an affordability assessment was raised for consideration and use in the ratemaking process. The concept involves comparing the Median Household Income (MHI) for Fort Smith to the existing and proposed typical bill for a residential household. According to the Affordability Assessment Tool for Federal Water Mandates, published in 2013 for the United States Conference of Mayors, the AWWA and the WEF, it is "commonly inferred that the EPA would consider a combined annual water and sewer bill of less than 4.5% of MHI to be affordable (2.5% for water, plus 2% for sewer services)." The concept of affordability is used commonly to demonstrate the impact of consent decree programs on sewer utility customers. It is worthwhile to incorporate an affordability assessment into the information provided to the Board (1). However, BMcD does not recommend adopting formal targets and actions resulting from the affordability assessment, because the Department has no control over trends in MHI. Rather, it is recommended that affordability be discussed

as part of the rate-making process and used for informational purposes only. Such a policy may be structured as follows:

The Department shall include affordability analysis as a component of the ratemaking process.

3.3.4 Proposed Policy: Billing Collections

Generally speaking, improvements in the collection of revenues from customers that lead to either reduced uncollectable revenue or faster receipt of revenue will lower the utility's costs and improve working capital. A shorter and more effective collection process will help lower uncollectable bills and lower operating costs. Utility billing and collection activities are managed by the City of Fort Smith Finance Department, with responsibility for invoice preparation and issuance, collection, and customer care. Revenue recognition directly impacts the cash flow of the utilities. Thirteen other utility service providers were surveyed in the greater Fort Smith area for comparison to the City's current practices. The results are provided in Table 3-1.

Table 3-1: Regional Utility Billing Practices

	Others			City of Fort Smith
	Minimum	Maximum	Average	
Billing Frequency	Monthly	Monthly	Monthly	Monthly
Days after billing that bills become past due	7	25	17	22
Days after billing that service is shut off for non-payment	14	32	26	62

The survey results suggest that Fort Smith's current practice of waiting 62 days after billing to shut off service is longer than other utilities in the region. Other service providers shut off service on an unpaid bill 14 days to 32 days after the bills are mailed. The average is 26 days. The City shuts off service on unpaid bills 62 days after the bills are mailed – more than twice the average. Since billing occurs after utility services are provided, the City's customers can receive services for three months without paying their bills before service is terminated. If this period were to be reduced, it is anticipated that slow paying customers would bring their accounts current at a faster rate. If a bill is truly uncollectable, reducing the number of days to shut off would effectively lower the uncollectable amount. It is recommended that this period be reduced. Such a policy may be structured as follows:

The water and sewer customer bills shall become past due if not paid within 22 days after the billing date. When past due, a penalty shall be added to the account in the amount of 10% of the past month's current billed amount, and a past due and shutoff notice will be mailed to the customer's address of record. Services for bills not paid within 30 days after the billing date are subject to suspension of service and may be turned off until the account is paid in full.

3.3.5 Proposed Policy: Billing Corrections

The City may make corrections to bills and customer accounts for errors in reading meters, processing bills, and posting payments. These corrections might occur during the billing process or after bills have been generated. Currently, corrections are sometimes recorded as corrections to customer accounts and at other times recorded as adjustments depending on when the entry is posted as related to billing cycles. Also, meter reading corrections are occasionally not made so that the usage may catch up to the actual meter reading. Consequently, billing corrections are not reported separately from adjustments and occasionally not recorded. It is recommended that corrections be identifiable and reported separately from adjustments that forgive charges that were billed to customers. Furthermore, corrections should be recorded when identified.

Finally, it is recommended that some threshold be established for approval of correction adjustments. In the event that the proposed adjustment exceeds this threshold, additional approval will be required to approve the adjustment. This concept is proposed to provide enhanced control over corrections processing and assure needed meter reading and billing process improvements are identified and implemented as those needs arise.

A policy to address correcting errors may be structured as follows:

The City may make water and sewer billing corrections to customers' bills and/or accounts to correct errors that occurred as a result of one or more of the following:

- *The meter was misread.*
- *The water and/or sewer usage was inaccurately estimated when an actual meter reading was not used.*
- *The water meter, sewer meter, meter reading system, billing system, and/or accounting system did not operate properly.*

Corrections shall be calculated as the difference between the erroneous usage and the corrected usage. The corrected meter reading shall be recorded on the customer's account when identified and shall be

used so that the usage billed and usage subsequently billed shall be calculated using the corrected meter reading. Customer charges shall not be changed independently of meter readings. Meter readings will not be held over until the actual usage catches up to the erroneous meter reading.

In the event that the correction increases or decreases the usage so that the resulting change in either water or sewer charges exceeds the lesser of four times the average water or sewer bill for that service point over the previous twelve months or \$1,000, approval of the correction will require the Finance Department to escalate the matter to the Utility Director or designated representative for approval within five business days from the date of escalation.

3.3.6 Proposed Policy: Forgiveness Policy

Through the customer service operations managed by the City of Fort Smith, customers may obtain credits that effectively reduce billed revenues for utility services. The need for these credits can be caused by various legitimate issues including water leaks, filling swimming pools, good will, or other matters. The total annual amount of credit granted to utility customers has varied from approximately \$495,000 to \$720,000 annually during the past five years. Presently customers are eligible for up to 3 credit adjustments per year.

Current practices for customer billing adjustment do not involve the Utility Department and are managed and approved entirely by the Finance Department. Occasionally the credits are substantial, and taken as a whole, may adversely impact the financial results of the utilities. A policy is proposed to introduce the Department Director (or assigned delegate) to approve the granting of credits if the credit exceeds certain thresholds. Such a policy may be structured as follows:

Credits to water and sewer utility bills may be granted to customers to account for water leaks fixed by plumbing repairs and filling swimming pools. Credits may be applied to customer accounts subject to the following conditions.

- A service point is eligible for a water leak credit to water charges for not more than 2 months, provided a water leak credit was not posted to the account in the most recent 12 month period. Similarly, a service point is eligible for a credit to sewer charges for not more than 2 months related to water leakage, provided a sewer credit related to water leakage was not posted to the account in the most recent 12 month period. In addition, an account is eligible for a credit to sewer charges for one month related to filling a swimming pool each calendar year.*
- Each water credit is subject to a maximum of either four times the average monthly water charges or \$1,000, whichever is less. Similarly, each sewer credit is subject to a maximum of*

either four times the average monthly sewer charges or \$1,000, whichever is less.

- *Credits applied to billed water volumes may not lower the billed volume for any month of service below its most recently 12 month average or 6 CCF, whichever is higher.*
- *Credits applied to billed sewer volumes may not lower the billed volume for any month of service below its most recently designated winter average or 6 CCF, whichever is higher.*
- *The customer must provide the City with written proof that the leak was fixed by plumbing repairs for a leak credit to be considered by the City.*

In the event a proposed credit exceeds these conditions, approval of the credit will require the Finance Department to escalate the matter to the Utility Director or designated representative for approval within five business days from the date of escalation. The Utility Director or designated representative may approve a water and sewer credits as follows:

- *A maximum water credit of \$1,000 plus 50% of the billed water amount greater than \$1,000, not to exceed \$5,000 total credit for water.*
- *A maximum sewer credit of \$1,000 plus 50% of the billed sewer amount greater than \$1,000, not to exceed \$5,000 total credit for sewer.*

If the proposed credit is denied by the Utility Director or designated representative, the decision may be appealed by the customer to the City Administrator or designated representative, within 10 business days from the date of the decision made by the Utility Director or designated representative.

Because this policy involves the Utility Department and other City departments, further discussion is recommended with the Finance Department to evaluate requested procedural changes and collaborate on process controls that enhance quality control and maintain superior customer service.

3.3.7 Proposed Policy: Winter Averaging for Residential Sewer Bills

Because sewer discharge is not typically directly metered, a reasonable basis for estimating contributed (or billed) sewer volumes must be made. Within the sewer utility industry, the most frequent methods for estimating contributed sewer volumes are either 100 percent of the actual water used or calculation of winter water used. A less common method includes using a fixed percentage of actual water use (for instance, 80% of water use in a given month equals estimated sewer volume). The National Association of Clean Water Agencies (NACWA) publishes a detailed survey of sewer utilities which examines, among many other variables, the types of approaches used to estimate single-family contributed sewer volumes. According to the most recent NACWA survey published during 2011, 50 percent of survey respondents indicated using 100 percent metered water as the sewer billing basis, while 45 percent reported using winter water as the basis. Other approaches, including a fixed percentage of water use,

were responsible for the remaining 5 percent. For non-residential customers, water use is typically the basis for estimating contributed sewer volumes.

The Department presently bases residential contributed volume for the period of April through October on each account's most recent winter billing period of November through March. Billed sewer volumes during months outside of the winter billing period are set at the lesser of the current month's water use or the most recent winter billing period. From a ratemaking point of view, a change in the definition of the winter billing period should be revenue neutral for the utility system. For instance, if the definition of the winter period is changed, and overall billable volume declines, rates will need to be adjusted upward to provide the same revenue stream to cover the same revenue requirements. Changes in the definition of the winter period are designed to be revenue neutral for the system; however individual accounts could pay more or less based on the definition and their respective billable flow. Therefore the equitability of cost recovery can be impacted when winter period definitions are adjusted. Because of this, care should be taken in defining the winter period to derive an equitable approach to determining contributed flow. Some utilities choose to evaluate changes in winter period definition during the conduct of rate studies.

Another policy consideration is the treatment of residential accounts with sprinkler systems that have only one meter serving both the single family home as well as the sprinkler system. In the event sprinkler usage occurs in November or March, such use could presumably be captured in the winter period calculation as it is currently defined. From a practical standpoint, sprinkler use is likely limited for most residential customers in November or March under normal climatic conditions, especially when compared against the hot and dry summer months. BMcD recommends treating all residential customers similarly in the determination of winter period use. Alternately, a customer with a sprinkler system could choose to have an additional meter installed at their expense to determine the quantity of water used specifically in their sprinkler system. Such quantities would not be subject to sewer fees.

