



MEETING: **CITY COUNCIL WORK SESSION**
DATE AND TIME: **Monday October 21, 2019 at 5:30PM**
Location: **Bella Vista Court Facility**
612 Lancashire Blvd., Bella Vista, Arkansas

- I. **CALL TO ORDER:** This meeting has been given public notice in accordance with the Section 25-19-106 of the Freedom of Information Act, in such form that will apprise the general public and news media of subject matter that is intended for consideration and action.
- II. **ATTENDANCE:** Council Members John Flynn, Linda Lloyd, James Wozniak, Larry Wilms, Doug Fowler and Steven Bourke. Mayor Peter Christie, Staff Attorney Jason Kelley and City Clerk Wayne Jertson.
- III. **NEW BUSINESS:**
 - A. **ORDINANCE-** AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF BELLA VISTA, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COST OF CAPITAL IMPROVEMENTS; LEVYING A ONE PERCENT (1%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.
 - B. **R2019-RESOLUTION** APPROVING THE MAYOR'S RE-APPOINTMENT OF CHRISTOPHER ESTILL TO THE BELLA VISTA BOARD OF ZONING ADJUSTMENT FOR A THREE (3) YEAR TERM EXPIRING OCTOBER 1, 2022.
 - C. **R2019-RESOLUTION** APPROVING AMOUNTS OF LIENS TO BE CERTIFIED TO THE BENTON COUNTY TAX COLLECTOR AGAINST CERTAIN REAL PROPERTIES AS A RESULT OF GRASS CUTTING EXPENSES AND ABATEMENT OF OTHER NUISANCES BY THE CITY OF BELLA VISTA.(PUBLIC HEARING)
 - D. **R2019-RESOLUTION** AMENDING RULE 2-SPECIAL MEETINGS OF THE RULES OF ORDER AND PROCEDURE OF THE BELLA VISTA CITY COUNCIL.

- E. R2019-RESOLUTION** ACCEPTING A STORM CLEAN-UP GRANT FOR THE CITY TRAIL SYSTEM IN THE AMOUNT OF \$25,000.00 FROM THE WALTON FAMILY FOUNDATION AND AMENDING THE 2019 CITY BUDGET TO RECOGNIZE THE REVENUE AND AUTHORIZE EXPENDITURE.
- F. R2019-RESOLUTION** ESTABLISHING RESIDENTIAL AND COMMERCIAL RATES FOR SOLID WASTE (TRASH) COLLECTION IN THE CITY.
- G. R2019-RESOLUTION** APPROVING A GRANT AGREEMENT WITH THE WALTON FAMILY FOUNDATION IN THE AMOUNT OF \$4,908,000.00 FOR THE CONSTRUCTION OF TWO RAZORBACK GREENWAY EXTENSION PROJECTS, INCLUDING THE NEW MERCY WAY BRIDGE AND A BLOWING SPRINGS TO METFIELD GREENWAY CONNECTION.
- H. R2019-RESOLUTION** ACCEPTING THE FINANCIAL AUDIT REPORT PRESENTED BY THE ARKANSAS DIVISION OF LEGISLATIVE AUDIT FOR THE YEAR ENDING DECEMBER 31, 2018.

Discussion Items:

Centerton Water Status
Central Trails
Sunset Drive
Kingsland Traffic Light Update

ADJOURNMENT

*** Please note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the City Clerk at 479-876-1255.

ORDINANCE NO. _____

AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF BELLA VISTA, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COST OF CAPITAL IMPROVEMENTS; LEVYING A ONE PERCENT (1%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of Bella Vista, Arkansas (the "City") has determined that the City is greatly in need of:

(1) facility improvements for the fire department, including particularly, without limitation, a replacement fire station to replace current station #3 and a new fire complex that will be used for training purposes and to house fire equipment and apparatus and any necessary land acquisition, furnishings and equipment and parking, lighting, road and utility improvements related thereto (the "Fire Improvements"); and

(2) a new public safety facility to house the police department, a police and fire dispatch center and a courtroom and any necessary furnishings and equipment and parking, lighting and utility improvements related thereto (the "Public Safety Improvements"); and

WHEREAS, the City Council proposes to finance all or a portion of the costs of the Fire Improvements and the Public Safety Improvements (collectively, the "Capital Improvements") by the issuance of capital improvement bonds (the "Bonds") under the authority of Amendment No. 62 to the Constitution of the State of Arkansas ("Amendment 62") and Title 14, Chapter 164, Subchapter 3 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation"), allocated as follows: \$5,500,000 in maximum principal amount for the Fire Improvements; and \$18,800,000 in maximum principal amount for the Public Safety Improvements; and

WHEREAS, the City can pay the principal of and interest on the Bonds from the proceeds of a city-wide one percent (1%) sales and use tax to be levied under the authority of the Authorizing Legislation; and

WHEREAS, the City is not currently levying a sales and use tax under the authority of the Authorizing Legislation; and

WHEREAS, the purpose of this Ordinance is to submit to the electors of the City the questions of issuing the Bonds for the Capital Improvements under Amendment 62 and the Authorizing Legislation at a special election to be called for that purpose and to levy a sales and use tax at the rate of one percent (1%) on the receipts from the sales at retail within the City of all items which are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended

(A.C.A. §§26-52-101, et seq.), and the receipts from storing, distributing, using or consuming within the City tangible personal property under the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et seq.) (the "Sales and Use Tax");

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bella Vista, Arkansas:

Section 1. There is hereby called a special election to be held on March 3, 2020, at which election there shall be submitted to the electors of the City the questions of issuing the Bonds under Amendment 62 and the Authorizing Legislation to pay all or a portion of the costs of the Capital Improvements in the maximum principal amounts described above, to be payable from collections of the Sales and Use Tax remaining after deduction of the administrative charges of the State of Arkansas and required rebates.

Section 2. In order to provide for the payment of the principal of and interest on the Bonds and all obligations of the City in connection therewith, there is hereby levied the Sales and Use Tax. The levy of the Sales and Use Tax shall not become effective until the special election called in Section 1 above has been held and the issuance of the Bonds for one or more purposes is approved by the voters. The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time by Arkansas law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions.

Section 3. The questions of issuing the Bonds shall be placed on the ballot for the election in substantially the following form:

If bonds for one or more purposes are approved, there will be levied within the City a new 1% sales and use tax, the net collections of which remaining after deduction of the administrative charges of the State of Arkansas and required rebates, shall be used solely to retire the bonds and obligations of the City with respect thereto. The rate of taxation will not exceed 1% even if more than one purpose is approved. The 1% sales and use tax will expire after the bonds have been paid or provision is made therefor in accordance with Arkansas statutes. The bonds described below may be combined into a single issue or the bonds may be issued in series from time to time.

FIRE IMPROVEMENT BONDS

Bonds of the City of Bella Vista in the maximum principal amount of \$5,500,000 to finance all or a portion of the costs of facility improvements for the fire department, including particularly, without limitation, a replacement fire station to replace current station #3 and a new fire complex that will be used for training purposes and to house fire equipment and apparatus and any necessary land acquisition, furnishings and equipment and parking, lighting, road and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 1% local sales and use tax within the City.

FOR ☐
AGAINST ☐

PUBLIC SAFETY IMPROVEMENT BONDS

Bonds of the City of Bella Vista in the maximum principal amount of \$18,800,000 to finance all or a portion of the costs of a new public safety facility to house the police department, a police and fire dispatch center and a courtroom and any necessary furnishings and equipment and parking, lighting and utility improvements related thereto and, in order to pay the bonds, the levy and pledge of a 1% local sales and use tax within the City.

FOR ☐
AGAINST ☐

Section 4. The election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner now provided for municipal elections unless otherwise provided in the Authorizing Legislation and only qualified voters of the City shall have the right to vote at the election.

Section 5. The results of the election shall be proclaimed by the Mayor, and the Proclamation shall be published one time in a newspaper having a general circulation in the City, which Proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of publication.

Section 6. A copy of this Ordinance shall be (a) filed with the Benton County Clerk at least 70 days prior to the date of the special election and (b) given to the Benton County Board of Election Commissioners so that the necessary election officials and supplies may be provided. A certified copy of this Ordinance shall also be provided to the Commissioner of Revenues of the State of Arkansas as soon as practical.

Section 7. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to call and hold the special election as herein provided and to perform all acts of whatever nature necessary to carry out the authority conferred by this Ordinance.

Section 8. The provisions of this Ordinance are hereby declared to be separable and if any provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 9. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

PASSED: _____, 2019.

ATTEST:

City Clerk

(SEAL)

APPROVED:

Mayor

CERTIFICATE

The undersigned, City Clerk of the City of Bella Vista, Arkansas, hereby certifies that the foregoing pages are a true and perfect copy of Ordinance No. _____, passed at a _____ session of the City Council of the City of Bella Vista, Arkansas, held at _____ o'clock p.m., on the _____ day of _____, 2019, and that the Ordinance is of record in Ordinance Record Book No. _____, Page _____, now in my possession.

GIVEN under my hand and seal this _____ day of _____, 2019.

City Clerk

(SEAL)

**BUSINESS OF THE CITY COUNCIL
BELLA VISTA, AR**

MEETING DATE: October 28, 2019

AGENDA ITEM: Resolution

ITEM TITLE: Re-appointing Member(s) to the Board of Zoning Adjustment, and For Other Purposes.

SUBMITTED BY: Doug Tapp, Director, Community Development Services

SUMMARY EXPLANATION: Section 109-36 created the Board of Zoning Adjustment, set its membership at 7 positions, and dictates that the members serve staggered three-year positions which expire on October 1st of each year.

Mr. Christopher Estill has agreed to volunteer for Position 1 with a term expiring on October 1, 2022.

ATTACHMENT: ORDINANCE ☐ RESOLUTION ☒ OTHER ☐

RECOMMENDATION: Doug Tapp recommends City Council approve the appointment.

ACTION REQUESTED:

Motion to adopt ☒

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

**APPROVING THE MAYOR'S RE-APPOINTMENT OF CHRISTOPHER
ESTILL TO THE BELLA VISTA BOARD OF ZONING ADJUSTMENT
FOR A THREE (3) YEAR TERM EXPIRING OCTOBER 1, 2022**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA,
ARKANSAS:**

SECTION 1: The Mayor's re-appointment of Christopher Estill to the Bella Vista Board of Zoning Adjustment for a three (3) year term expiring October 1, 2022, is hereby approved.

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

Mayor Peter Christie

Attest:

City Clerk Wayne Jertson

Requested by Mayor Christie
Prepared by Jason Kelley, Staff Attorney

**BUSINESS OF THE CITY COUNCIL
BELLA VISTA, AR**

MEETING DATE: October 28, 2019 - Regular Meeting

AGENDA ITEM:

ITEM TITLE: A Resolution Approving the Amounts of Liens to be Certified to the Benton County Tax Collector Against Certain Real Properties as a Result of Grass Cutting Expenses and Abatement of Other Nuisances by the City of Bella Vista, and For Other Purposes.