BMcD is of the opinion that the current winter period determination as practiced by the Department is reasonable, and therefore BMcD does not recommend changes to the winter period definition in the proposed policy. However we recommend evaluating seasonal trends in monthly billed water volumes for the residential class during the upcoming rate study, and consider changes if warranted. While the Department may consider evaluating the adequacy of the winter period definition from time to time, BMcD does not recommend developing a formal policy setting parameters for the frequency of such analyses. The Department should initiate such an evaluation if a shift in customer usage characteristics is detected, or if it is determined a large percentage of requested billing adjustments are based on issues with the winter period definition. A policy is proposed to clarify how winter average should be applied to

residential accounts. Such a policy may be structured as follows:

Billable volumes for residential sewer customers during the April, May, June, July, August, September and October billing cycles will be determined based on the most recent evaluation of winter period water consumption, defined as the average monthly water usage during the immediate preceding November, December, January, February and March billing cycles at the same service point. The monthly billable volume for each residential account will be established as either actual water usage or the winter average calculated usage, whichever is lower for the applicable month. If a residential sewer customer does not have a winter period water consumption, for example an account initiated after the start of the winter period, the billable volume during the months of April, May, June, July, August, September and October will be either actual water usage or 6 CCF whichever is lower.

3.4 Reserve Policies

3.4.1 Background

In the Introduction Section of this report, it was noted that the development and adoption of financial policies will support the Department in the pursuit of its mission in several ways:

- Fulfill the mission with focus
 - Ensure sustained delivery of quality water and sewer services
 - Promote health, safety and quality of life
 - Provide excellent service to customers
 - Create value through operational excellence
 - Ensure long-term regional success
- Provide liquidity to adequately fund operating and capital costs
- Mitigate the risk of financial stress caused by
 - Revenue shortfalls due to weather anomalies
 - Sudden increases in commodity costs
 - Cost of major equipment failure or fixed asset failure
 - Unexpected expenses due to civil disorder, catastrophes, or other emergencies
- Better position the utility to fund capital projects that are necessary to comply with regulatory requirements and liabilities associated with aging infrastructure and future system growth
- Assist in the compliance with existing bond covenants, and position the Department more favorably for ratings reviews associated with future debt issuance thereby lowering the cost of borrowing money

- Enhance the stability in user rates and fees by minimizing the severity of rate shock that can result if inherent risks noted above are realized

Establishing and maintaining appropriate reserves represents a fundamental component of prudent utility management, and all of the factors listed above are readily addressed through reserve management. The Department currently maintains several funds or groups of funds for utility use, as detailed in Table 3-2.

Of the funds noted in Table 3-2, the assets or balances available in all but the Water and Sewer Fund are restricted in the sense that the application of those funds may only be for the expressed purpose of the fund. After obligations for the other funds are satisfied, balances available in the Water and Sewer Fund are unrestricted, in the sense that they may be used for any lawful utility purpose. Obligations for other funds are defined in the existing bond covenants.

Table 3-2: Existing Reserve Funds

Fund	Purpose	Minimum Balance Required
Water and Sewer Fund (Revenue Fund)	Provide operating liquidity and mitigate risk	Target of 15% of O&M
Water and Sewer Revenue Bond Construction Fund(s)	Funding source for bond-financed CIP projects; holds deposits from applicable bond sales	None
Water and Sewer Revenue Bond Fund and Debt Service Reserve	Payment of principal, interest, and trustee fees, and Bond covenant requirement, lesser of (1) 10% bond proceeds; (2) max annual debt service; or (3) 125% annual average debt service.	Monthly transfers of 1/6 next interest installment, 1/12 principal installment, and trustee's fees
Water and Sewer Depreciation Fund	Bond covenant requirement to be used for asset replacement made necessary by depreciation of the system.	\$500,000

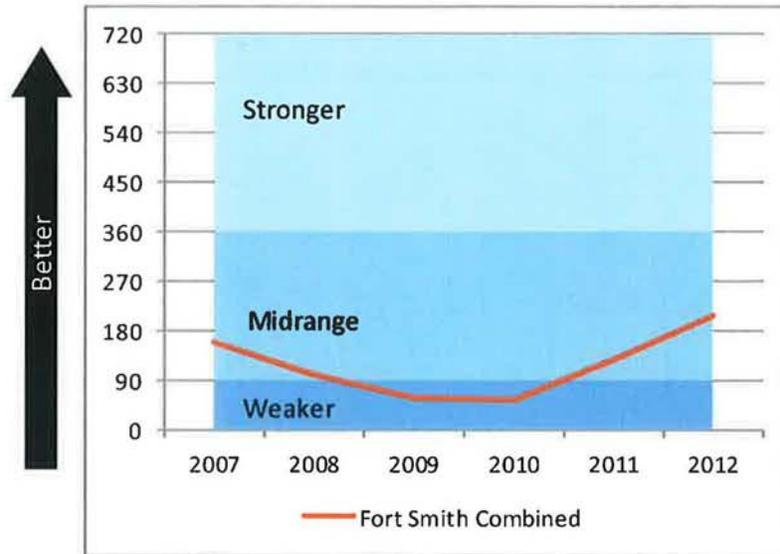
An examination of the Department’s financial statements will provide insight into the overall reserve position and is a key indicator for bond rating agencies. Figure 3-5 depicts Fort Smith’s days cash on hand in comparison to Fitch Ratings’ stratification of weaker, midrange, and stronger performance. For this chart, days cash on hand is computed as:

$$[\text{Cash} + \text{Short Term Investments}] / [\text{Total Operating Expenses} - \text{Depreciation}] \times 365 \text{ Days} = \text{Days Cash On Hand}$$

Across all utility funds, Fort Smith held about 206 days of cash on hand at the end of 2012. This result represented a clear improvement over system lows experienced during 2009 and 2010. As noted earlier

in this report, most indicators for Fort Smith evaluated in this report show marked improvement from 2009 levels. However, even at 206 days, the reserve only falls within the midrange performance stratification. To achieve “stronger” performance from Fitch Ratings’ perspective, total cash on hand would need to approximate one year or more of operating expenses.

Figure 3-5: Fort Smith Utility Days Cash on Hand



Policy considerations for reserves are noted in the remainder of this section of the report. These policies are designed to provide a clear basis for various reserve funds, their use of funds, and where applicable their recommended minimums.

3.4.2 Water and Sewer Fund (Revenue Fund)

The Water and Sewer Fund, or Revenue Fund, is currently maintained by the Department with a targeted minimum balance of 15 percent of O&M or about 55 days of operating reserve (0.15 * 365 days). Operating reserves are frequently stated in terms of “days” of operating expenses as the primary purpose of operating reserves is to provide funding for ongoing operations and mitigate associated risk. Policies and practices vary widely across the industry, but the minimum operating reserve targets are usually set is 60 to 90 days. As evidenced in Figure 3-5, from Fitch Ratings’ perspective, the municipal bond market clearly prefers balances in excess of 90 days.

Municipal utilities, like any enterprise, require a certain amount of liquidity to operate efficiently. Working capital bridges the timing difference between revenues received and expenses paid. By the time a customer receives a bill, the operating costs associated providing water and sewer service (for instance,

labor and commodity costs) have already been incurred. If working capital is not sufficient, financial stability can deteriorate. From BMcD's perspective, this is one reason why Fitch Ratings would consider operating reserve balances less than 90 days as weaker. Reserve levels must first be sufficient to reflect the timing differential between when the cost of providing service is incurred and when payment for this service is ultimately received.

Additionally, municipal utilities are exposed to risks that can materially disrupt financial performance. In one extreme example, the Sewerage and Water Board of New Orleans lost over 30 percent of its revenue stream following Hurricane Katrina. While Fort Smith's hurricane risk is not comparable with New Orleans, tornado, earthquake, flooding, ice or wind storms, fires or other catastrophic disasters all represent potential risks. Risk is also present in the form of material equipment or other asset failure, sudden increases in costs associated with commodities such as natural gas or chemicals, and security, among others. Maintaining appropriate reserve balances in the Revenue Fund provides financial stability and can help mitigate the risk associated with unforeseen events.

Burns & McDonnell recommends a minimum target balance of 120 days O&M, or approximately 33 percent of budgeted O&M costs to meet liquidity and provide a level of reserve for emergency purposes. The proposed 120 days minimum O&M reserve is based on an allotment of 90 days for working capital reserve (about 25 percent of O&M) and 30 days emergency reserve (about an additional 8 percent). The working capital reserve target of 90 days is consistent with the reserve recommendation in the Efficiency Study. An overall target of 120 days further mitigates risk, and is more consistent with municipal bond market expectations demonstrated in Figure 3-5. In the event an unanticipated issue causes reserves to be drawn below the minimum 120 day balance, we recommend the Department commit to developing a plan to restore balances within 3 budget years after the shortage was initially reported. With a minimum operating reserve of 120 days, the Department will be better positioned for favorable bond ratings and the financial stability of the system will increase over the long term. As a result, the increase days of cash may reduce the cost of borrowing future money. Given the recent improvement in days cash available shown in Figure 3-5, it is possible that increasing the minimum target will not require additional deposits to the Revenue Fund; this presumption will be evaluated during the upcoming rate study.

The Department may also consider establishing a maximum threshold for reserves in the Water and Sewer Fund. It is proposed that a maximum reserve balance of 180 days be set to establish an overall range of 120 to 180 days of O&M for reserve purposes. In the event reserves exceed the 180 day balance, we recommend the Department develop a plan to restore balances to the targeted range within 3 budget years after the overage was initially reported.

A proposed reserve policy for the Water and Sewer Revenue Fund can be structured as follows:

The Department will maintain a reserve balance of a minimum of 33 percent (120 days) to 49 percent (180 days) of the annual operation and maintenance expenses for liquidity and emergencies. Balances will be made available to fund ongoing operation and maintenance costs, and fund emergency operations or unforeseen events. If the end of year Water and Sewer Revenue Fund balance is calculated to be less than 120 days or more than 180 days, the Utility Director will provide a financial plan to the Board to restore this fund balance to the targeted range within 3 budget years after the variance was initially reported.

3.4.3 Fleet and Equipment Replacement Reserve

The Fleet and Equipment Replacement Reserve represents a new account established for the purpose of pooling available revenue transfers from the Water and Sewer Fund (see Section 3.2.2 Revenue-Financed Capital) as a funding source for fleet and mobile equipment replacement (1). Assets classifiable as fleet or mobile equipment within the Department's fixed asset records qualify for funding from the Fleet and Equipment Replacement Reserve. It is recommended that deposits to this reserve equal the Department's equipment depreciation and represent a portion of the revenues available for cash funding of equipment described in Section 3.2.2 of this report (and not be considered incremental to the transfers described in that policy statement). As such, a portion of revenue-financed capital will be explicitly directed to the shorter-lived assets of the Department, which are most effectively paid out of current revenues. No minimum balance is required for this reserve. If fleet and mobile equipment spending exceeds the balance available in this reserve, the Department will identify alternative funding sources as part of the annual financial planning and budget cycle. If the balance available in this reserve exceeds fleet and mobile equipment spending identified in the CIP, additional deposits to this reserve may be suspended until the balance in this reserve does not exceed fleet and mobile equipment spending identified in the CIP.