SUBMITTED BY: Doug Tapp, Director of CDS

SUMMARY EXPLANATION: Beginning in May and ending in September of each year, the Department undertakes the clean up of properties in violation of the Nuisance regulations of the Municipal Code. State statute allows for the collection of these types of expenditures through certification to the Benton County Tax Collector.

Included in the resolution are four (4) properties that were maintained in 2019. Each of the property owners were notified in September of the need to pay the expenses within 30 days of receipt of the attached invoices. The invoices also provide notice of a public hearing to certify the amounts on October 28, 2019. Per statute, the City Council must conduct a public hearing on these amounts, and certify the costs of the Tax Collector.

As of September 23, 2019, the outstanding balances amount to \$817.00. The balances may narrow between now and the public hearing.

ATTACHMENT: ORDINANCE ☐ RESOLUTION ☒ OTHER ☐

RECOMMENDATION: The administration is recommending approval of this resolution.

ACTION REQUESTED:
Motion to adopt ☐

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****NOTICE****

6/3/2019

QUEST IRA INC FBO MITCHELL, LIN IRA
17171 PARK ROW DR #100
HOUSTON, TX 77084-4935

RE:3 HALIFAX LN

To Whom It May Concern,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed and our efforts to work with resident.

An Inspection conducted on 5/31/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. The maximum height for grass/weeds is 10 inches. If the property is not maintained by my next visit you will receive a citation and/or the city will proceed in maintaining the property, and result in a lien of all cost occurred. If you have any questions please call 2684980

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
606 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

6/14/2019

QUEST IRA INC FBO MITCHELL, LIN IRA
17171 PARK ROW DR #100
HOUSTON, TX 77084-4935

RE:3 HALIFAX LN

To Whom It May Concern,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 6/12/2019 revealed the following items need corrective action: <

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. The maximum height for grass/weeds is 10 inches. Failure to maintain property and make contact with our office by June 25th will result in the City maintaining the property, and result in a lien of all cost occurred. If you have any questions please call 2684980

While we have sent a similar notice to the current residence, property owners are ultimately responsible to ensuring these items come into compliance.

If you have resolved these items, please disregard this notification.

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Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****NOTICE****

6/3/2019

Resident
3 HALIFAX LN
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. This letter serves as reminder of either a conversation we had or of the door hanger that was left on N/A.

These violations were noted:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

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Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

6/14/2019

Resident
3 HALIFAX LN
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 6/12/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

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Code Enforcement Officer

City of Bella Vista
Community Development Services
606 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

7/22/2019

SAINT, RONALD J
11782 PEACH ORCHARD RD
BENTONVILLE, AR 72712-8622

RE:6 GARRISON LN

To Whom It May Concern,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 7/19/2019 revealed the following items need corrective action: <

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

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While we have sent a similar notice to the current residence, property owners are ultimately responsible to ensuring these items come into compliance.

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****NOTICE****

6/14/2019

Resident
6 GARRISON LN
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. This letter serves as reminder of either a conversation we had or of the door hanger that was left on N/A.

These violations were noted:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. Our City ordinance maximum height of grass/weeds is 10 inches. Please maintain property before my next visit or a citation may be issued. If you have any questions please call 2684980

If you have resolved these items, please disregard this notification.

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Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

6/27/2019

Resident
6 GARRISON LN
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 6/26/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

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If you have resolved these items, please disregard this notification.

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If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

7/22/2019

Resident
6 GARRISON LN
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 07/19/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

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If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

5/1/2019

Resident
33 RANNOCH DR
Bella Vista, AR 72715

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 5/1/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

Please be advised - As advised in the past - Mow and maintain your property in a sightly manner . All driveway culverts must be kept clear and clean for proper stormwater flow . All residences must have a proper house identifying number so that emergency services may identify the residence in time of emergency . Please have all violations remedied before the next inspection .

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the inspector below.

Michael Schorpp
Inspector

Doug Guild
Inspector

Shone Dowling
Inspector

Kim Arnett
Inspector

Troy Enochs
Inspector

Cheyenne Dostart
Inspector

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

5/22/2019

Resident
33 RANNOCH DR
Bella Vista, AR 72715

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 5/22/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

Please be advised - As advised in the past - Mow and maintain your property in a sightly manner . All driveway culverts must be kept clear and clean for proper stormwater flow . All residences must have a proper house identifying number so that emergency services may identify the residence in time of emergency . Please have all violations remedied before the next inspection .

- 601: Plugged drainage culvert. **01: Open**

Please be advised - As per our discussion Wednesday (5/22/19) it was agreed to by Ms. Smith that the culvert under her driveway would be cleared on both ends to allow proper stormwater flow . It was also agreed to that the ditches would be cleaned up of all yard debris (leaves , branches , etc.) . Ms. Smith also agreed to park her small RV in her driveway , since she is using this as a daily driver due to her other vehicle having long term repairs being done . Reporting Officer (Mike) wishes to thank Ms. Smith for her attention to this matter as it would greatly help the proper stormwater flow that eventually leads to the lake and reduces over flows from the ditch to her neighbors yards .

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer



BELLA VISTA
A place to call home

**COMMUNITY DEVELOPMENT
SERVICES DEPARTMENT**

616 W. Lancashire Blvd.
Bella Vista, AR 72715
Phone: (479) 268-4980

DATE: JUNE 27, 2019

TO: ALICE SMITH

FROM: CHEYENNE DOSTART, CODE ENFORCEMENT

RE: 33 RANNOCH DRIVE BELLA VISTA AR, 72715

On 5/22/19 Michael Schorpp advised you of the violation and that the culvert under the driveway needed to be cleared of all debris for proper stormwater flow. You agreed to have it taken care of by 6/4/19. On 6/5/19 a citation was issued for unsightly yard and the plugged culvert. The court date is set for July 19th. There has been no improvement to the plugged culvert and has continued to cause serious flood damage to multiple properties across the street. With the amount of damage and hardship it has caused to surrounding properties the City has decided to clear the culvert to alleviate the problem. The following code sections are for your reference. The city will bill you for the work that is done. If this bill goes unpaid a lien will be filed on your property. You will have until Monday July 1st to comply or the city will proceed.

Sec. 24-22. - Restriction of stormwater prohibited.

No improvements to city-owned rights-of-way which were made or caused to be made by an adjoining landowner prior to the effective date of the ordinance from which this article is derived shall block or restrict the flow of stormwater through culverts, ditches or other routes designed for the flow of stormwater prior to the improvements having been made. For purposes of this section, the current owner of property adjacent to the improved right-of-way shall be responsible for compliance.

Sec. 24-23. - General installation, landscaping, and care and maintenance practices.

(e) The cost of care, maintenance and/or replacement of any improvements made by citizens on city-owned rights-of-way will always be the responsibility of the property owner whose property abuts the right-of-way.

Sec. 107-426. - Maintenance.

(1) The owner of the property on which stormwater systems and structures have been installed shall agree to maintain them in good condition and promptly repair and restore all grade surfaces, walls, drains, dams and structures, vegetation, erosion and sedimentation controls, and other protective devices. Such agreement shall be provided prior to the issuance of a certificate of occupancy.

(2) Post-construction compliance. Upon completion of permitted construction activity on any site subject to the requirements of this article, the property owner and subsequent property owners will be responsible for continued compliance with the requirements of this article in the course of maintenance, reconstruction, or any other construction activity on the site.

City of Bella Vista
Community Development Services
606 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

7/23/2019

DAVIDSON, ROBERT C ESTATE
40 HATCHER DR
BELLA VISTA, AR 72715-1616

RE:40 HATCHER DR

To Whom It May Concern,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 7/22/2019 revealed the following items need corrective action: <

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. The maximum height for grass/weeds is 10 inches. If the property is not maintained by my next visit on July 31st 2019 you will receive a citation and/or the city will proceed in maintaining the property, and result in a lien of all cost occurred. If you have any questions please call 2684980

While we have sent a similar notice to the current residence, property owners are ultimately responsible to ensuring these items come into compliance.

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****NOTICE****

6/17/2019

Resident
40 HATCHER DR
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. This letter serves as reminder of either a conversation we had or of the door hanger that was left on N/A.

These violations were noted:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. Our City ordinance maximum height of grass/weeds is 10 inches. Please maintain property before my next visit or a citation may be issued. If you have any questions please call 2684980

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

6/28/2019

Resident
40 HATCHER DR
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 6/27/2019 revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

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If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****NOTICE****

4/23/2019

PENNINGTON, R MICHAEL
128 LEICESTER DR
BELLA VISTA, AR 72714-4113

RE:128 LEICESTER DR

To Whom It May Concern,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed and our efforts to work with resident.

An Inspection conducted on revealed the following items need corrective action:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. The maximum height for grass/weeds is 10 inches. If the property is not maintained by my next visit you will receive a citation and/or the city will proceed in maintaining the property, and result in a lien of all cost occurred. If you have any questions please call 2684980

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the inspector below.

Michael Schorpp
Inspector

Doug Guild
Inspector

Shone Dowling
Inspector

Kim Arnett
Inspector

Troy Enochs
Inspector

Cheyenne Dostart
Inspector

City of Bella Vista
Community Development Services
606 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

5/30/2019

PENNINGTON, R MICHAEL
128 LEICESTER DR
BELLA VISTA, AR 72714-4113

RE:128 LEICESTER DR

To Whom It May Concern,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 5/28/2019 revealed the following items need corrective action: <

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
(a) It shall be unlawful for the owner or occupant of real property to permit the accumulation or development of weeds, garbage, rubbish, inoperative motor vehicles or other unsightly or unsanitary things or conditions on real property within the city. Owners or occupants of real property within the corporate limits of the city are hereby required to: (1) Cut weeds when such exceeds ten inches (10") in height.

This is a reminder to mow/maintain property. The maximum height for grass/weeds is 10 inches. If the property is not maintained by my next visit on 5/27, the city will proceed in maintaining the property. Then a lien of all cost occurred will be added to the property. If you have any questions please call 2684980

While we have sent a similar notice to the current residence, property owners are ultimately responsible to ensuring these items come into compliance.

If you have resolved these items, please disregard this notification.

To ensure compliance with City ordinances, a follow-up inspection will be conducted. Failure to comply with City ordinances may result in a citation and remedial action may be taken to abate the violation.

If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****NOTICE****

4/23/2019

Resident
128 LEICESTER DR
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. This letter serves as reminder of either a conversation we had or of the door hanger that was left on N/A.

These violations were noted:

- 201.1 - Unsightly or Unsanitary Nuisances. Sec. 18-20(a)(1). Weeds. **01: Open**
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If you have any questions or concerns, please contact the inspector below.

Michael Schorpp
Inspector

Doug Guild
Inspector

Shone Dowling
Inspector

Kim Arnett
Inspector

Troy Enochs
Inspector

Cheyenne Dostart
Inspector

City of Bella Vista
Community Development Services
616 W. Lancashire BLVD.
Bella Vista, AR 72714
(479) 268-4980



****FINAL NOTICE****

5/30/2019

Resident
128 LEICESTER DR
Bella Vista, AR 72714

Dear Resident,

Bella Vista has adopted regulations about nuisances and parking to help retain and improve property values. As the property owner on record, we wanted to advise you to the violations that we have observed.

An Inspection conducted on 5/28/2019 revealed the following items need corrective action:

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If you have any questions or concerns, please contact the code enforcement officer below.

Code Enforcement Officer



CITY OF BELLA VISTA
COMMUNITY DEVELOPMENT SERVICES DEPT.
616 W. LANCASHIRE BLVD., BELLA VISTA, AR 72715
(479) 268-4980 | www.bellavistaar.gov

Date: 9/19/2019

Invoice

TO:

Quest IRA Inc FBO Mitchell, Lin IRA
17171 Park Row Drive #100
Houston, TX 77084-4935

CC:

Land Commissioner
c/o John Thurston
State of Arkansas
109 State Capitol Bldg.
Little Rock, AR 72201

Resident
3 Halifax Lane
Bella Vista, AR 72715

Doug McCash
Bella Vista Village POA, Inc.
P.O. Box 6210
Bella Vista, AR 72714

Parcel #	Lot / Block	Subdivision	Address
16-03958-000	5 / 1	Berksdale	3 Halifax Lane, Bella Vista, AR 72715

Qty.	DESCRIPTION	COST
	ABSTRACTS	
	FILING FEE	
2	PROPERTY CLEAN UP / MOWING / WEED CONTROL	\$130.00
	CULVERT CLEAN OUT	
	VEGETATIVE CONTROL	
4 Reg / 4 Cert	POSTAGE	\$29.40
	LEGAL ADVERTISING	
	DEMOLITION	
	HAZARDOUS MATERIALS / ASBESTOS	
	BOARDING & SECURING	
	ADMINISTRATIVE COSTS	
TOTAL AMOUNT DUE		\$159.40

PAYMENT DUE DATE: UPON RECIEPT

If payment is not received within 30 days of your receipt of this invoice, a lien will be filed against the property pursuant to AR CODE ANN. 14-54-903 (b). FURTHER, if the debt is not paid within this period of time, a hearing to have the debt certified for collection will then be held on: October 28, 2019, at 6:30pm at the Bella Vista District Court Building, 612 W. Lancashire Blvd., Bella Vista, AR 72715 before the Bella Vista City Council. You have a right to attend the hearing.

For more information you may call (479) 876-1255.

PLEASE MAKE CHECK PAYABLE TO : CITY OF BELLA VISTA

MAIL TO: City of Bella Vista, 616 W. Lancashire Blvd., Bella Vista, AR 72715



CITY OF BELLA VISTA
COMMUNITY DEVELOPMENT SERVICES DEPT.
616 W. LANCASHIRE BLVD., BELLA VISTA, AR 72715
(479) 268-4980 | www.bellavistaar.gov

Date: 9/19/2019

Invoice

TO:
Ronald Saint
9601 E McNelly Rd
Bentonville, AR 72712

CC:

Land Commissioner
c/o John Thurston
State of Arkansas
109 State Capitol Bldg.
Little Rock, AR 72201

Doug McCash
Bella Vista Village POA, Inc.
P.O. Box 6210
Bella Vista, AR 72714

Resident
6 Garrison Lane
Bella Vista, AR 72714

Ronald J Saint
11782 Peach Orchard Rd
Bentonville, AR 72712

Parcel #	Lot / Block	Subdivision	Address
16-13746-000	33 / 1	Hampstead	6 Garrison Lane, Bella Vista, AR 72714

Qty.	DESCRIPTION	COST
	ABSTRACTS	
	FILING FEE	
1	PROPERTY CLEAN UP / MOWING / WEED CONTROL	\$40.00
	CULVERT CLEAN OUT	
	VEGETATIVE CONTROL	
5 Reg / 5 Cert	POSTAGE	\$36.75
	LEGAL ADVERTISING	
	DEMOLITION	
	HAZARDOUS MATERIALS / ASBESTOS	
	BOARDING & SECURING	
	ADMINISTRATIVE COSTS	
TOTAL AMOUNT DUE		\$76.75

PAYMENT DUE DATE: UPON RECIEPT

If payment is not received within 30 days of your receipt of this invoice, a lien will be filed against the property pursuant to AR CODE ANN. 14-54-903 (b). FURTHER, if the debt is not paid within this period of time, a hearing to have the debt certified for collection will then be held on: October 28, 2019, at 6:30pm at the Bella Vista District Court Building, 612 W. Lancashire Blvd., Bella Vista, AR 72715 before the Bella Vista City Council. You have a right to attend the hearing.

For more information you may call (479) 876-1255.

PLEASE MAKE CHECK PAYABLE TO : CITY OF BELLA VISTA

MAIL TO: City of Bella Vista, 616 W. Lancashire Blvd., Bella Vista, AR 72715



CITY OF BELLA VISTA
COMMUNITY DEVELOPMENT SERVICES DEPT.
616 W. LANCASHIRE BLVD., BELLA VISTA, AR 72715
(479) 268-4980 | www.bellavistaar.gov

Date: 9/19/2019

Invoice

TO:
Alice Lee Smith
33 Rannoch Drive
Bella Vista, AR 72715

CC:
Land Commissioner
c/o John Thurston
State of Arkansas
109 State Capitol Bldg.
Little Rock, AR 72201

Doug McCash
Bella Vista Village POA, Inc.
P.O. Box 6210
Bella Vista, AR 72714

Parcel #	Lot / Block	Subdivision	Address
16-25718-000	3 / 4	Rannoch	33 Rannoch Drive, Bella Vista, AR 72715

Qty.	DESCRIPTION	COST
	ABSTRACTS	
	FILING FEE	
	PROPERTY CLEAN UP / MOWING / WEED CONTROL	
1	CULVERT CLEAN OUT	\$330.00
	VEGETATIVE CONTROL	
3 Reg / 3 Cert	POSTAGE	\$22.05
	LEGAL ADVERTISING	
	DEMOLITION	
	HAZARDOUS MATERIALS / ASBESTOS	
	BOARDING & SECURING	
	ADMINISTRATIVE COSTS	
TOTAL AMOUNT DUE		\$352.05

PAYMENT DUE DATE: UPON RECIEPT

If payment is not received within 30 days of your receipt of this invoice, a lien will be filed against the property pursuant to AR CODE ANN. 14-54-903 (b). FURTHER, if the debt is not paid within this period of time, a hearing to have the debt certified for collection will then be held on: October 28, 2019, at 6:30pm at the Bella Vista District Court Building, 612 W. Lancashire Blvd., Bella Vista, AR 72715 before the Bella Vista City Council. You have a right to attend the hearing.
For more information you may call (479) 876-1255.

PLEASE MAKE CHECK PAYABLE TO : CITY OF BELLA VISTA

MAIL TO: City of Bella Vista, 616 W. Lancashire Blvd., Bella Vista, AR 72715



CITY OF BELLA VISTA
COMMUNITY DEVELOPMENT SERVICES DEPT.
 616 W. LANCASHIRE BLVD., BELLA VISTA, AR 72715
 (479) 268-4980 | www.bellavistaar.gov

Date: 9/19/2019

Invoice

TO:
 Robert C Davidson Estate
 40 Hatcher Drive
 Bella Vista, AR 72715

CC:

Land Commissioner
 c/o John Thurston
 State of Arkansas
 109 State Capitol Bldg.
 Little Rock, AR 72201

Lereta Tax Escrow Team
 1123 Park View Dr
 Covina, CA 91724

Doug McCash
 Bella Vista Village POA, Inc.
 P.O. Box 6210
 Bella Vista, AR 72714

Parcel #	Lot / Block	Subdivision	Address
16-02469-000	20 / 10	Avondale 1	40 Hatcher Drive, Bella Vista, AR 72715

Qty.	DESCRIPTION	COST
	ABSTRACTS	
	FILING FEE	
1	PROPERTY CLEAN UP / MOWING / WEED CONTROL	\$40.00
	CULVERT CLEAN OUT	
	VEGETATIVE CONTROL	
4 Reg / 4 Cert	POSTAGE	\$29.40
	LEGAL ADVERTISING	
	DEMOLITION	
	HAZARDOUS MATERIALS / ASBESTOS	
	BOARDING & SECURING	
	ADMINISTRATIVE COSTS	
TOTAL AMOUNT DUE		\$69.40

PAYMENT DUE DATE: UPON RECIEPT

If payment is not received within 30 days of your receipt of this invoice, a lien will be filed against the property pursuant to AR CODE ANN. 14-54-903 (b). FURTHER, if the debt is not paid within this period of time, a hearing to have the debt certified for collection will then be held on: October 28, 2019, at 6:30pm at the Bella Vista District Court Building, 612 W. Lancashire Blvd., Bella Vista, AR 72715 before the Bella Vista City Council. You have a right to attend the hearing.

For more information you may call (479) 876-1255.

PLEASE MAKE CHECK PAYABLE TO : CITY OF BELLA VISTA

MAIL TO: City of Bella Vista, 616 W. Lancashire Blvd., Bella Vista, AR 72715



CITY OF BELLA VISTA
COMMUNITY DEVELOPMENT SERVICES DEPT.
616 W. LANCASHIRE BLVD., BELLA VISTA, AR 72715
(479) 268-4980 | www.bellavistaar.gov

Date: 9/19/2019

Invoice

TO:
Michael Pennington
3511 SE J Street, Ste 9 Box 231
Bentonville, AR 72712

CC:

Land Commissioner
c/o John Thurston
State of Arkansas
109 State Capitol Bldg.
Little Rock, AR 72201

Resident
128 Leicester Drive
Bella Vista, AR 72714

Doug McCash
Bella Vista Village POA, Inc.
P.O. Box 6210
Bella Vista, AR 72714

Parcel #	Lot / Block	Subdivision	Address
16-19077-000	64 / 1	Leicester	128 Leicester Dr, Bella Vista, AR 72714

Qty.	DESCRIPTION	COST
	ABSTRACTS	
	FILING FEE	
2	PROPERTY CLEAN UP / MOWING / WEED CONTROL	\$90.00
	CULVERT CLEAN OUT	
	VEGETATIVE CONTROL	
4 Reg / 4 Cert	POSTAGE	\$29.40
	LEGAL ADVERTISING	
	DEMOLITION	
	HAZARDOUS MATERIALS / ASBESTOS	
	BOARDING & SECURING	
	ADMINISTRATIVE COSTS	
TOTAL AMOUNT DUE		\$119.40

PAYMENT DUE DATE: UPON RECIEPT

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For more information you may call (479) 876-1255.