A proposed policy for the Fleet and Equipment Replacement Reserve can be structured as follows:

The Department will establish and maintain a Fleet and Equipment Replacement Reserve (FERR) to be funded annually by a deposit equal to the prior year's equipment depreciation expense. Such deposits will be considered a portion of the transfers from the Revenue Fund to provide revenue funding for capital expenditures. Assets classifiable as fleet or mobile equipment are eligible for funding from the FERR. No minimum balance is required to be maintained in the FERR. If funding provided by the annual deposit exceeds the current year's fleet and mobile equipment purchases, available balances will

carry forward to subsequent years. If funding provided by the annual deposit and any other available balance within the FERR is not sufficient to fully fund the current year's fleet and mobile equipment purchases, the Department will secure additional capital improvement funding consistent with current utility practice. If the balance available in this reserve exceeds fleet and mobile equipment spending identified in the CIP, additional deposits to this reserve may be suspended until the balance in this reserve does not exceed fleet and mobile equipment spending identified in the CIP.

3.4.4 Water/Sewer Capital Improvement Fund

The capital funds represent a group of funds established for the purpose of funding capital improvement projects for the Department. Examples of these capital improvement projects include infrastructure related to water supply, treatment, and transmission for the water system, and sewer interceptor and treatment for the sewer system. Existing Bond Construction Funds are created to receive deposits from applicable bond sales and use those funds in accordance with bond covenants. It is anticipated that an additional capital reserve should be created called the Water/Sewer Capital Improvement Fund to receive annual transfers proposed in Section 3.2.2 from the Revenue Fund. Balances available in the Water/Sewer Capital Improvement Fund may be applied to any infrastructure, facility, and resource capital project approved as a part of the Capital Improvement Program (CIP). Annual revenue transfers will provide a funding source for the capital projects (1). No minimum balance is required for this fund. If infrastructure, facility, and resource capital improvement spending exceeds the balance available in the Water/Sewer Capital Improvement Fund, the Department will identify alternative funding sources as part of the annual financial planning and budget cycle. If the balance available in the Water/Sewer Capital Improvement Fund exceeds infrastructure, facility, and resource capital spending identified in the CIP, additional deposits to this fund may be suspended until the balance in this fund does not exceed infrastructure, facility, and resource capital spending identified in the CIP.

The amount of monies transferred to the Capital Improvement Fund may vary year to year based on decisions made by the Department and approved by the Board as part of the annual budgeting and CIP planning process. However, the total amount of monies available to fund capital projects in a given year among the transfers to the Water/Sewer Capital Improvement Fund, the Depreciation Fund, and the Fleet and Equipment Replacement Reserve shall at a minimum amount to the prior year's annual depreciation as proposed in Section 3.2.2.

A proposed policy for the Water/Sewer Capital Improvement Fund can be structured as follows:

The Department will maintain reserves in the Water/Sewer Capital Improvement Fund to provide funding

for the capital improvement program. An annual deposit from the Revenue Fund will be proposed by the Department and subject to Board approval that, together with deposits to the Depreciation Fund and Fleet and Equipment Replacement Reserve, amount to a minimum of the prior year's depreciation expense. All assets of the Department are eligible for funding from the Water/Sewer Capital Improvement Fund reserves. No minimum balance is required to be maintained in the Water/Sewer Capital Improvement Fund reserves. If available funding exceeds the current year's capital expenditures, available balances will carry forward for use during subsequent years. If balances are not sufficient to fully fund the current year's capital expenditures, the Department will secure additional capital improvement funding consistent with current utility practice. If the balance available in the Water/Sewer Capital Improvement Fund exceeds infrastructure, facility, and resource capital spending identified in the CIP, additional deposits to this fund may be suspended until the balance in this fund does not exceed infrastructure, facility, and resource capital spending identified in the CIP.

3.4.5 Depreciation Fund

As a condition of bond issuance, the Department is required to maintain a balance of \$500,000 until the applicable bonds mature. The Efficiency Study recommended the utility pursue a policy to provide revenue funding for capital projects equal to the amount of value lost in annual depreciation.

The amount of monies transferred to the Depreciation Fund may vary year to year based on decisions made by the Department and approved by the Board as part of the annual budgeting and capital planning process. However, the total amount of monies available to fund capital projects in a given year among the transfers to the Water/Sewer Capital Improvement Fund, the Depreciation Fund, and the Fleet and Equipment Replacement Reserve shall at a minimum amount to the prior year's annual depreciation as proposed in Section 3.2.2. If the balance available in the Depreciation Fund exceeds capital spending identified in the CIP, additional deposits to this fund may be suspended until the balance in this fund does not exceed capital spending identified in the CIP.

No minimum balance is required for this fund. Projects funded by balances in the Depreciation Fund must be renewal and replacement projects that have been identified and approved within the CIP. Beyond the minimum bond covenant requirement of \$500,000, no minimum balance is required for this fund. If capital improvement spending for assets exceeds the balance available in the fund, the Department will identify alternative funding sources as part of the annual financial planning and budget cycle.

A proposed policy for the Depreciation Fund can be structured as follows:

The Department will maintain reserves in the Depreciation Fund to fulfill bond covenants and to provide

funding for investment in fixed assets. An annual deposit from the Revenue Fund will be proposed by the Department and subject to Board approval that, together with deposits to the Water/Sewer Capital Improvement Fund and Fleet and Equipment Replacement Reserve, amount to a minimum of the prior year's depreciation expense. No minimum balance is required to be maintained in the Depreciation Fund in excess of that fulfilling the bond requirement. If balances are not sufficient to fully fund the current year's capital expenditures, the Department will secure additional capital improvement funding consistent with current utility practice. If the balance available in the Depreciation Fund exceeds capital spending as identified in the CIP, additional deposits to this fund may be suspended until the balance in this fund does not exceed capital spending identified in the CIP.

3.4.6 Summary of Reserve Funds and Policy Changes

Table 3-3 summarizes the reserve funds impacted by the recommendations in this report. The Revenue Fund is an existing fund with recommendations to increase the reserve level and to increase revenue financed capital. The Equipment Replacement and Capital Funds are new.

Table 3-3: Summary of Recommended Funds with Policy Adjustments (1)

Fund or Account	Purpose	Efficiency Study Recommendation	Proposed Balance Range	Required Deposits To/From
Water and Sewer Fund (Revenue Fund)	Provide operating liquidity and mitigate risk	25% or 90 Days of Current O&M	33% to 49% of O&M / 120 -180 Days	Minimum of prior year's depreciation to FERR, Capital Improvement Fund, and Depreciation Fund
Fleet and Equipment Replacement Reserve	Funding source for fleet and mobile equipment replacement	Annual Equipment Depreciation	No Minimum Requirement; Maximum as Approved by Board in CIP	Annual Equipment Depreciation(1) from Revenue Fund
Water/Sewer Capital Improvement Fund	Funding source for CIP	Annual Revenue Funded Capital Projects	No Minimum Requirement; Maximum as Approved by Board in CIP	Portion of prior year's annual depreciation from Revenue Fund
Water and Sewer Depreciation Fund	Bond covenant requirement and funding source for CIP asset replacement made necessary by depreciation of the system.	Annual Infrastructure Depreciation	\$500,000 Minimum; Maximum as Approved by Board in CIP	Portion of prior year's annual depreciation from Revenue Fund

Table 3-4 summarizes the existing reserve funds that are not impacted by the recommendations in this report.

Table 3-4: Summary of Existing Reserve Funds with No Recommended Changes (1)

Fund or Account	Purpose	Minimum Balance Requirement
Water and Sewer Revenue Bond Construction Fund(s)	Funding source for bond-financed CIP projects; holds deposits from applicable bond sales	None
Water and Sewer Revenue Bond Fund and Debt Reserve (Bond Fund)	Payment of principal, interest, and trustee fees. Bond covenant requirement, lesser of (1) 10% bond proceeds; (2) max annual debt service; or (3) 125% annual average debt service.	Monthly transfers of 1/6 next interest installment, 1/12 principal installment, and trustee's fees

4.0 REFERENCES

1. **HDR Engineering, Inc.** *City of Fort Smith Water and Sewer Operations Efficiency Study: Final Report*. Kansas City : HDR Engineering, Inc., 2013. pp. 99-101.
2. **Stephens Inc.** \$7,330,000 City of Fort Smith, Arkansas Water and Sewer Revenue Bonds Series 2005B. [Official Bond Statement]. Little Rock, Arkansas : s.n., December 1, 2005. p. 16.



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SS 2

MEMORANDUM

June 6, 2014

TO: Mayor and Board of Directors

FROM: Ray Gosack, City Administrator

SUBJECT: Legal Services

Discussion of legal services is planned for the June 10th study session as requested during the June 3rd board meeting. The particular topics in the request (attached) are:

- Selecting an auditing firm to provide a full review of the billing irregularity allegations brought forth by Matt Campbell; and the last 3 years of legal bills.
- Appoint a 5-member commission to study and recommend the best way for obtaining legal services, either through contracting or hiring city attorneys as employees.

The city currently obtains legal services as provided by Arkansas law and the Fort Smith municipal code. Each year, we publish a notice requesting statements of qualifications from interested firms. For the last 12 years, only one firm (Daily & Woods) has responded to provide general legal services. Each December, the board is presented a contract for legal services for the coming year.

Daily & Woods provides the city with a detailed monthly billing. A sample is attached. The billings rendered by Daily & Woods provide far greater detail than billings provided by any other professional service company (engineers, architects, etc.). Bills from 2 engineering companies, which are representative samples,

are also attached for comparison purposes. The city has paid Daily & Woods the following amounts for the last 3 years.

2011	\$285,122
2012	\$406,380
2013	\$404,285

For comparison, the city paid 2 local engineering firms the following amounts.

2011	\$2,098,816
2012	\$1,749,977
2013	\$2,498,534

The requested review of legal billings has arisen as a result of allegations made by attorney Matt Campbell. The responses of Daily & Woods to those allegations are attached. In summary, the records of Daily & Woods document that all of the telephone calls which Mr. Campbell alleges weren't made were indeed made.