PLEASE MAKE CHECK PAYABLE TO : CITY OF BELLA VISTA

MAIL TO: City of Bella Vista, 616 W. Lancashire Blvd., Bella Vista, AR 72715

RESOLUTION NO. _____

**APPROVING AMOUNTS OF LIENS TO BE CERTIFIED TO THE
BENTON COUNTY TAX COLLECTOR AGAINST CERTAIN REAL
PROPERTIES AS A RESULT OF GRASS CUTTING EXPENSES AND
ABATEMENT OF OTHER NUISANCES BY THE CITY OF BELLA VISTA**

WHEREAS, in accordance with Ark. Code Ann. § 14-54-901, the City of Bella Vista has corrected conditions existing on certain lots or other real property within the City of Bella Vista and is entitled to compensation pursuant to Ark. Code Ann. § 14-54-904; and

WHEREAS, State law also provides for a lien against the subject properties, with the amount of lien to be determined by the City Council at a hearing held after notice to the owner thereof by certified mail or publication (see Exhibit “A” attached hereto), with said amount (plus a ten percent collection penalty) to be thereafter certified to the Benton County Tax Collector; and

WHEREAS, a hearing for the purpose of determining such liens has been set on October 28, 2019, in order to allow for service of the attached notice of same upon the listed property owners, by certified mail or publication as is necessary; and

WHEREAS, the costs of abatement and the properties affected are:

Last Known Registered Owner	Address	Parcel Number	Total
Quest IRA Inc. FBO Mitchell, LIN IRA	3 Halifax Lane	16-03958-000	\$159.40
Michael Pennington	128 Leicester Drive	16-19077-000	\$159.40
Ronald J. Saint	6 Garrison Lane	16-13746-000	\$76.75
Alice Lee Smith	33 Rannoch Drive	16-25718-000	\$352.05
Robert C. Davidson Estate	40 Hatcher Drive	16-02469-000	\$69.40

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA, ARKANSAS:

SECTION 1: After notice to property owners, a public hearing was held on October 29, 2019, for the purpose of determining the amount of liens, if any, to be filed against certain real property as the result of grass cutting and abatement of other nuisances by the City of Bella Vista.

SECTION 2: The monies, as determined by this hearing, are reimbursable to the City of Bella Vista for cleanup of the indicated properties.

SECTION 3: The incurred expenses, as indicated above, plus a penalty of 10% for collection, be certified by the City Clerk of Bella Vista to the Benton County Tax Collector, and placed by him/her on the tax books as delinquent taxes, and collected accordingly, and the amount, less 3% thereof, when so collected shall be paid to the City of Bella Vista.

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

Mayor Peter Christie

ATTEST:

Wayne Jertson
City Clerk

Requested by: Mayor Christie
Prepared by: Jason Kelley, Staff Attorney

EXHIBIT “A”

RULES OF ORDER AND PROCEDURE OF THE BELLA VISTA CITY COUNCIL

Rule 1 - Regular meetings.

The City Council shall meet in regular session at least once monthly at a time and place designated by the Mayor/Council. The meeting time and location will be provided far enough in advance to allow normal news media and public notification.

Rule 2 - Special meetings.

(a) Call. When in the best interests of the city, the Mayor may call a special meeting of the City Council. In addition, any three Council Members may call a special meeting of the City Council by signing and providing a notice to the City Clerk announcing a special meeting, and stating in the notice the agenda, date, time and location of the meeting. Notification of special meetings, including the agenda, shall be made at least two hours prior to the meeting. Such notification shall be made by personal service or by telephone to each member specifying the time, place and agenda of the meeting.

(b) Purpose. No special meeting shall be called for agenda items which may be considered at the next regularly scheduled meeting of the City Council without placing risk to the public or additional financial expense to the city. At any special meeting, no business other than that stated in the agenda for the special meeting shall be considered.

(c) Cancellation. Only the Mayor, or the three Council Members calling a special meeting, may cancel a special meeting.

Rule 3 - Police attendance.

The city police chief or an on-duty police officer shall attend every regular and special Council meeting.

Rule 4 - Executive sessions.

Executive sessions may not include general discussion about making policies related to considering employment, appointment, promotion, demotion, disciplinary action or resignation of any public officer or employee. An executive session may be requested by the Mayor or any Council Member. A majority vote by the City Council is required to convene in executive session.

Rule 5. - Work sessions/committee meetings.

Work sessions and committee meetings of the City Council shall be open to the public, and shall be subject to notification as required by law, and as provided herein.

Rule 6 - Notification.

The City Clerk will notify the local news media, of the time, place, date, and agenda of all regular meetings, as soon as practical but not less than three days prior to the meeting. In the event of a special meeting, work session, or committee meeting, the City Clerk shall notify the local news media, of the date, time, place, and purpose of the meeting as soon as becoming aware of the meeting; however, in all instances, at least two hours before such meeting convenes.

EXHIBIT “A”

Rule 7 - General rules of procedure.

(a) Parliamentary rules. Except as otherwise noted herein, the Procedural Rules for Municipal Officials published by the Arkansas Municipal League, May, 2014, a copy of which will be on file in the office of the City Clerk, shall serve as the rules of procedure governing meetings of the City Council. Rulings of the Chair regarding matters of procedure shall be final, unless reversed by the Council as provided in subsection (f) of this section.

(b) Agenda. Business at regular City Council meetings shall be limited to matters listed on an agenda, which shall be prepared for each regular meeting by the City Clerk, from subjects submitted to him by the Mayor and/or by Council Members. Such agenda shall be made up and completed not later than 12:00 noon on the third day preceding such meeting, at which time the agenda shall be available for newspaper publication and posted on the city administrative bulletin board. Matters not disposed of shall carry over and be included in the agenda for the next regular meeting or until disposed of by the Council. No matters, except those contained in the agenda may be considered by the Council at any regular meeting, unless the rules are suspended by a two-thirds vote of the entire Council.

(c) Order of business. The normal order of business at regular meetings of the City Council shall be:

- (1) Call to order.
- (2) Invocation.
- (3) Pledge of Allegiance to the flag.
- (4) Roll call.
- (5) Public comments (30 minutes.)
- (6) Response to Public Comments
- (7) Action on the minutes of the last meeting.
- (8) Reports: a. Financials. b. Mayor. c. Boards and standing committees. d. Special committees.
- (9) Unfinished business.
- (10) New business.
- (11) Announcements.
- (12) Adjournment.

(d) Quorum. A majority of the City Council shall be necessary to constitute a quorum to do business. The concurring vote of a majority of the entire City Council shall be required to pass procedural motions except for specific actions noted in this division that require a two-thirds or unanimous vote of the entire Council.

(e) Public participation. At regular Council meetings members of the audience will be offered an opportunity to speak to the City Council during a specified time in the agenda. Thirty minutes will be allotted for the public participation time and each member will be timed and limited to three minutes. If the 30 minutes is up and everyone desiring to address the Council has not had time to do so, it will be up to the discretion of the Council to extend the time or not.

(1) Anyone wishing to address the City Council must sign up to do so, prior to the meeting beginning, on a sign-up sheet that will be provided at the entrance to the meeting location. The sign-up sheet will require name, address and telephone number in case the City Council wants further contact with the speaker. The presiding officer shall call upon the members desiring to address the Council in the order of sign-up.

(2) Upon speaking to the City Council, the member shall first state his name followed by a concise statement addressing the subject of concern. Repetitive comments shall be avoided; this applies to comments made at a previous meeting. All remarks shall be addressed to the City Council as a whole and not to any particular member of the City Council.

(3) At the conclusion of public participation as provided herein, any Council Member seeking recognition shall be recognized by the Chair to provide any comment they desire to make in response to offered public comments.

EXHIBIT “A”

(f) Appeal from decision of the Chair. Any Council Member may appeal to the Council a decision of the Chair. Reversal of a decision of the Chair requires a two-thirds majority vote of all the members present.

(g) Voting. For all ordinances, resolutions, and most motions, a roll call vote will be conducted where every member present, when a question is put to a vote, shall vote "yes," "no," or "abstain" and the vote will be recorded by the City Clerk. For some relatively insignificant motions, decided by the presiding officer, a show of hands vote and recording only total of yes and no votes will suffice. Except for a question necessary to clarify the meaning of the motion, resolution, or ordinance being voted upon, no questions or comments by members of the City Council, including the Mayor, shall be made during the voting on the pending motion, resolution or ordinance. The Council Members will vote at City Council meetings in the order of their ward and position number, but with a progressively different position voting first on each item at each meeting.

(h) Reconsideration. After the decision of any question, any member of the majority may request a reconsideration of any action at the same or the next succeeding meeting; provided, however, that a resolution authorizing or relating to any contract may be reconsidered at any time before final execution thereof. A motion to reconsider requires a simple majority for passage. After a motion for reconsideration has once been acted on, no other motion for reconsideration thereof shall be made without unanimous consent.

(i) Cell phones and pagers. Cell phones and pagers must be turned off or put in silent mode and not used within the City Council meeting room during any meeting in session. An exception may be made by the presiding officer for an explicit reason.

(j) Seating. Members shall occupy the respective seats at meetings as identified by the nameplate. The Mayor (or Mayor pro tempore in the Mayor's absence) and City Clerk shall be seated near the center of the Council Members' table.

(k) Invocation. Consistent with constitutional requirements, city administration shall develop a policy for the selection of persons to lead invitational prayers at regular meetings of the City Council. Such persons must serve as a minister to a congregation located in the city or serve as a chaplain to an organization or entity located in the city.

Rule 8 - Proposed ordinances; resolutions; motions.

(a) Ordinances; resolutions. All resolutions and ordinances shall be provided to the Council Member in writing before being acted upon by the City Council.

(b) Other motions; amendments. All amendments to resolutions and ordinances and all other motions must be reduced to writing before being acted upon by the City Council. The City Clerk and/or the Mayor must reduce any amendment or other motion to writing and the Mayor must read back the motion to the Council before final action may be taken by the Council.

(c) Motions to be stated by the Chair. When a motion is made and seconded, it shall be stated by the Mayor before debate.

(d) Withdrawals. After being stated by the Mayor, a motion may not be withdrawn by the mover without the consent of the member seconding it and approval of the City Council.

(e) Emergency clause. An emergency clause in an ordinance:

EXHIBIT “A”

- (1) Will be referenced in the ordinance title;
- (2) Will be explained as to reason and need for early or different effective date; and
- (3) Will be voted on separately from the basic ordinance requiring a two-thirds vote of the Council for passage.

Rule 9 - Duties and privileges of Mayor.

(a) Power to discuss and vote. The Mayor may enter into the discussion on any motion, resolution, or ordinance. The Mayor does not have the right to vote for an emergency clause on an ordinance. An emergency clause requires four affirmative votes by Council Members to pass.

(b) Mayor pro tempore. The City Council shall at the time of organizing, in public session, elect one of its members as Mayor pro tempore. Any Council Member may nominate himself or any other member of the City Council for Mayor pro tempore, and no second of a nomination is required. Each Council Member shall vote by naming his choice by voice vote if there is more than one nominee for a position. A majority vote of the City Council shall be required for election. In the absence of the Mayor, the Mayor pro tempore shall preside at the City Council. The Mayor pro tempore acting as the Mayor may move, second and debate from the Chair and shall not be deprived of the rights and privileges of being a member of the City Council by reason of his acting as the Mayor pro tempore.

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

**AMENDING RULE 2-SPECIAL MEETINGS OF THE RULES OF ORDER
AND PROCEDURE OF THE BELLA VISTA CITY COUNCIL**

WHEREAS, Rule 2 of the Rules of Order and Procedure of the Bella Vista City Council addresses the call, purpose, and cancellation of special meetings of the City Council; and

WHEREAS, the Rule restricts the purposes for which a special meeting of the City Council may be called to those items which cannot be considered at the next regularly scheduled meeting of the City Council without placing risk to the public or additional financial expense to the City; and

WHEREAS, a special meeting of the City Council should be permitted for any lawful purpose;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA, ARKANSAS:

SECTION 1: Rule 2-Special meetings of the Rules of Order and Procedure of the Bella Vista City Council is hereby amended to read as follows:

“Rule 2 – Special meetings.

- (a) Call. When in the best interests of the city, the Mayor may call a special meeting of the City Council. In addition, any three Council Members may call a special meeting of the City Council by signing and providing a notice to the City Clerk announcing a special meeting, and stating in the notice the agenda, date, time, and location of the meeting. Notification of special meetings, including the agenda, time, and location shall be made at least two hours prior to the meeting by personal service or by telephone to each Council Member.
- (b) Cancellation. Only the Mayor or the three Council Members calling a special meeting may cancel a special meeting.”

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

Mayor Peter Christie

Attest:

City Clerk Wayne Jertson
Requested by Council Member John Flynn
Prepared by Jason Kelley, Staff Attorney

WALTON FAMILY
FOUNDATION



September 27, 2019

Mayor Peter Christie
City of Bella Vista
P O Box 5655 616 W Lancashire Blvd
Bella Vista, AR 72715

RE: Grant #2019-642

Dear Mayor Christie,

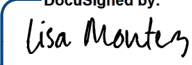
It is my pleasure to inform you that the Walton Family Foundation, Inc. ("Foundation") has approved a grant in the amount of \$25,000.00 to City of Bella Vista ("Grantee"). This grant is at the recommendation of Steuart Walton and Tom Walton and is subject to the terms attached.

The grant funds are to support trail maintenance, which was severely impacted this season by wind storms, record rainfall, and fallen trees. An electronic grant payment has been initiated. You should receive the funds within 14 business days.

Reporting: Please provide the Foundation with a financial and narrative report due or before October 31, 2020. The report shall include an account of expenditures of grant funds and a brief narrative of what was accomplished. Please send all reports electronically to reports@wppg.org and reference Grant #2019-642 on all correspondence.

For all communications regarding this grant, your point of contact at the Foundation will be Gary Vernon, Program Officer. Your program officer can be contacted via phone (479) 802-7324, or email gvernon@wppg.org.

Sincerely,

DocuSigned by:


78B441247E384D2...

Lisa Montez

Secretary and General Counsel

cc: Derek Linn

WALTON FAMILY FOUNDATION, INC
GRANT TERMS

By accepting a grant from The Walton Family Foundation, Inc. ("Foundation"), your organization ("Grantee") acknowledges and agrees to the following terms regarding the grant:

1. **Grantee's Organizational Status.** Grantee represents to the Foundation that Grantee is an organization in good standing, is either an organization described in section 501(c)(3) of the Internal Revenue Code ("Code") or a governmental unit, and is not a "private foundation" described in section 509(a) of the Code.

2. **Accounting.** The Foundation encourages, whenever feasible, the deposit of grant funds in an interest-bearing account. For purposes of these grant terms, "grant funds" include the grant and any income earned thereon. Grantee will account for and maintain records of receipts and expenditures of the grant funds in accordance with generally accepted accounting principles.

3. **Restrictions on Grant Use.** Grantee will use the grant funds only for the purposes of the grant, and will comply with all applicable laws and regulations in administering and expending the grant funds. In no event will Grantee use any grant funds:

(a) to lobby for or against, or otherwise to attempt to influence, government legislation;

(b) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; or

(c) to undertake any activity other than for a charitable, educational or other tax-exempt purpose specified in section 170(c)(2)(B) of the Code.

4. **Gratuities.** The Foundation desires that all of Grantee's resources be dedicated to accomplishing its philanthropic purposes. Therefore, Grantee agrees that it will not furnish the Foundation or its Board of Directors, officers, staff or affiliates with any type of benefit related to this grant including tickets, tables, memberships, commemorative items, recognition items, or any other benefit or gratuity of any kind.

5. **Grant Publicity.** Grant publicity related to this grant consistent with Grantee's normal practice is permitted, subject to the following provisions. The Foundation expects any announcements and other publicity to focus on Grantee's work and the project or issue funded by the grant. Recognition of the Foundation's role in funding the project is permitted, provided that the timing, content and strategic focus of such publicity is approved by the Foundation. Publicizing the grant and the Foundation in Grantee's publications and communications in a manner consistent with similar grants obtained by Grantee is permitted.

6. **Repayment.** Grantee agrees to repay to the Foundation any portion of the grant funds not used for the grant's purposes.

7. **Additional Information.** The Foundation may request Grantee to provide such information as is necessary or appropriate for the Foundation to determine that the grant funds are being used for the purposes intended. Grantee agrees to provide such information upon request.

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

**ACCEPTING A STORM CLEAN-UP GRANT FOR THE CITY TRAIL
SYSTEM IN THE AMOUNT OF \$25,000.00 FROM THE WALTON
FAMILY FOUNDATION AND AMENDING THE 2019 CITY BUDGET TO
RECOGNIZE THE REVENUE AND AUTHORIZE EXPENDITURE**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA,
ARKANSAS:**

SECTION 1: The City Council of the City of Bella Vista hereby accepts a storm clean-up grant for the City trail system in the amount of \$25,000.00 from the Walton Family Foundation.

SECTION 2: The 2019 City Budget is hereby amended to add the following amounts to the accounts indicated to recognize the revenue and authorize the additional expenditure:

Revenue Acct. 100-44204 Grant Rev-WFF Storm Clean-up	\$25,000	
Expense Acct. 100-54204 Grant Exp-WFF Storm Clean-up		\$25,000

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

Mayor Peter Christie

Attest:

City Clerk Wayne Jertson

Requested by Mayor Christie
Prepared by Jason Kelley, Staff Attorney

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

**ESTABLISHING RESIDENTIAL AND COMMERCIAL RATES FOR SOLID WASTE
(TRASH) COLLECTION IN THE CITY**

WHEREAS, the current solid waste collection contract with Allied Waste Services of Bella Vista d/b/a Republic Services of Bella Vista provides for a renegotiation of rates; and

WHEREAS, adjustment to rates charged to customers is necessary related to new contractual rates charged by the provider to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA, ARKANSAS:

Section 1: Based on the newly negotiated rates with Republic Waste, the following monthly rates are hereby established for the period beginning January 1, 2020.

Residential Customers:

Curbside collection \$14.50 per month, plus applicable sales tax.

Commercial Customers:

Size	1x/week	2x/week	3x/week	4x/week	Extra PU	Plus Sales Tax
2 cu. Yd.	\$48.56	\$97.13	\$145.71	\$194.27	\$30.30	Current rate
4 cu. Yd.	\$90.96	\$182.20	\$273.15	\$364.39	\$54.44	Current rate
6 cu. Yd.	\$127.45	\$218.69	\$346.15	\$437.39	\$78.89	Current rate
8 cu. Yd.	\$163.94	\$303.76	\$467.70	\$607.51	\$103.02	Current rate

Additional Charges:

Dumpster changes/deliveries on established accounts: \$48.57

Extra yardage fees on dumpsters: \$14.43/yd.

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

Peter Christie, Mayor

ATTEST:

Wayne Jertson
City Clerk

Requested by: Mayor

Prepared by: Jason B. Kelley, Staff Attorney

**Cooperative Agreement Between the City of Bella Vista
and the NWA Trailblazers
Regarding Mercy Way Bridge and Blowing Springs to Metfield Greenway**

I. Purpose

The purpose of this agreement is to establish the terms for the NWA Trailblazers (NWATB) to assist the City staff with the project including design input, management, bidding, contracting, and construction on activities associated with the development of said concrete paved trails.

II. Background

There have been two different trail master plans completed in Bella Vista since 2013.

The first was through the Regional Planning Office and was prepared by Alta Planning + Design completed in 2014.

<http://www.nwabikepedplan.com/>

The second was a master plan conducted by Alta Planning + Design. This master plan process took place from 2014 thru mid-2015 and was adopted by the City in May 2015.

https://www.bellavistaar.gov/document_center/Businesses/Economic%20development/Trails/BV-Trail-and-Greenway-Master-Plan.pdf

NWATB has agreed to assist with the two trail projects, including providing design input, management, bidding, contracting, and construction on activities associated with the development of said concrete paved trails.

III. The City of Bella Vista Agrees:

- A. The City of Bella Vista accepted a grant from The Walton Family Foundation for the development and expansion of paved trails, for recreation, active transportation and tourism.
- B. That the Mayor, or his designee, shall represent the City on all matters associated with this effort.
- C. The City and Trailblazers are combining efforts for the development of said paved trails.
- D. To provide sufficient resources and staffing to manage both said paved trail projects.
- E. To acquire all necessary easements and property rights necessary for the construction of said trails.
- F. To work with NWATB for the ability to review and approve the design and routing for the trail project throughout the development stage of the project.

- G. That the City and NWATB will inspect the contractors work during construction of the project and shall have the authority to accept or refuse work based on the construction details and design.
- H. That trail projects shall adhere to uniform design and construction standards per state and federal requirements as well as design guidelines outlined in the “trail design resource notebook” developed by ALTA planning and utilized for the Razorback Regional Greenway.
- I. That upon completion of the trails section(s) as mentioned in Section IV (E) below, the City of Bella Vista will maintain such trial section(s) in accordance with the “trail design resource notebook” developed by ALTA planning and utilized for the Razorback Regional Greenway.

IV. The NWA Trailblazers Agrees:

- A. The NWATB will donate the design/construction plans for the Blowing Springs to Metfield greenway as developed by EDG to the City of Bella Vista.
- B. Will act as the project design expert for the development of the paved trails and assist the City staff on project related design issues.
- C. The NWATB shall assist the City staff with the project including design input, management, bidding, contracting, and construction on activities associated with the development of said concrete paved trails.

V. Arkansas Freedom of Information Act:

City contracts and documents, including internal documents and documents or sub-contractors and sub-consultants, prepared while performing city contractual work are subject to the Arkansas Freedom of Information Act (FOIA): If a FOIA Request is presented to the city, or to the NWATB, each party will do everything possible to provide the document in a timely manner as prescribed in the FOIA (A.C. 25-19-101 et seq.) Only legally authorized photocopying costs pursuant to the FOIA may be assessed for this compliance.

VI. Changes, Modifications, or Amendments:

Changes, modifications, or amendments to this agreement shall be subjected to approval by the parties hereto in advance of the change and must be evidenced in writing.

VII. No Joint Venture/ No Waiver of Rights:

City and NWATB further agree that there are no third-party beneficiaries of this agreement and that no person or entity, other than the parties hereto, shall having standing to enforce the terms of this agreement. NWATB agrees and acknowledges that this agreement does not create an “agency” relationship between the City of Bella Vista and the NWATB or any of its Officers, volunteers, employees, contractor, or agents and that neither party shall represent that any such

"agency" exists. Nothing in this agreement is intended to or shall be construed to waive any of the City of Bella Vista's rights or immunities granted under Arkansas Code Annotated 21-9-301.