When evaluating these allegations, the board should consider that Mr. Campbell represents former and current city employees in two lawsuits filed against the city; and in another defamation lawsuit filed by two employees against one of their subordinates. Daily & Woods is providing legal representation for the city in all 3 of these cases. Mr. Campbell and his clients stand to gain by discrediting the city's legal representation, thereby creating confusion for the city's ability to be effectively represented by its attorneys in the litigation filed by Mr. Campbell's clients.

For an attorney-client relationship to be effective, there must be trust between the client and the attorney. The city staff works with the Daily & Woods legal team on a continual basis. We have the utmost confidence in their ability to effectively represent the city's legal interests with the highest regard for fairness and integrity. As the board discusses this topic, it should address whether or not the board has trust in the attorney-client relationship with Daily & Woods. If the board's trust is lacking, then Daily & Woods respectfully suggests the continuation of the relationship should be evaluated regardless of any discussion about how legal services are provided.

The staff is ready to undertake and support the review of legal services as the board directs. If there are any questions or a need for more information, please let me know.

A handwritten signature in black ink on a white rectangular background. The signature consists of a short horizontal line followed by the name "Ray" in a cursive script.

Attachments

Philip Merry

To: Philip Merry

In view of written publications and citizen inquiries, I would like to make a motion for this board of directors to select an outside CPA auditing firm to provide a full arm's length review process of the allegations brought forth on the legal billings presented to the city. The review period is to be for the last 3 years.

I have had numerous written and oral citizen contacts calling for such handling by this board.

No wrongdoing is assumed in any way in this motion. As stewards of other people's money/the tax payers money, we must assure an open air objective full review of the process to our taxpayers.

Additionally,

I would like to make a separate motion for this board to appoint a 5 person ad hoc commission to study and ultimately recommend to the board of directors as to whether the city of FSM should continue with a 1099 , I-C, service provider relationship for its city legal work or to go with in- house counsel with on premises, w-2 paid employee status.

The 5 person commission to be selected by this board would consist of 3 business persons, 1 CPA , 1 Attorney.



Respectfully,

Philip H. Merry Jr.
Area President
Arthur J. Gallagher & Co.
5401 Rogers Avenue; 2nd Floor
Fort Smith, AR 72903
479-649-0033
479-926-0939 Cell
479-649-0534 Fax
philip_merry@ajg.com

"Business Without Barriers"

"It is impossible to live without failing at something, unless you live so cautiously that you might as well not have lived at all, in which case you have failed by default." J. K. Rowling

****Coverage is not considered bound or modified unless confirmed in writing by our office****

I would like to emphasize that the discussion set forth above is only an insurance/risk management perspective and is NOT legal advise. We do not provide legal advice, as we are not qualified to do so. I highly recommend that you seek the advice of legal counsel in order to become fully apprised of the legal implication related to these issues.

Daily & Woods, P.L.L.C.
P.O. Box 1446
Fort Smith, Arkansas 72902

(479) 782-0361
Federal ID No. 71-0042030

CITY OF FORT SMITH
PO Box 1908
Fort Smith, AR 72902

May 9, 2014

Inv #: 215526
Matter: City-General

RE: General Legal Services

DATE	DESCRIPTION	HOURS	RATE	AMOUNT	TMKPR
Apr-01-14	Re: Convention Center. Received and reviewed e-mail from Mr. Jeremy Richey regarding TNA Wrestling contract; reviewed proposed contract changes; phone conference with Mr. Richey regarding changes	1.00	\$140.00	140.00	WRW
	Re: RREF RB SBL v. City of FS (1001 North 37th Street). Received and reviewed Plaintiff's rebuttal brief	0.40	\$140.00	56.00	WRW
	Re: Board Meeting. Telephone conference with Attorney Canfield; review Agenda and prepare for Board meeting; attend Board meeting	2.50	\$140.00	350.00	DMC
Apr-02-14	Re: Arvest v. City of FS (9509 Bryn Mawr Circle). Phone conference with Burton & Stacey regarding judgment; received and reviewed proposed Consent Judgment; faxed precedent to Ms. Nancy Bane	0.80	\$140.00	112.00	WRW
	Re: Sanitation. E-mail to Mr. Baridi Nkokheli regarding Juan's Tree Service	0.30	\$140.00	42.00	WRW
	Re: Court Street. Exchanged e-mails with Ms. Jayne Hughes regarding maintenance agreement	0.40	\$140.00	56.00	WRW
	Re: Police Department. Office conference with Captain Copeland and Detective Smithson regarding dispatch room	1.20	\$140.00	168.00	WRW
	Re: Bales v. City. Conference with Attorney Wade and Capt. Copeland	0.30	\$140.00	42.00	DMC

	Re: ERISA. Letter from Mr. Jones	0.10	\$140.00	14.00	DMC
	Re: Sanitation. Memo to Attorney Wade	0.10	\$140.00	14.00	JLC
	Re: Phillip Taylor. Receipt and review of letter from Attorney Taylor; update file	0.20	\$140.00	28.00	RRB
Apr-03-14	Re: Fire Department. Exchanged e-mails with Chief Richards regarding materials warranties for new fire station; phone conference with Chief Richards	0.80	\$140.00	112.00	WRW
	Re: Human Resources. Phone conference with Mr. Richard Jones regarding police applicant; legal research regarding USERRA	0.90	\$140.00	126.00	WRW
	Re: Police Department. Phone conference with Corporal Sullivan regarding JAG grant through Sebastian County Prosecutor	0.50	\$140.00	70.00	WRW
	Re: Bales v. McCabe. Review letter from Attorney Campbell and litigation file	0.30	\$140.00	42.00	DMC
	Re: Human Resources. Memo from Mr. Jones; review Meritan agreement and schedules; review Catalystrx agreement; memo to Mr. Jones; telephone call to Mr. Jones	1.30	\$140.00	182.00	JLC
	Re: Sanitation. Telephone conference with Attorney Turner	0.10	\$140.00	14.00	JLC
Apr-04-14	Re: Bales v. McCabe. Review complaint and related file materials; telephone call to Ms. McCabe; telephone call to Attorney Campbell	0.50	\$140.00	70.00	DMC
	Re: Sanitation. Letter from Attorney Turner; letter to Mr. Nkokheli and Mr. Gosack	0.20	\$140.00	28.00	JLC
	Re: Fire Department. Attended Fire Code Appeal Board hearing; phone call to Chief Richards	1.80	\$140.00	252.00	WRW
Apr-07-14	Re: City Prosecutor. Exchanged e-mails with Ms. Jessica Michael regarding prosecuting in District Court	0.20	\$140.00	28.00	WRW
	Re: Agenda Items. Memo from Ms. Andrews; approve ordinance	0.10	\$140.00	14.00	JLC
	Re: Bales v. City. Receive and study plaintiffs' reply to defendants' response to motion to compel; research re motion to limit contact with City personnel	1.50	\$140.00	210.00	DMC
Apr-08-14	Re: Bales v. City. Legal research; draft brief in support of motion to prohibit contact	1.20	\$140.00	168.00	DMC

Apr-09-14	Re: Human Resources. Received and reviewed e-mail from Mr. Richard Jones regarding common law marriage under health plan; legal research regarding same; phone conference with Mr. Jones	1.80	\$140.00	252.00	WRW
	Re: Planning. Legal research regarding sign regulations; phone conference with Mr. Wally Bailey	1.60	\$140.00	224.00	WRW
	Re: Employees. Telephone call from Mr. Jones; memo from Mr. Jones; memo to Mr. Jones, Attorney Wade and Attorney Carson	0.60	\$140.00	84.00	JLC
	Re: Planning. Conference with Mr. Bailey and Ms. Rice regarding trash receptacles, historic district signs, and right-of-way signs; conference with Attorney Wade	1.00	\$140.00	140.00	JLC
	Re: Bales v. City. Research information and work on responses to plaintiffs' discovery requests to City	2.40	\$140.00	336.00	DMC
	Re: Bales v. McCabe. Telephone conference with Ms. McCabe	0.30	\$140.00	42.00	DMC
	Re: Spouse Definition Under City Healthcare Plan. Letter from Mr. Jones; legal research; review information re City employee benefits plan; letter to Mr. Jones; letter from Mr. Jones	1.30	\$140.00	182.00	DMC
Apr-10-14	Re: Planning. Travelled to Salvation Army to view sign; phone conference with Ms. Maggie Rice regarding same and regarding Juan's Tree Service	1.20	\$140.00	168.00	WRW
	Re: Fire Department. Received and reviewed e-mail from Chief Richards regarding Fire Station 11; phone conference with Chief Richards; drafted three resolutions related to approving projects for construction of Fire Station 11 and improvements to other fire stations	1.80	\$140.00	252.00	WRW
	Re: Agenda. Reviewed and approved several proposed agenda items	0.30	\$140.00	42.00	WRW
	Re: Bales v. City. Telephone conference with Sgt. Grubbs; telephone call to Mr. Gosack; work on answers to discovery requests to City; legal research	1.20	\$140.00	168.00	DMC
Apr-11-14	Re: City Clerk. Received and reviewed e-mail from Deputy Clerk James regarding resolutions; phone conference with Clerk James regarding same	0.40	\$140.00	56.00	WRW
	Re: Agenda. Received and approved several proposed agenda items	0.20	\$140.00	28.00	WRW