VIII. Severability:

If any phrase, clause, sentence or paragraph of this Contract shall be declared invalid by the judgment or decree of a court of competent jurisdiction such invalidity shall not affect any of the remaining sentences, paragraphs or clauses of this Contract.

IX. Complete Agreement:

It is agreed that neither party hereto is relying upon any oral or written information or representations made by the other prior to the signing of this Contract unless expressly provided herein, and that this contract constitutes the entire agreement between the parties and same shall not be hereafter amended or modified unless reduced to writing and signed by the parties hereto.

X. Force Majeure:

A party shall not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, extreme weather, government orders or any other force majeure event.

XI. Governing Law and Consent to Jurisdiction:

The terms of this contract and any dispute thereunder shall be construed under, in accordance with, and governed by, the laws of the state of Arkansas. Each of the parties consents that any dispute under the terms of this contract shall be brought in the Circuit Court of Washington County Arkansas.

XII. Waiver:

Failure of either party hereto to exercise any options herein contained upon breach by the other shall not constitute a waiver of that party's right to exercise such options upon future breach.

In Witness Whereof, the City of Bella Vista and the NWA Trailblazers have executed this agreement by their respective authorized representatives.

City of Bella Vista

NWA Trailblazers

Mayor

Executive Director

Date

Date

WALTON FAMILY
FOUNDATION



September 26, 2019

Mayor Peter Christie
City of Bella Vista
P O Box 5655 616 W Lancashire Blvd
Bella Vista, AR, 72715

RE: Grant 2019-579

Dear Mayor Christie,

At the Walton Family Foundation, we work to tackle tough social and environmental problems with urgency and a long-term approach to create access to opportunity for people and communities. To do this, we know we must work with individuals and groups closest to these challenges because they often have the most thoughtful, insightful solutions.

As we support efforts to improve K-12 education, protect our rivers and oceans and the livelihoods they support, and promote quality of life in our Home Region, we look to groups like yours. I am pleased to inform you that your grant request has been approved in the amount of \$4,908,000.00 to construct two separate greenway trail projects, both of which are adopted priority projects on the NWA Walk/Bike plan: Mercy Way Bridge and Blowing Springs to Metfield Greenway Connection. The attached grant agreement outlines the details.

On behalf of the Walton Family Foundation, I express my appreciation for what your organization has accomplished so far and my optimism for your future success. Together, we can have an impact that improves lives today and that will last to benefit future generations.

Sincerely,

Lisa Montez
Secretary and General Counsel



Grant Agreement

September 26, 2019

Grant 2019-579

The Walton Family Foundation, Inc. ("Foundation or WFF") has approved a grant in the amount of \$4,908,000.00 to the City of Bella Vista ("Grantee"). The project term will be October 1, 2019 to December 15, 2022. This grant is subject to the following terms and conditions:

1. **Purpose:** The purpose of the grant is to construct two separate greenway trail projects, both of which are adopted priority projects on the NWA Walk/Bike plan: Mercy Way Bridge and Blowing Springs to Metfield Greenway Connection. This grant is more fully described in Grantee's proposal dated August 23, 2019. Grantee agrees to use all grant funds exclusively for the grant's purposes. Any changes in these purposes must be authorized in advance by the Foundation in writing.
2. **Amount: Four Million, Nine Hundred Eight Thousand Dollars (\$4,908,000.00).**

Grant payments will be made as follows:

Installment	Amount	Date
#1	\$2,208,611.00	Upon completion of a signed grant agreement
#2	\$2,114,609.00	7/1/2020
#3	\$584,780.00	1/15/2021

3. **Payable:** Initial installment of \$2,208,611.00 shall be payable upon receipt of a copy of this letter from Grantee acknowledging the terms and conditions set forth herein as well as receipt of confirmation of non-WFF grant funding supporting the project in the same amount.

The second installment will be payable upon receipt of required reporting and confirmation of grant application for non-WFF funding.

The third installment will be payable upon receipt of required reporting and confirmation that funding has been secured to complete the projects.

All installments shall be contingent upon the Foundation's approval of the Grantee's activities of the grant as evidenced by the reports described in paragraph 5 below and other information the Foundation may gather.

4. **Accounting:** (a) The Foundation encourages, whenever feasible, the deposit of grant funds in an interest-bearing account. For purposes of this letter, the term "grant funds" includes the grant and any income earned thereon.

(b) Grantee will maintain records of receipts and expenditures made in connection with the grant funds and will keep these records during the period covered by the Grantee's reporting obligations specified in paragraph 5 and for at least four years thereafter ("Maintenance Period"). Grantee will make its books and records in connection with the grant funds available for inspection by the Foundation during normal business hours as the Foundation may request at any time during the Maintenance Period.

5. **Reporting and Evaluation:** Grantee will provide the Foundation with financial and narrative reports by the due dates listed in the report schedule below. Each report shall include an account of

expenditures of grant funds, and a brief narrative of what was accomplished (including a description of progress made in fulfilling the purposes of the grant and a confirmation of Grantee's compliance with the terms of the grant).

Report Date	Report Type
11/1/2020	Interim Financial and Narrative
12/15/2022	Final Financial and Narrative

Success will be measured against the outputs and outcomes described in Appendix A.

All reports will be sent electronically to HomeRegion@wffmail.com. Please reference Grant #2019-579 on all reports submitted.

Grantee payments are always contingent upon the Foundation's approval of Grantee's operations based on the above reports and the Foundation's satisfaction with such information as it chooses to obtain from other sources.

6. **Representations:** Grantee represents and warrants to the Foundation that:

(a) Grantee is an organization in good standing, is either an organization described in section 501(c) (3) of the Internal Revenue Code ("Code") or a governmental unit, and is not a "private foundation" described in section 509(a) of the Code. Grantee will promptly notify the Foundation of any change in Grantee's tax status under the Code.

(b) In no event will Grantee use any grant funds:

(i) to carry on propaganda, or otherwise to attempt, to influence legislation;

(ii) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive; or

(iii) to undertake any activity other than for a charitable, educational or other exempt purpose specified in section 170(c)(2)(B) of the Code.

(c) Grantee will comply with all applicable laws and regulations.

7. **Repayment:** Grantee agrees to repay to the Foundation any portion of the grant funds not used for the grant's purposes. In addition, the Foundation may discontinue any further payments to Grantee, and may direct Grantee to repay any unexpended grant funds to the Foundation, if any of the following events occurs:

(a) Grantee ceases to maintain its tax-exempt status as described in paragraph 6(a) above;

(b) Grantee fails to comply with the terms of this letter; or

(c) There is a material change in Grantee's key personnel that in the sole opinion of the Foundation adversely affects Grantee's management of the grant.

8. **Grant Publicity:** Grant publicity related to this grant consistent with Grantee's normal practice is permitted, subject to the following provisions. The Foundation expects any announcements

and other publicity to focus on Grantee's work and the project or issue funded by the grant. Recognition of the Foundation's role in funding the project is permitted, provided that the timing, content and strategic focus of such publicity should be approved by the Foundation contact listed in paragraph 10. Publicizing the grant and the Foundation in Grantee's publications and communications in a manner consistent with similar grants obtained by Grantee is permitted.

The Foundation may ask Grantee to provide illustrations, photographs, videos, recordings, information or other materials related to the grant (collectively "Grant Work Product") for use in Foundation communications including the Foundation's website, annual report, newsletters, board materials, presentations, communications and other publications. Grantee agrees to provide the Foundation with such items upon the Foundation's reasonable request and hereby grants to the Foundation and anyone acting under the authority of the Foundation a fully paid-up, world-wide, right and license to use, reproduce, display and distribute the Grant Work Product in connection with the Foundation's charitable operations and activities. In connection therewith, Grantee shall be responsible for obtaining all necessary rights and permissions from third parties for the Foundation to use the Grant Work Product for these purposes. By signing this Agreement, Grantee also acknowledges and agrees to use by the Foundation of historical, programmatic and other information relating to Grantee and the grant hereunder.

9. **Gratuities:** The Foundation desires that all of Grantee's resources be dedicated to accomplishing its philanthropic purposes. Therefore, Grantee agrees that it will not furnish the Foundation or its Board of Directors, officers, staff or affiliates with any type of benefit related to this grant including tickets, tables, memberships, commemorative items, recognition items, or any other benefit or gratuity of any kind.

10. **Contact:** For all communications regarding this grant, please contact the Foundation by email at HomeRegion@wffmail.com. Please reference Grant #2019-579 in your communication.

By electronically signing this letter the Grantee acknowledges and agrees to the terms and conditions herein. A copy of the completed document will be emailed to the Grantee through DocuSign. If the electronic signing of this letter is not completed by October 31, 2019 the Foundation will consider the Grantee to have declined the grant.

On behalf of the Foundation, I extend every good wish for the success of your organization's endeavors.

Walton Family Foundation, Inc.,

By: _____
Lisa Montez (Date)
Secretary and General Counsel

City of Bella Vista

By: _____
Mayor Peter Christie (Date)
City of Bella Vista

**Appendix A: City of Bella Vista
Mercy Way Bridge + Blowing Springs to Metfield Trail**

Outputs And Outcomes		
Who will do what and how much?	By when?	Measured or evaluated by?
Goal: Blowing Springs to Metfield		
Outputs		
The City of Bella Vista will obtain approval for final trail alignment and acquire all rights-of-way, easements and permits, including POA land use agreements, necessary to begin the Blowing Springs to Metfield trail project.	12/31/2019	Written confirmation of easements recorded and permits granted
The City of Bella Vista will bid out and select in accordance with city requirements a qualified and experienced contractor to complete a 3-mile greenway trail extension connecting Blowing Springs Park to Metfield Park.	03/31/2020	Signed agreement with qualified general contractor.
Using completed construction documents, NWA Trailblazers and City of Bella Vista will manage a General Contractor to complete construction of at least 15,500 linear feet of 10-foot wide concrete paved trail and on-street infrastructure connecting Blowing Springs Trail to Metfield, to uniform design and construction standards per design guidelines outlined in the "Trail Design Resource Notebook" developed by Alta Planning and utilized for the Razorback Regional Greenway.	02/28/2021	Construction completion documented by closeout documents and final inspection results by a WFF 3 rd party consultant
Goal: Mercy Way RRG Extension		
Outputs		
The City of Bella Vista will obtain approval for final alignment and acquire all rights-of-way, easements and permits, including ArDOT approval and a "No-rise" certificate for development in the floodway through FEMA necessary to begin the Mercy Way bridge project.	12/1/2020	Written confirmation of easements recorded and permits granted
The City of Bella Vista will bid out and select in accordance with city, state and federal requirements a qualified and experienced contractor to complete a greenway trail extension connecting the northern terminus of the Razorback Regional Greenway across the Mercy Way bridge and terminating on the west side.	01/31/2021	Signed agreement with qualified general contractor.
Using completed construction documents, NWA Trailblazers and City of Bella Vista will manage a General Contractor to complete construction of at least 1,330 linear feet of a minimum 10-foot wide concrete paved trail and on-street infrastructure from the northern terminus of the Razorback Regional Greenway across Mercy Way bridge and terminating on the west side of Little Sugar Creek, to uniform design and construction standards per design guidelines utilized for the Razorback Regional Greenway and state/federal specifications.	12/15/2022	Construction completion documented by closeout documents and final inspection results by a WFF 3 rd party consultant.

Outcomes for Both Projects

The City will commit to apply for Transportation Alternatives Program grant funding in support of the Mercy Way project through the Northwest Arkansas Regional Planning Commission or other federal/state grant funding program in 2020 and 2021, where eligible.	Varies	Letter from mayor and subsequent copies of grant applications
The NWA Trailblazers will commit to a project management role to bring added capacity and experience to the two trail projects.	12/1/2019	MOU or letter of agreement from Executive Director
The City will commit, with partners, to measure and report on trail usage data using digital, infrared trail counters on a quarterly basis for at least two years following trail completion.	3/31/2020	Letter from mayor
The City of Bella Vista and the Bella Vista Property Owners Association (POA) will commit to accept, manage and maintain the constructed trail from Blowing Springs to Metfield.	03/31/2020	Memorandum or Letter from the City of Bella Vista Mayor and from the Bella Vista POA's Chief Operating Officer.
The City of Bella Vista will commit to accept, manage and maintain the constructed greenway Razorback Regional Greenway trail as it enters the city limits and crosses the Mercy Way bridge.	05/31/2021	Letter from mayor

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

APPROVING A GRANT AGREEMENT WITH THE WALTON FAMILY FOUNDATION IN THE AMOUNT OF \$4,908,000.00 FOR THE CONSTRUCTION OF TWO RAZORBACK GREENWAY EXTENSION PROJECTS, INCLUDING THE NEW MERCY WAY BRIDGE AND A BLOWING SPRINGS TO METFIELD GREENWAY CONNECTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA, ARKANSAS:

SECTION 1: A grant agreement with the Walton Family Foundation in the amount of four million nine hundred eight thousand dollars (\$4,908,000.00) for the construction of two Razorback Greenway extension projects, including the new Mercy Way bridge and a Blowing Springs to Metfield Greenway connection, is hereby approved. The Mayor and City Clerk are authorized to execute all necessary documents to effectuate the grant.

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

Mayor Peter Christie

ATTEST:

City Clerk Wayne Jertson

Requested by Mayor Christie
Prepared by Jason Kelley, Staff Attorney



October 14, 2019

Honorable Mayor and City Council
City of Bella Vista

We have audited the financial statements of City of Bella Vista as of and for the year ended December 31, 2018, and have issued our report thereon dated October 14, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and the Uniform Guidance

As communicated in our engagement letter dated January 23, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of City of Bella Vista solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether City of Bella Vista's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit.



We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a material weakness and other matters noted during our audit in our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated October 14, 2019.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City of Bella Vista is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2018.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Defined benefit pension plans valuation

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements relate to:

- Risk management
- Retirement plans
- Long-term liabilities

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached adjusting journal entry report summarizes material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to City of Bella Vista's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached management representation letter dated October 14, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with City of Bella Vista , we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City of Bella Vista's auditors.

Modification of the Auditor's Report

As described in our auditor's report dated October 14, 2019, we provided an adverse opinion on the financial statements of the City being in accordance with accounting principles generally accepted in the United States of America for the year ended December 31, 2018. The City has elected to implement a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas, which is a reporting model other than that required by Governmental Accounting Standards Board Statement No. 34, as of and for the year ended December 31, 2018. The effects of this departure from accounting principles generally accepted in the United States of America have not been determined. We did provide an unqualified opinion on the financial statements of the City being in accordance with the regulatory basis of accounting. This report is intended solely for the information and use of the Honorable Mayor, City Council, and management of City of Bella Vista and is not intended to be and should not be used by anyone other than these specified parties.

Landmark PLC

**LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS**

Rogers, Arkansas
October 14, 2019

Please post these adjustments

Client: **City of Bella Vista**
Engagement: **City of Bella Vista**
Period Ending: **12/31/2018**
Workpaper: **ADJUSTING JOURNAL ENTRIES REPORT**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		TB		
Entry to correct beginning fund balance				
54500	Law Enforcement (Police)		9,986.00	
33000	Police Dept - General Donations			9,986.00
Total			9,986.00	9,986.00
Adjusting Journal Entries JE # 201		803b.5		
To true up ambulance accounts receivable for the year.				
13001	Ambulance Accounts Receivable		80,978.00	
13003	Insurance Adj. and Bad Debt Reserve			37,250.00
47050	Ambulance Service Revenue			43,728.00
Total			80,978.00	80,978.00



October 14, 2019

LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS
2003 S. Horsebarn Road
Rogers, Arkansas 72758

This representation letter is provided in connection with your audit of the financial statements of City of Bella Vista as of December 31, 2018 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the assets, liabilities, and fund balance of the City and its revenues, expenditures, and changes in fund balance, in conformity with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas. We confirm that we are responsible for the fair presentation of the previous mentioned financial statements in conformity with the regulatory basis of accounting (modified cash basis). We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 14, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 23, 2019, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
10. All events subsequent to the date of the financial statements and for which a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
12. With regard to investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All funds and activities are properly classified.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All net assets components and fund balance classifications have been properly reported.
18. All revenues within the statement of revenues, expenditures, and changes in fund balance have been properly classified as program revenues, general revenues,

contributions to term or permanent endowments, or contributions to permanent fund principal.

19. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
20. All interfund and intra-entity transactions and balances have been properly classified and reported.
21. Special items and extraordinary items have been properly classified and reported.
22. Deposit and investment risks have been properly and fully disclosed.
23. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
24. All required supplementary information is measured and presented within the prescribed guidelines.
25. We have evaluated the entity's ability to continue as a going concern for a period of one year from October 14, 2019 and have determined that there is not a substantial doubt that the entity will be able to meet its obligations as they come due.

Information Provided

26. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of Federal awards.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
30. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

31. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
32. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
33. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
34. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
35. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
36. City of Bella Vista has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
37. We have disclosed to you all guarantees, whether written or oral, under which City of Bella Vista is contingently liable.
38. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
39. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
40. City of Bella Vista has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
41. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
42. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

43. We have a process to track the status of audit findings and recommendations.
44. We have provided to you credit risk on reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
45. We have identified to you any previous financial audits, attestation engagements, or other studies related to the audit objectives and whether related recommendations have been implemented.
46. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
47. As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved and accept responsibility for those financial statements and related notes.
48. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
49. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
50. Investments, derivative transactions, and land and other real estate held by endowments are properly valued.
51. Provisions for uncollectible receivables have been properly identified and recorded.
52. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
53. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
54. With respect to the supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
 - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for

our assumptions and interpretations, are reasonable and appropriate in the circumstances.

- e. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- f. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- g. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

55. With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with a regulatory basis of accounting (modified cash basis) allowed by the State of Arkansas.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

56. In regards to the nonattest services performed by you, we have:

- a. Made all management decisions and performed all management functions.
- b. Designated an individual with suitable skill, knowledge, or experience to oversee the services.
- c. Evaluated the adequacy and results of the services performed.
- d. Accepted responsibility for the results of the services.

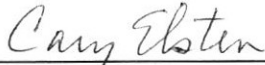
57. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated

that the carrying amount of its assets might not be recoverable and have appropriately recorded the adjustment.

- 58. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements have been properly disclosed.
- 59. We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASB) Statements No. 84-88, as discussed in Note 1. The City is therefore unable to disclose the impact that adopting those statements will have on its financial position and the results of operations when such statement is adopted.
- 60. We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.
- 61. We do not plan to make frequent amendments to its pension or other postretirement benefit plans.



Peter Christie, Mayor



Cary Elsten, Finance Director

October 14, 2019

CITY OF BELLA VISTA, ARKANSAS
FINANCIAL STATEMENTS
DECEMBER 31, 2018

CITY OF BELLA VISTA, ARKANSAS
DECEMBER 31, 2018
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Bella Vista
Bella Vista, Arkansas

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund; street fund; and other funds in the aggregate of the **City of Bella Vista** (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of Arkansas Code Annotated §10-4-412 as provided in Act 2201 of 2005, as described in Note 1, to meet the requirements permitted by the State of Arkansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the City on the basis of the financial reporting provisions of Arkansas Code Annotated §10-4-412 as provided in Act 2201 of 2005, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City as of December 31, 2018, or changes in their financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances of the funds presented of the City as of December 31, 2018, and their respective revenues, expenditures, and changes in fund balances and the budgetary results for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by the State described in Note 1.

Other Matters

Required Supplementary Information

Accounting practices prescribed or permitted by the State, which practices differ from accounting principles generally accepted in the United States of America, require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the State, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated October 14, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Landmark PLC

**LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS**

Rogers, Arkansas
October 14, 2019

CITY OF BELLA VISTA, ARKANSAS
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES – REGULATORY BASIS
DECEMBER 31, 2018

ASSETS

	General Fund	Street Fund	Other Funds In The Aggregate	Total
Cash and cash equivalents				
Unrestricted	\$ 1,348,158	\$ -	\$ -	\$ 1,348,158
Restricted	2,415,866	464,319	415,740	3,295,925
Certificates of deposit	4,630,208	-	45,000	4,675,208
Investments	538,912	-	-	538,912
Accounts receivable, net	1,733,474	-	13,303	1,746,777
Due from other funds	220,000	54,007	-	274,007
Total Assets	\$ 10,886,618	\$ 518,326	\$ 474,043	\$ 11,878,987

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 462,212	\$ 89,962	\$ 81,829	\$ 634,003
Accrued expenses	-	-	54,662	54,662
Due to other funds	54,007	-	220,000	274,007
Total Liabilities	516,219	89,962	356,491	962,672
Fund Balances				
Governmental funds:				
Restricted	2,451,772	428,364	117,552	2,997,688
Assigned	31,654	-	-	31,654
Unassigned	7,886,973	-	-	7,886,973
Total Fund Balances	10,370,399	428,364	117,552	10,916,315
Total Liabilities and Fund Balances	\$ 10,886,618	\$ 518,326	\$ 474,043	\$ 11,878,987

See Independent Auditor's Report and Notes to Financial Statements.