	Re: Sanitation. Phone call to Mr. Joe Hopper regarding Juan's Tree Service	0.20	\$140.00	28.00	WRW
	Re: Fluoridation. Phone conference with Deputy City Administrator Dingman (2); legal research regarding fluoridation law	1.50	\$140.00	210.00	WRW
	Re: Bales v. City. Telephone conference with Mr. Gosack; letter to Sgt. Grubbs; letter to Mr. Gosack and Mr. Jones; receive and study copies of 47 e-mails from Mr. Gosack re items requested in plaintiffs' discovery requests; review various documents provided with Mr. Gosack's e-mails; telephone conference with Mr. Jones; receive and study Handbook and Police Grievance Policy (58 pages) and several related documents; two letters from Mr. Jones; 2nd letter to Mr. Gosack; further draft responses to discovery requests	3.70	\$140.00	518.00	DMC
Apr-14-14	Re: Residential Zoning. Memo from Mr. Bailey; telephone conference with Mr. Bailey	0.40	\$140.00	56.00	JLC
	Re: Bales v. City. Letter from Sgt. Grubbs; letter to Sgt. Grubbs; two letters to Capt. Copeland; letter from Capt. Copeland; telephone conference with Capt. Copeland; telephone conference with Mr. Gosack; receive and study miscellaneous documents for discovery responses from Ms. Beshears; letter from Mr. Gosack; receive and study 2/10/14 letter from Mr. Gosack to Board of Directors; revise responses to discovery requests	2.20	\$140.00	308.00	DMC
Apr-15-14	Re: Police Department. Phone conference with Chief Lindsey regarding Police Academy seminar; prepared for April 22 presentation at seminar	1.00	\$140.00	140.00	WRW
	Re: Arvest v. City (9509 Bryn Mawr Circle). Received and reviewed Foreclosure Decree; letter to Clerk Gard transmitting same	0.70	\$140.00	98.00	WRW
	Re: Human Resources. Strategy conference with Attorney Carson regarding employee claiming common law marriage	0.50	\$140.00	70.00	WRW
	Re: Bales v. City. Worked on file	0.50	\$140.00	70.00	WRW
	Re: Berry. Telephone conference with Yvette Lisenby with Eighth Circuit Court of Appeals office	0.20	\$140.00	28.00	CTR
	Re: Employees. Review memo to Mr. Jones; telephone call to Mr. Jones and leave message; telephone conference with Mr. Jones; memo to Mr. Jones	0.60	\$140.00	84.00	JLC

	Re: Agenda Items. Review Mercy Hospital Revenue Bonds information; attend board of directors meeting	0.90	\$140.00	126.00	JLC
	Re: Healthcare Plan - Spouse Issue. Letter from Mr. Jones; confer with Attorney Canfield; letter from Attorney Canfield to Mr. Jones	0.50	\$140.00	70.00	DMC
Apr-16-14	Re: Planning. Phone conference with Mr. Wally Bailey regarding Juan's Tree Service	0.30	\$140.00	42.00	WRW
	Re: CDBG/Sisk. Email from Mr. Jennings	0.10	\$140.00	14.00	RRB
Apr-17-14	Re: Deutsche Bank v. City (Frank Brant 917 South 22nd). Received and reviewed Notice of Commissioner's Sale	0.30	\$140.00	42.00	WRW
	Re: Police Department. Received and reviewed e-mail from Corporal Sullivan regarding MOU with 12th Judicial District Drug Task Force; phone conference with Corporal Sullivan regarding same	1.00	\$140.00	140.00	WRW
	Re: CDBG/Sisk. E-mails from Matt Jennings; e-mail to Attorney Briggs	0.30	\$140.00	42.00	CTR
	Re: Bales v. City. Further draft and edit discovery responses; telephone call to Mr. Gosack; conference with Mr. Gosack; telephone conference with Capt. Copeland; telephone conference with Sgt. Grubbs; conference with Capt. Copeland; conference with Mr. Jones; letter from Mr. Jones; receive and study correspondence from Chief Lindsey to other City employees	4.40	\$140.00	616.00	DMC
Apr-18-14	Re: Landfill. Review Arkansas Valley application to PSC for power line certificate of convenience and necessity; letter to Mr. Nkokheli	0.70	\$140.00	98.00	JLC
	Re: Bales v. City. Phone call to Mr. Wally Bailey regarding Plaintiffs' discovery requests; office conference with Sgt. Daniel Grubbs	1.00	\$140.00	140.00	WRW
	Re: Police Department. Received and reviewed e-mail from Corporal Sullivan regarding revised MOU; phone call to Corporal Sullivan regarding same	0.40	\$140.00	56.00	WRW
	Re: Bales v. City. Further draft and edit responses to interrogatories and requests for documents; telephone conference with Capt. Copeland; further review City litigation reports for discovery responses; confer with Attorney Wade; review and organize documents for production; final drafting and editing of responses to discovery requests to City; letter to Attorney Campbell	6.20	\$140.00	868.00	DMC

	Re: CDBG/Sisk. Receipt and review of letter from Attorney Baber; update file	0.10	\$140.00	14.00	RRB
Apr-21-14	Re: Police Department. Received and reviewed several e-mails from Corporal Sullivan regarding 12th Judicial District Drug Task Force; reviewed and revised proposed MOU and Ordinance; phone conference with Corporal Sullivan regarding same (3); phone conference with Chief Lindsey regarding Academy	1.90	\$140.00	266.00	WRW
	Re: Human Resources. Phone conference with Mr. Richard Jones regarding arrested employees	0.30	\$140.00	42.00	WRW
	Re: Planning. Phone conference with Mr. Wally Bailey regarding zoning case	0.20	\$140.00	28.00	WRW
	Re: Town Club. Phone conference with Deputy City Administrator Jeff Dingman regarding lease of parking spaces (2); phone conference with Clerk Gard regarding prior agreements with Town Club	1.20	\$140.00	168.00	WRW
	Re: Town Club. Conference with Attorney Wade	0.20	\$140.00	28.00	JLC
	Re: CDBG/Sisk. Prepare Release of Affidavit; letter to Mr. Jennings	0.40	\$140.00	56.00	RRB
Apr-22-14	Re: Police Department. Gave civil rights presentation to Police Academy	3.50	\$140.00	490.00	WRW
	Re: Town Club. Received and reviewed e-mail from Clerk Gard with Town Club agreements	0.80	\$140.00	112.00	WRW
	Re: Entmeier v. City. Office conference with Officer Brandon Bird	1.30	\$140.00	182.00	WRW
	Re: RRFF RB SBL (1001 North 37th Street). Received and reviewed e-mail from Attorney Magness with proposed Judgment and Decree of Foreclosure; reviewed precedent; fax to Attorney Magness regarding same	0.90	\$140.00	126.00	WRW
	Re: Agenda Items. Attend board of directors meeting	1.00	\$140.00	140.00	CTR
	Re: CDBG/Sisk. Telephone call with Attorney Baker	0.20	\$140.00	28.00	RRB
Apr-23-14	Re: Police Department. Received and reviewed e-mail from Corporal Sullivan with revised MOU and Ordinance; phone conference with Corporal Sullivan regarding same (2)	0.90	\$140.00	126.00	WRW

	Re: City Clerk. Received and reviewed e-mail regarding FOIA request	0.20	\$140.00	28.00	WRW
	Re: Town Club. Phone conference with Attorney John Alford regarding lease agreement (2); reviewed Town Club agreements; e-mail to Attorney Alford	1.00	\$140.00	140.00	WRW
	Re: Whirlpool. Telephone call from Attorney Jones; memo to Mr. Snodgrass	0.20	\$140.00	28.00	JLC
	Re: FOIA. Memo from Mr. Gosack; review records of litigation; memo to city clerk	0.90	\$140.00	126.00	JLC
	Re: Sanitation. Telephone conference with Attorney Turner; memo to Mr. Hopper	0.30	\$140.00	42.00	JLC
	Re: Sanitation. Review parking improvements contract; telephone call to Mr. Hopper	0.20	\$140.00	28.00	JLC
	Re: Bales v. City. Telephone conference with Mr. Gosack	0.20	\$140.00	28.00	DMC
Apr-24-14	Re: Whirlpool. Memo from Mr. Snodgrass; memos to and from Attorney Jones	0.30	\$140.00	42.00	JLC
	Re: Police Department. Phone conference with Corporal Sullivan regarding MOU with Prosecuting Attorney's office	0.20	\$140.00	28.00	WRW
	Re: Entmeier v. City. Legal research regarding dismissal of individual employees sued in their official capacity	1.40	\$140.00	196.00	WRW
	Re: City-Clerk. Received and reviewed e-mail from Clerk Gard regarding FOIA request	0.10	\$140.00	14.00	WRW
	Re: FOIA. Memo from city clerk; memo from Ms. Deuster; memo to Mr. Dingman	0.20	\$140.00	28.00	JLC
	Re: Sanitation. Telephone conferences with Mr. Hopper regarding Beam contracts	0.10	\$140.00	14.00	JLC
	Re: Landfill. Memo from Mr. White; review Harberer's appraisal; telephone conference with Appraiser White; telephone conference with Mr. Hopper	0.70	\$140.00	98.00	JLC
	Re: Bales v. City. Review legal research re possible motion to dismiss individual officers	0.50	\$140.00	70.00	DMC
	Re: CDBG/Veach. Receive and review Order for Substitution; update file	0.10	\$140.00	14.00	RRB
Apr-25-14	Re: Police Department. Received and reviewed e-mail from Corporal Sullivan	0.40	\$140.00	56.00	WRW

	regarding JAG grant; phone conference with Corporal Sullivan regarding same				
	Re: FOIA. Received and reviewed e-mail from Mr. Jack Swink; legal research regarding creating a non-existent list; worked on response to Mr. Swink	1.20	\$140.00	168.00	WRW
	Re: Town Club. Reviewed prior agreements with Town Club regarding easements and lease of parking space	0.90	\$140.00	126.00	WRW
Apr-28-14	Re: RREF RB SBL (1001 N 37th Street). Received and reviewed file-marked Decree of Foreclosure; letter to Clerk Gard regarding same	0.60	\$140.00	84.00	WRW
	Re: Entmeier v. City. Phone conference with Captain Copeland regarding e-mails (2)	0.60	\$140.00	84.00	WRW
	Re: FOIA. Memo from Mr. Dingman; conference with Attorney Wade; complete and send letter to Mr. Swink	0.40	\$140.00	56.00	JLC
	Re: Merechka. Review file; telephone call to Mr. Merechka regarding access easement for tornado siren	0.40	\$140.00	56.00	CTR
Apr-29-14	Re: Merechka. Letter to Mr. and Mrs. Merechka	0.20	\$140.00	28.00	CTR
	Re: Berry. Research case law on whether an expert can testify as to whether officer's actions were objectively reasonable	2.90	\$140.00	406.00	CTR
Apr-30-14	Re: Police Department. Phone conference with Mr. John McGahey regarding alleged civil rights violation; phone conference with Captain Jarrard Copeland regarding same	0.50	\$140.00	70.00	WRW
	Re: Bales v. City. Telephone call from Capt. Copeland	0.20	\$140.00	28.00	DMC
	Re: CDBG/Sisk. Telephone call with Mr. Jennings	0.10	\$140.00	14.00	RRB
	Total Fees	86.30		\$12,082.00	

EXPENSES INCURRED:

Apr-01-14	04627	Expense Recovery	Photocopy Expense Re: Agenda Items.	26.70
	04630	Expense Recovery	Photocopy Expense - Convention Center	2.40
Apr-08-14	46597	Sebastian County Clerk	Re: CDBG/Craigne. Copies at Clerk's office during March	3.00
Apr-09-14	04639	Expense Recovery	Photocopy Expense - Planning (Salvation Army sign)	4.40

Apr-10-14	46608	FedEx	Re: Phillip Taylor. Shipment to Court of Appeals	34.47
Apr-15-14	04642	Expense Recovery	Photocopy Expense Re: Agenda Items.	14.70
	04643	Expense Recovery	Photocopy Expense - Arvest v. City (9509 Bryn Mawr Cricle)	3.20
Apr-22-14	04645	Expense Recovery	Photocopy Expense - Town Club Property/Parking	12.00
Apr-29-14	04647	Expense Recovery	Photocopy Expense - RREF RB SBL (1001 N 37th)	2.00
Total Expenses				\$102.87
Total Fees & Expenses				\$12,184.87

TIMEKEEPER SUMMARY:

			Hours	Rate	Amount
CTR	Colby T. Roe	Partner	5.00	\$140.00	\$700.00
DMC	Douglas M. Carson	Partner	29.50	\$140.00	\$4,130.00
JLC	Jerry L. Canfield	Partner	9.50	\$140.00	\$1,330.00
RRB	Robert R. Briggs	Partner	1.20	\$140.00	\$168.00
WRW	Wyman R. Wade, Jr.	Partner	41.10	\$140.00	\$5,754.00

Invoice

INVOICE #:	13-251-4
DATE	2/3/2014

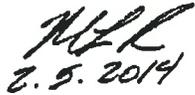
BILL TO:
 CITY OF FORT SMITH
 ENGINEERING DEPT
 623 GARRISON AVE
 FORT SMITH, AR 72901

RECEIVED

FEB 5 2014

CITY OF FORT SMITH
 ENGINEERING DEPARTMENT

CLIENT PROJECT#:
 Street Overlay 14-03-A

ITEM	HOURS	RATE	AMOUNT
PRINCIPAL ENGINEER	2	125.00	250.00
CHIEF DRAFTSMAN/DESIGNER	170	70.00	11,900.00
			

PREVIOUSLY INVOICED		TOTAL DUE THIS INVOICE	\$12,150.00
TOTAL BALANCE DUE			\$12,150.00

01/01/2014-01/31/2014

April 16, 2014

CITY OF FORT SMITH ENGINEERING
ENGINEERING DEPARTMENT
P.O. BOX 1908
FORT SMITH, AR 72902

RECEIVED

APR 21 2014

CITY OF FORT SMITH
ENGINEERING DEPARTMENT
File:

Invoice number 1400146
Date April 16, 2014
Project 14-03-D 2014 CITY OF FORT SMITH
STREET OVERLAY PROJECT

Engineering Consulting Services March 16 through April 12, 2014

Professional Fees

	Hours	Rate	Billed Amount
Engineer IV	13.50	140.00	1,890.00
Engineer I	3.50	80.00	280.00
Designer II	0.50	95.00	47.50
Technician II	53.00	70.00	3,710.00
Inspector I	2.50	60.00	150.00
Professional Fees subtotal	73.00		\$6,077.50

Invoice Total \$6,077.50

APR 16 2014
BY *Byron Com*

DAILY & WOODS

A PROFESSIONAL LIMITED LIABILITY COMPANY
ATTORNEYS AT LAW

JAMES E. WEST
PHILLIP E. NORVELL †

OF COUNSEL

HARRY P. DAILY (1886-1965)
JOHN P. WOODS (1886-1976)
JOHN S. DAILY (1912-1987)
BEN CORE (1924-2007)

JERRY L. CANFIELD, P.A.
THOMAS A. DAILY, P.A.
WYMAN R. WADE, JR., P.A.
DOUGLAS M. CARSON, P.A.
ROBERT R. BRIGGS, P.A. †
C. MICHAEL DAILY, P.A. † •
COLBY T. ROE, P.A.

KMW BUILDING
58 SOUTH SIXTH STREET
P.O. BOX 1446
FORT SMITH, AR 72902
TELEPHONE (479) 782-0361
FAX (479) 782-6160

WRITER'S E-MAIL ADDRESS
JCanfield@DailyWoods.com

† Also Licensed in Oklahoma
• Also Licensed in Wyoming & North Dakota

June 3, 2014

Mr. Ray Gosack
City Administrator
City of Fort Smith
623 Garrison Avenue, 3rd Floor
Fort Smith, AR 72901

Re: Daily & Woods, P.L.L.C. Billings for Services

Dear Mr. Gosack:

Recently, billings from our law firm to the City have been called into question by online blogs published on May 20, 2014, and May 23, 2014, by a Little Rock attorney, who is representing police officers in lawsuits against the City of Fort Smith and/or its employees. We have reviewed the allegations of the blogs. At your request, we provide this response, with supporting documentation, where applicable.

The allegations are twofold. One allegation is that the City of Fort Smith has been billed for excessive time. The billings to the City reflect the actual time reasonably spent on matters we were asked to handle. The allegations have been made by opposing counsel in what initially began as a Civil Service Commission proceeding and then subsequently developed into four separate lawsuits, several Freedom of Information Act requests, and the suggestion by that attorney that one or more additional lawsuits could be filed depending on the City's responses to his demands. The time spent by members of our firm preparing responses at the request of the City is accurately reflected in the billings to the City.

The second allegation revolves around billings related to telephone calls.

In the Little Rock attorney's blog, dated May 20, 2014, he asserts that no phone call was made to him on November 18, 2013, as billed. The assertion is wrong. Attached as Document "1" is a copy of our firm's phone bill confirming the call on November 18, 2013.

The blog also asserts no call was made on November 22, 2013, as billed. Attached as Document "2" is a copy of a handwritten time entry prepared by attorney Rick Wade which shows that a clerical error on the bill listed November 21, 2013 services as having occurred on November 22, 2013, when, in fact, the services, including the call, actually occurred on November 21, 2013.

The attached Document "1," line 28, confirms the call on November 21, 2013.

The blog of May 23, 2014, also alleges that the Little Rock attorney's records do not reflect a call from attorney Wade on January 16, 2014. Regardless of the opposing attorney's records, the billed call was made. Attached as Document "3," lines 14 and 15, is a copy of our firm's phone bill for January 16, 2014, confirming that two calls to the attorney were actually made on that date.

The blog of May 23, 2014, alleges that the City was billed for a telephone call on January 29, 2014, and opposing counsel's phone records show no call on January 29, 2014, as billed. Document "4," a copy of the billing to the City related to legal activities on January 29, 2014, does not show any billing for a call to the Little Rock attorney by any lawyer in this firm.

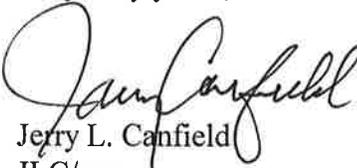
In the May 23 blog, opposing counsel says he did not receive a call from attorney Wade on February 10, 2014. The firm's billing for that date notes "phone conference with Attorney Campbell's office." Document "5," line 15, is a copy of our law firm's telephone bill showing the call to the Little Rock attorney's office.

The May 23 blog states that no call was received from Daily & Woods on February 14, 2014. Attached as Document "6," line 6, is a copy of our firm's phone bill confirming a call to opposing counsel that day; also attached as Document "7" is a copy of an e-mail from the Little Rock attorney to attorney Carson confirming attorney Carson's attempted call on February 14, 2014.

Further, the blogs assert that the Little Rock attorney has no record of receiving additional calls referenced in the firm's billings. Apparently, the Little Rock attorney does not have a full-time secretary and, consequently, a number of phone calls were placed to his office that were not answered by a human or were not answered at all. Calls were sometimes "answered" at his office by a voice message indicating his message box was full. In those instances, it is customary for our firm's attorneys to document the attempted call(s) in order to keep an accurate record of legal services.

Thank you for your attention in this matter.

Very truly yours,


Jerry L. Canfield
JLC/cmm

Enclosures

Other Service Total 38.83

Newroads Telecom Total 38.83

Billing Account Number: 479-242-3966

Current Charges for Oct 21 - Nov 20

- 1 Aastra 60 AOM	27.27
- 1 EUCL	6.00
- Regulatory Recovery Charge	0.50
- LNP	0.33
Subtotal	34.10

Other Service Taxes, Fees and Surcharges

- Federal Excise Tax	0.21
- Federal Universal Service Fund	1.07
- Federal FCC Regulatory Fee (Wireline)	0.02
- State Sales Tax	2.29
- County Sales Tax	0.44
- Local Sales Tax	0.70
Subtotal	4.73

Other Service Total 38.83

Newroads Telecom Total 38.83

Itemized Calls

No	Date	Time	Min	Place Called	Number	Charge
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Calls For 479-242-3966

1	Oct 18	12:22pm	0.3	RUSSELLVL	AR 4792190282	0.00
2	Oct 23	4:26pm	0.3	CLAREMORE	OK 9183421000	0.00
3	Oct 24	2:55pm	2.9	LEXINGTON	VA 5408175769	0.00
4	Oct 28	10:28am	0.5	TULSA	OK 9182847795	0.00
5	Oct 31	12:42pm	0.6	LITTLEROCK	AR 5013753344	0.00
6	Oct 31	2:38pm	0.8	GREENWOOD	AR 4792521967	0.00
7	Nov 01	10:37am	7.4	RUSSELLVL	AR 4792190282	0.00
8	Nov 01	11:15am	3.9	LITTLEROCK	AR 5013753344	0.00
9	Nov 01	1:16pm	1.3	GREENWOOD	AR 4792520169	0.00
10	Nov 01	2:48pm	1.4	NEWORLEANS	LA 5043883445	0.00
11	Nov 04	10:24am	4.7	TALLAHASSE	FL 8508774437	0.00
12	Nov 05	4:16pm	2.4	TALLAHASSE	FL 8508774437	0.00
13	Nov 07	2:37pm	0.7	GREENWOOD	AR 4792521967	0.00
14	Nov 07	4:24pm	1.0	GILBERT	AZ 6023096776	0.00
15	Nov 08	10:28am	1.0	GILBERT	AZ 6023096776	0.00
16	Nov 08	2:44pm	0.9	GILBERT	AZ 6023096776	0.00
17	Nov 13	11:29am	1.4	OMAHA	NE 4028361479	0.00
18	Nov 13	11:35am	2.1	OMAHA	NE 4028361479	0.00
19	Nov 13	4:20pm	1.4	GREENWOOD	AR 4792520169	0.00
20	Nov 13	4:27pm	1.2	HOUSTON	TX 8325660332	0.00
21	Nov 18	3:08pm	0.3	LITTLEROCK	AR 5013969246	0.00
22	Nov 19	11:33am	0.6	FAYETTEVL	AR 4794428775	0.00
23	Nov 19	11:50am	4.1	NASHVILLE	TN 6157812550	0.00
24	Nov 19	11:54am	6.8	NASHVILLE	TN 6158747732	0.00
25	Nov 19	11:55am	2.4	NASHVILLE	TN 6158742531	0.00
26	Nov 20	1:20pm	7.4	MULBERRY	AR 4792171443	0.00
27	Nov 21	12:10pm	0.7	POTEAU	OK 9188393904	0.00
28	Nov 21	3:36pm	7.8	LITTLEROCK	AR 5013969246	0.00

No	Date	Time	Min	Place Called	Number	Charge
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Calls For 479-242-3964

7	Oct 24	4:35pm	1.1	GREENSPT	TX 2816182744	0.00
8	Oct 25	4:55pm	2.3	CUSHING	OK 9182851013	0.00
9	Oct 28	10:23am	1.0	MENA	AR 4793945290	0.00
10	Oct 28	11:24am	10.7	MENA	AR 4792347205	0.00
11	Oct 28	11:51am	1.9	GREENSPT	TX 2816186129	0.00
12	Oct 28	3:36pm	90.8	LYNCHBURG	VA 4342377077	0.00
13	Oct 29	8:17am	2.9	CLINTON	AR 5017452464	0.00
14	Oct 29	11:08am	0.6	MULBERRY	AR 4799971747	0.00
15	Oct 29	1:42pm	0.4	LYNCHBURG	VA 4342377077	0.00
16	Oct 30	9:27am	2.0	CHANDLER	AZ 4807242049	0.00
17	Nov 01	2:05pm	7.8	CUSHING	OK 9182259507	0.00
18	Nov 01	2:47pm	0.4	GREENSPT	TX 2816186129	0.00
19	Nov 04	3:31pm	0.6	DENVER	CO 3038636773	0.00
20	Nov 05	10:03am	0.8	GREENSPT	TX 2816186129	0.00
21	Nov 06	10:13am	0.7	GREENSPT	TX 2816182744	0.00
22	Nov 06	11:04am	3.3	GREENSPT	TX 2816187371	0.00
23	Nov 06	4:31pm	3.6	CONWAY	AR 5014284999	0.00
24	Nov 07	12:42pm	2.1	OZARK	AR 4796677962	0.00
25	Nov 11	11:55am	0.3	CONWAY	AR 5013274457	0.00
26	Nov 12	11:48am	0.7	CONWAY	AR 5013274457	0.00
27	Nov 12	3:52pm	0.8	GREENSPT	TX 2816187435	0.00
28	Nov 13	2:32pm	1.7	GREENSPT	TX 2816187435	0.00
29	Nov 13	4:32pm	0.6	CUSHING	OK 9182259507	0.00
30	Nov 14	2:34pm	13.6	TULSA	OK 9186972606	0.00
31	Nov 19	10:39am	0.5	SEARCY	AR 5012688220	0.00
32	Nov 19	11:28am	0.3	GREENSPT	TX 2816186129	0.00
33	Nov 19	1:00pm	0.3	GREENSPT	TX 2816186129	0.00
34	Nov 19	1:01pm	0.3	GREENSPT	TX 2816186212	0.00
35	Nov 19	3:39pm	3.9	GREENSPT	TX 2816186129	0.00
36	Nov 20	9:46am	0.3	TULSA	OK 9186972606	0.00
37	Nov 21	9:20am	8.7	TULSA	OK 9186972606	0.00
37 Calls			207.5	Summary of usage for 479-242-3964		0.00
37 Calls			207.5	Newroads Telecom LONG DISTANCE SERVICE		0.00

Billing Account Number: 479-242-3965

Current Charges for Oct 21 - Nov 20

- 1 Aastra 60 AOM	27.27
- 1 EUCL	6.00
- Regulatory Recovery Charge	0.50
- LNP	0.33
Subtotal	34.10

Other Service Taxes, Fees and Surcharges

- Federal Excise Tax	0.21
- Federal Universal Service Fund	1.07
- Federal FCC Regulatory Fee (Wireline)	0.02
- State Sales Tax	2.29
- County Sales Tax	0.44
- Local Sales Tax	0.70
Subtotal	4.73

City general

CITY OF FORT SMITH TIME RECORD

Rick Wade

DATE: 21 Nov, 2013

CLIENT/MATTER	WORK DONE	L.D. MIN	TIME
Civil Service Commission (Bates)	Be with Captain Cogland and Detective Smithson regarding 12/5 trial, meeting go with Ms. Lindsey Kaelin. go with Chief Lindsey; office conference with Captain Cogland and Detective Smithson; go with <u>Atty Campbell</u>	10	1.8 3.5
Human Resources	Received and reviewed email from Ms. Lindsey Kaelin regarding transcript of Fire Department grievance hearings; go with Ms. Kaelin regarding same		.7

Document "2"

No	Date	Time	Min	Place Called	Number	Charge
Calls For 479-242-3964						
92			204.0	Newroads Telecom LONG DISTANCE SERVICE		0.00

Billing Account Number: 479-242-3965

Current Charges for Dec 21 - Jan 20

- 1 Aastra 60 AOM	27.27
- Other Charges and Credits(See OCC Detail)	-6.83
Subtotal	20.44

Other Service Taxes, Fees and Surcharges

- Federal Excise Tax	-0.21
- Federal Universal Service Fund	-1.12
- Federal FCC Regulatory Fee (Wireline)	-0.02
- State Sales Tax	1.25
- County Sales Tax	0.24
- Local Sales Tax	0.39
Subtotal	0.53

Other Service Total 20.97

Newroads Telecom Total 20.97

Other Charges Detail

Regulatory Fee Credit	-0.50
Regulatory Fee Credit	-6.00
Regulatory Fee Credit	-0.33
Subtotal (Other Charges)	-6.83

Billing Account Number: 479-242-3966

Current Charges for Dec 21 - Jan 20

- 1 Aastra 60 AOM	27.27
- Other Charges and Credits(See OCC Detail)	-6.83
Subtotal	20.44

Other Service Taxes, Fees and Surcharges

- Federal Excise Tax	-0.21
- Federal Universal Service Fund	-1.12
- Federal FCC Regulatory Fee (Wireline)	-0.02
- State Sales Tax	1.25
- County Sales Tax	0.24
- Local Sales Tax	0.39
Subtotal	0.53

Other Service Total 20.97

Newroads Telecom Total 20.97

Other Charges Detail

Regulatory Fee Credit	-0.50
Regulatory Fee Credit	-0.33

Regulatory Fee Credit	-6.00
Subtotal (Other Charges)	-6.83

Itemized Calls

No	Date	Time	Min	Place Called	Number	Charge
Calls For 479-242-3966						
1	Dec 23	2:38pm	0.3	MEMPHIS	TN 9016926188	0.00
2	Dec 31	11:53am	5.4	ROGERS	AR 4796211132	0.00
3	Dec 31	11:58am	1.1	ROGERS	AR 4796211138	0.00
4	Jan 02	3:00pm	1.0	PARIS	AR 4794384311	0.00
5	Jan 02	3:56pm	1.7	LITTLE ROCK	AR 5013969246	0.00
6	Jan 02	4:51pm	1.7	BOONEVILLE	AR 4796753000	0.00
7	Jan 03	11:48am	2.2	BOONEVILLE	AR 4796753000	0.00
8	Jan 06	4:02pm	1.1	ALMA	AR 4796320037	0.00
9	Jan 07	11:08am	1.1	TALLAHASSEE	FL 8509422221	0.00
10	Jan 07	11:10am	4.4	TALLAHASSEE	FL 8508785623	0.00
11	Jan 09	1:12pm	24.3	LITTLE ROCK	AR 5013501660	0.00
12	Jan 10	3:50pm	0.9	POTEAU	OK 9184132079	0.00
13	Jan 15	1:43pm	7.5	ALMA	AR 4794304436	0.00
14	Jan 16	3:24pm	0.3	LITTLE ROCK	AR 5013969246	0.00
15	Jan 16	3:25pm	2.6	LITTLE ROCK	AR 5013969246	0.00
16	Jan 17	10:15am	6.9	LITTLE ROCK	AR 5017496278	0.00
17	Jan 17	10:35am	0.7	TUSCALOOSA	AL 2053437345	0.00
17	Calls		63.2	Summary of usage for 479-242-3966		0.00
17	Calls		63.2	Newroads Telecom LONG DISTANCE SERVICE		0.00

Billing Account Number: 479-242-3967

Current Charges for Dec 21 - Jan 20

- 1 Aastra 60 AOM	27.27
- Other Charges and Credits(See OCC Detail)	-6.83
Subtotal	20.44

Other Service Taxes, Fees and Surcharges

- Federal Excise Tax	-0.21
- Federal Universal Service Fund	-1.12
- Federal FCC Regulatory Fee (Wireline)	-0.02
- State Sales Tax	1.25
- County Sales Tax	0.24
- Local Sales Tax	0.39
Subtotal	0.53

Other Service Total 20.97

Newroads Telecom Total 20.97

Other Charges Detail

Regulatory Fee Credit	-0.50
Regulatory Fee Credit	-6.00
Regulatory Fee Credit	-0.33
Subtotal (Other Charges)	-6.83

Billing Account Number: 479-242-3968

Current Charges for Dec 21 - Jan 20

- 1 Aastra 60 AOM	27.27
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	and foreclosure documents from Mr. Jennings; research tax assessment records; open file; conference with paralegal assistant regarding real estate research				
	Re: Planning. Telephone conference with Mr. Bailey regarding planning commission and board procedure	0.20	\$140.00	28.00	JLC
	Re: Airport - Wilson. Letter from Attorney Carson with dismissal of City	0.10	\$140.00	14.00	JLC
	Re: Civil Service. Conference with Attorney Wade	0.10	\$140.00	14.00	JLC
	Re: Berry v. Davis. Office conference with Captain Jarrard Copeland; letter to Captain Copeland	0.60	\$140.00	84.00	WRW
	Re: Bales v. City. Office conference with Captain Copeland; received responses of Captain Haney	0.50	\$140.00	70.00	WRW
	Re: Entmeier v. City. Phone conference with Sgt. Gerald Schaeffer; received and reviewed e-mail from Mr. Richard Jones	0.60	\$140.00	84.00	WRW
Jan-28-14	Re: Agenda Items. Approve agenda items; telephone call to parks department	0.20	\$140.00	28.00	JLC
	Re: Entmeier v. City. Received and reviewed note from City Administrator Gosack regarding service of Complaint; legal research regarding Whistleblower Act; exchanged e-mails with Chief Lindsey regarding service of process; phone conference with Chief Lindsey	1.80	\$140.00	252.00	WRW
	Re: Berry v. Davis. Received and reviewed e-mail from 8th Circuit Clerk	0.20	\$140.00	28.00	WRW
	Re: HOME/Rivera. Two emails from Mr. Jennings; email to Mr. Jennings	0.20	\$140.00	28.00	RRB
	Re: Bales v. City. Letter from Attorney Campbell; conference with Attorney Wade; telephone conference with Chief Lindsey and Attorney Wade; letter from Attorney Campbell; legal research	1.30	\$140.00	182.00	DMC
Jan-29-14	Re: FOIA. Received and reviewed e-mail from Sgt. Grubbs regarding FOIA request and reviewed Officer Sampson's evaluations	0.60	\$140.00	84.00	WRW
	Re: Bales v. City. Phone conference with Sgt. Dewey Young	0.60	\$140.00	84.00	WRW
	Re: Tornado Siren. Review file; letter to Mr. and Ms. Merechka	0.30	\$140.00	42.00	RRB

	Re: HOME/Clark. Review real estate research; letter to Attorney Fields	0.80	\$140.00	112.00	RRB
	Re: HOME/Ramos. Review real estate research; letter to Attorney Sellers	0.80	\$140.00	112.00	RRB
	Re: Bales v. City. Receive and study evaluations on Cpl. Sampson and related correspondence between Sgt. Grubbs and Attorney Campbell; receive and study FOIA response from Sgt. Grubbs	0.40	\$140.00	56.00	DMC
Jan-30-14	Re: Entmeier v. City. Received and reviewed note from Captain Haney	0.30	\$140.00	42.00	WRW
	Re: Bales v. City. Phone conference with Captain Jarrard Copeland regarding investigation file	0.50	\$140.00	70.00	WRW
	Re: RREF RB SBL v. City of FS. Received and reviewed letter from Attorney Magness regarding summary judgment hearing	0.20	\$140.00	28.00	WRW
	Re: Agenda. Reviewed and approved proposed agenda item; e-mail to Corporal Patricia Sullivan regarding same	0.20	\$140.00	28.00	WRW
	Re: City Limits. Telephone conference with Mr. Bailey	0.10	\$140.00	14.00	JLC
	Re: Agenda Items. Approve multiple agenda items	0.80	\$140.00	112.00	JLC
	Re: CDBG/Woolridge. Telephone call with Mr. Jennings	0.30	\$140.00	42.00	RRB
	Re: Bales v. City. Conference with Attorney Wade; review memo from Officer Haney; review service of process information; telephone call to Attorney Campbell; review and compare complaints in two cases; receive and study interrogatories and requests for documents to Haney; receive and study interrogatories and requests for documents to Copeland	2.30	\$140.00	322.00	DMC
Jan-31-14	Re: City Limits. Conference with Mr. Bailey; review maps and ordinance file	0.30	\$140.00	42.00	JLC
	Re: HOME/Hilburn. Receive and review foreclosure notice and email from Mr. Jennings; research assessment records; conference with paralegal assistant regarding research; email to Mr. Jennings; open file	0.70	\$140.00	98.00	RRB
	Re: HOME/Rivera. Conference with paralegal assistant regarding research	0.10	\$140.00	14.00	RRB
	Re: Bales v. City. Telephone conference with	3.30	\$140.00	462.00	DMC

No	Date	Time	Min	Place Called	Number	Charge
Calls For 479-242-3964						
101	Feb 19	11:08am	0.5	GREENSPT	TX 2816187836	0.00
102	Feb 19	2:32pm	0.5	HOUSTON	TX 7139935226	0.00
103	Feb 19	3:09pm	25.0	HOUSTON	TX 8326232993	0.00
104	Feb 20	10:13am	3.8	RUSSELLVL	AR 4798860984	0.00
105	Feb 20	10:18am	1.2	RUSSELLVL	AR 4798860984	0.00
106	Feb 20	1:27pm	1.6	PINE BLUFF	AR 8705359000	0.00
106 Calls			317.8	Summary of usage for 479-242-3964		0.00
106 Calls			317.8	Newroads Telecom LONG DISTANCE SERVICE		0.00

Billing Account Number: 479-242-3965

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Billing Account Number: 479-242-3966

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Itemized Calls

No	Date	Time	Min	Place Called	Number	Charge
Calls For 479-242-3966						
1	Jan 21	10:37am	2.5	WILBURTON	OK 9184719878	0.00
2	Jan 21	12:56pm	2.1	TUSCALOOSA	AL 2053437345	0.00
3	Jan 21	4:29pm	2.6	TUSCALOOSA	AL 2053437345	0.00
4	Jan 22	10:34am	0.6	TUSCALOOSA	AL 2053437345	0.00
5	Jan 23	2:58pm	4.5	ALMA	AR 4794304436	0.00

No	Date	Time	Min	Place Called	Number	Charge
Calls For 479-242-3966						
6	Jan 24	2:29pm	0.7	HAMILTON	OH 5136682297	0.00
7	Jan 24	4:49pm	1.5	LITTLEROCK	AR 5013969246	0.00
8	Jan 28	2:28pm	2.3	CHARLESTON	AR 4799653164	0.00
9	Jan 29	10:16am	4.9	LITTLEROCK	AR 5017738161	0.00
10	Feb 03	11:10am	0.6	GREENWOOD	AR 4793220603	0.00
11	Feb 03	11:11am	3.5	LITTLEROCK	AR 5016826849	0.00
12	Feb 03	1:36pm	16.3	GREENWOOD	AR 4793220603	0.00
13	Feb 04	1:03pm	2.8	WILBURTON	OK 9184719878	0.00
14	Feb 05	2:49pm	4.0	ALMA	AR 4792765127	0.00
15	Feb 10	11:18am	1.1	LITTLEROCK	AR 5013969246	0.00
16	Feb 10	3:44pm	0.8	MUSKOGEE	OK 9188692118	0.00
17	Feb 10	4:18pm	0.9	POTEAU	OK 9187211637	0.00
18	Feb 11	12:08pm	18.1	TULSA	OK 9185575990	0.00
19	Feb 14	11:14am	4.2	ROSWELL	NM 5759102589	0.00
20	Feb 14	12:57pm	3.1	LITTLEROCK	AR 5012210444	0.00
21	Feb 14	3:47pm	1.0	FAYETTEVL	AR 4795301871	0.00
22	Feb 18	3:28pm	0.3	LITTLEROCK	AR 5012521967	0.00
23	Feb 20	10:29am	0.7	NATIONALCY	CA 6197322827	0.00
23 Calls			79.1	Summary of usage for 479-242-3966		0.00
23 Calls			79.1	Newroads Telecom LONG DISTANCE SERVICE		0.00

Billing Account Number: 479-242-3967

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Itemized Calls

No	Date	Time	Min	Place Called	Number	Charge
Calls For 479-242-3967						
1	Feb 07	12:47pm	30.2	SHERMAN	TX 9038163657	0.00
1 Calls			30.2	Summary of usage for 479-242-3967		0.00
1 Calls			30.2	Newroads Telecom LONG DISTANCE SERVICE		0.00

Billing Account Number: 479-242-3968

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34



Billing Telephone Number: 479-242-3950
 Account Number/Ebill ID: 70036748
 Account Name: DAILY AND WOODS, PLLC
 Bill Date: February 20, 2014

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Billing Account Number: 479-242-3960

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Billing Account Number: 479-242-3961

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Itemized Calls

No	Date	Time	Min	Place Called	Number	Charge
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Calls For 479-242-3961

1	Jan 30	11:18am	1.6	LITTLE ROCK	AR 5013721406	0.00
2	Feb 06	3:22pm	0.6	ROGERS	AR 4798994057	0.00
3	Feb 06	3:27pm	4.2	FAYETTEVL	AR 4795217600	0.00
4	Feb 12	10:32am	0.4	JONESBORO	AR 8702190159	0.00
5	Feb 12	4:10pm	0.5	LITTLE ROCK	AR 5013969246	0.00
6	Feb 14	4:50pm	0.6	LITTLE ROCK	AR 5013969246	0.00

No	Date	Time	Min	Place Called	Number	Charge
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Calls For 479-242-3961

7	Feb 17	10:37am	1.2	LITTLE ROCK	AR 5013719999	0.00
8	Feb 17	1:01pm	3.6	LITTLE ROCK	AR 5013969246	0.00
9	Feb 19	1:42pm	20.8	SALLISAW	OK 9188172418	0.00
9 Calls			33.5	Summary of usage for		0.00
				479-242-3961		
9 Calls			33.5	Newroads Telecom LONG		0.00
				DISTANCE SERVICE		

Billing Account Number: 479-242-3962

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Itemized Calls

No	Date	Time	Min	Place Called	Number	Charge
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Calls For 479-242-3962

1	Jan 31	1:51pm	0.6	GREENWOOD	AR 4793579207	0.00
1 Calls			0.6	Summary of usage for		0.00
				479-242-3962		
1 Calls			0.6	Newroads Telecom LONG		0.00
				DISTANCE SERVICE		

Billing Account Number: 479-242-3963

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

- State Sales Tax	1.77
- County Sales Tax	0.34
- Local Sales Tax	0.55
Subtotal	2.66

Other Service Total 29.93

Newroads Telecom Total 29.93

Billing Account Number: 479-242-3964

Current Charges for Jan 21 - Feb 20

- 1 Aastra 60 AOM	27.27
Subtotal	27.27

Other Service Taxes, Fees and Surcharges

Doug Carson

From: Matt Campbell [matt@pinnaclelawfirm.com]
Sent: Monday, February 17, 2014 9:50 AM
To: 'Doug Carson'
Subject: Entmeier

Doug,

Sorry I missed your call on Friday. I ducked out early and was out-of-pocket all weekend. Feel free to give me a call at your convenience. I should be around all week.

-Matt

Matt Campbell
Pinnacle Law Firm, PLLC
212 Center St., 11th Floor
Little Rock, AR 72201
P: (501) 396-9246 | F: (501) 421-0189