CITY OF BELLA VISTA, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	General Fund	Street Fund	Other Funds in the Aggregate	Total
REVENUES				
State aid	\$ 476,127	\$ 1,857,880	\$ -	\$ 2,334,007
Federal aid	273,821	151,980	-	425,801
Grants	2,415,100	-	-	2,415,100
Property taxes	2,831,255	489,216	-	3,320,471
Franchise taxes	1,832,419	-	-	1,832,419
Sales taxes	8,093,030	-	-	8,093,030
Fines, forfeitures, and costs	164,422	-	-	164,422
Interest	102,033	396	-	102,429
Local permits and fees	377,093	-	-	377,093
Sanitation fees	342,181	-	-	342,181
Advertising and promotion taxes	-	-	185,018	185,018
Ambulance fees	1,043,570	-	-	1,043,570
Other	93,138	-	-	93,138
Net (decrease) in the fair value of investments	(2,624)	-	-	(2,624)
TOTAL REVENUES	18,041,565	2,499,472	185,018	20,726,055
EXPENDITURES				
General government	4,049,816	-	-	4,049,816
Law enforcement	4,084,496	-	-	4,084,496
Public safety	5,578,619	-	-	5,578,619
Highways and streets	-	3,476,880	-	3,476,880
Recreation and culture	401,131	-	-	401,131
Advertising and promotion	-	-	107,177	107,177
Debt service				
Note principal	592,057	-	-	592,057
Note interest	40,455	-	-	40,455
TOTAL EXPENDITURES	14,746,574	3,476,880	107,177	18,330,631

See Independent Auditor's Report and Notes to Financial Statements.

	General Fund	Street Fund	Other Funds in the Aggregate	Total
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,294,991	(977,408)	77,841	2,395,424
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,300,000	-	1,300,000
Transfers out	(1,300,000)	-	-	(1,300,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,300,000)	1,300,000	-	-
NET CHANGE IN FUND BALANCES	1,994,991	322,592	77,841	2,395,424
FUND BALANCES, BEGINNING OF YEAR	8,375,408	105,772	39,711	8,520,891
FUND BALANCES, END OF YEAR	<u>\$ 10,370,399</u>	<u>\$ 428,364</u>	<u>\$ 117,552</u>	<u>\$ 10,916,315</u>

See Independent Auditor's Report and Notes to Financial Statements.

CITY OF BELLA VISTA, ARKANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL AND STREET FUNDS – REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	General Fund			Street Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
State aid	\$ 1,359,566	\$ 476,127	\$ (883,439)	\$ 1,737,453	\$ 1,857,880	\$ 120,427
Federal aid	-	273,821	273,821	49,024	151,980	102,956
Grants	-	2,415,100	2,415,100	-	-	-
Property taxes	2,885,112	2,831,255	(53,857)	467,551	489,216	21,665
Franchise taxes	2,153,533	1,832,419	(321,114)	-	-	-
Sales taxes	8,023,197	8,093,030	69,833	-	-	-
Fines, forfeitures, and costs	156,300	164,422	8,122	-	-	-
Interest	95,536	102,033	6,497	-	396	396
Local permits and fees	305,449	377,093	71,644	-	-	-
Sanitation fees	346,488	342,181	(4,307)	-	-	-
Ambulance fees	877,000	1,043,570	166,570	-	-	-
Other	132,546	93,138	(39,408)	-	-	-
Net (decrease) in the fair value of investments	-	(2,624)	(2,624)	-	-	-
TOTAL REVENUES	16,334,727	18,041,565	1,706,838	2,254,028	2,499,472	245,444
EXPENDITURES						
General government	5,145,625	4,049,816	1,095,809	-	-	-
Law enforcement	4,090,803	4,084,496	6,307	-	-	-
Public safety	5,695,948	5,578,619	117,329	-	-	-
Highways and streets	-	-	-	3,838,818	3,476,880	361,938
Recreation and culture	485,221	401,131	84,090	-	-	-
Note principal	592,779	592,057	722	-	-	-
Note interest	39,733	40,455	(722)	-	-	-
TOTAL EXPENDITURES	16,050,109	14,746,574	1,303,535	3,838,818	3,476,880	361,938

See Independent Auditor's Report and Notes to Financial Statements.

	General Fund			Street Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	284,618	3,294,991	3,010,373	(1,584,790)	(977,408)	607,382
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	1,584,790	1,300,000	(284,790)
Transfers out	(1,584,790)	(1,300,000)	284,790	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,584,790)	(1,300,000)	284,790	1,584,790	1,300,000	(284,790)
NET CHANGE IN FUND BALANCES	(1,300,172)	1,994,991	3,295,163	-	322,592	322,592
FUND BALANCES, BEGINNING OF YEAR	8,375,408	8,375,408	-	105,772	105,772	-
FUND BALANCES, END OF YEAR	<u>\$ 7,075,236</u>	<u>\$ 10,370,399</u>	<u>\$ 3,295,163</u>	<u>\$ 105,772</u>	<u>\$ 428,364</u>	<u>\$ 322,592</u>

See Independent Auditor's Report and Notes to Financial Statements.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further below, these financial statements are presented in accordance with the regulatory basis of presentation as prescribed by Arkansas Code Annotated §10-4-412. The City maintains its records on a modified cash basis of accounting, as discussed below. This regulatory basis of presentation and the modified cash basis of accounting differ from accounting principles generally accepted in the United States of America. The following is a summary of the significant accounting policies:

Reporting Entity

The City of Bella Vista, Arkansas (the City) was incorporated under the laws of the State of Arkansas and operates under an elected Mayor-Council form of government. The reporting entity includes all funds of the City. The criteria provided in Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* have been considered.

Regulatory Accounting

The Arkansas Legislature enacted a law in 2005 that allows municipalities to present their financial statements in a prescribed format and also restricts the basis of accounting for this format to one of three methods. The City's governing body, however, can adopt a resolution annually to adopt GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* as their reporting model in lieu of reporting on this regulatory basis established by Arkansas Code 10-4-412. The City's Council did not adopt such a resolution for 2018.

The regulatory presentation is on a fund basis with no distinction being made as to the type of funds (Proprietary, Governmental, etc.) being presented. The required financial statements consist of a balance sheet (or statement of assets, liabilities, and fund balance), statement of revenues, expenditures, and changes in fund balance, and a statement of budget versus actual for the General Fund and the Street Fund. A schedule of capital assets is also required to be presented. Columnar headings are required for the *General Fund*, the *Street Fund* and *All Other Funds in the Aggregate*, but additional funds (columns) may be presented separately. The basis of accounting is limited to cash basis, modified cash basis or modified accrual. The City has elected to utilize the modified cash basis of accounting.

Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is described as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with related liabilities and residual balances, and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

The following funds are recognized in the accompanying financial statements:

General Fund - The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Street Fund - The Street Fund is a special revenue fund which accounts for resources related to street, drainage, and traffic control operations. Minor maintenance, repair and construction of streets, drainage systems as well as street lighting and landscaping are included in this fund.

Other Funds in the Aggregate - Other Funds in the Aggregate consist of all governmental funds included in the financial statements except for the General Fund and Street Fund. The following types of funds are included in this column:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of special revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Agency Funds - Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less which are readily convertible to known amounts of cash and have maturities that present insignificant risk of changes in value because of changes in interest rates. At December 31, 2018, the City had \$116,704 in cash equivalents.

Basis of Accounting

All funds are accounted for using the regulatory basis of accounting described in Note 1, which is on a modified cash basis of accounting. Their revenues are recognized when received or available and expenditures are recognized when paid. Modifications to the pure cash basis of accounting include recording of inter-fund receivables and payables, recording payables for retirement funding, recording payables for funds collected on behalf of other governments, recording of liabilities for payroll withholdings, recording of deferred revenues and recording of interest earned on certificates of deposit. This regulatory basis differs from accounting principles generally accepted in the United States of America.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Investments

Investments consist of governmental securities. Governmental securities are recorded at fair market value based on quoted market prices. Income related to investments is recorded when earned.

Donations

Donations received, if any, are recorded as revenues in the period received as assets, expenses, or decreases of liabilities, depending on the type of benefit received. Donations are measured at estimated fair market values.

Gifts of land, buildings, and equipment are presented as unrestricted support unless explicit donor restrictions specify how the donated assets must be used. Gifts of long lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long lived assets must be maintained, the City reports expirations of donor restrictions when the donated or acquired long lived assets are placed in service.

Fund Balances

Fund balances are classified and could be displayed in the following components:

General Fund, Street Fund, and Other Funds in Aggregate

Nonspendable – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted – represents amounts that are restricted to specific purposes when constraints placed on the use of resources are either externally imposed by creditors (such as through bond covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed – represents amounts that are to be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit the amounts. For the City, the highest level of decision-making authority would be the City Council.

Assigned – represents amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – represents amounts that have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the general fund. This classification can also include negative amounts in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Fund balance components of the General Fund, Street Fund, and Other Funds In Aggregate are as follows:

	General Fund	Street Fund	Other Funds In Aggregate	Total
Restricted:				
General Government	\$ 448,918	\$ -	\$ -	\$ 448,918
Law Enforcement	7,211	-	-	7,211
Recreation and culture	1,994,417	-	-	1,994,417
Public Safety	1,226	-	-	1,226
Highways and streets	-	428,364	-	428,364
Advertising and promotion	-	-	117,552	117,552
Assigned				
Law Enforcement	1,792	-	-	1,792
Public Safety	29,862	-	-	29,862
Unassigned:				
General Government	<u>7,886,973</u>	<u>-</u>	<u>-</u>	<u>7,886,973</u>
Total Fund Balance	<u><u>\$ 10,370,399</u></u>	<u><u>\$ 428,364</u></u>	<u><u>\$ 117,552</u></u>	<u><u>\$ 10,916,315</u></u>

Long-Lived Assets

Financial Accounting Standards Board (FASB) Codification Topic *Property, Plant and Equipment*, Section *Subsequent Measurement* requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The application of this Codification Topic has not materially affected the City's reported changes in fund balance or financial position.

Restricted Assets

Net assets are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first.

Advertising

The City follows the policy of charging advertising to expense as incurred.

Subsequent Events

Subsequent events are evaluated through the date the financial statements were available to be issued, which is the date of the Independent Auditor's Report.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Current Accounting Developments

Accounting pronouncements adopted

In March 2017, the GASB issued Statement Number 85 (GASB 85), Omnibus 2017, effective for periods beginning after June 15, 2017. GASB 85 is intended to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 85 establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The implementation of GASB 85 did not significantly impact the City.

Upcoming accounting pronouncements

In January 2017, the GASB issued Statement Number 84 (GASB 84), Fiduciary Activities, effective for periods beginning after December 15, 2018. GASB 84 establishes criteria for identifying fiduciary activities of state and local governments and clarifies whether and how business-type activities should report their fiduciary activities.

In June 2017, the GASB issued Statement Number 87 (GASB 87), *Leases*, effective for periods beginning after December 15, 2019. GASB 87 is intended to better meet the information needs of financial statement users by improving accounting and financial reporting for leases and governments.

In April 2018, the GASB issued Statement Number 88 (GASB 88), *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018. GASB 88 is intended to enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. GASB 88 clarifies which liabilities governments should include in their note disclosures related to debt, and requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt.

Management is currently evaluating the impact of implementation of these GASB statements to the financial statements of the City and does not expect the implementation of these GASB statements to significantly impact the financial statements of the City.

Budgets and Budgetary Accounting

State law requires that these procedures be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to December 1 of each year, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The proposed budget is discussed at a City Council meeting prior to adoption.
3. Prior to February 1, the budget is legally enacted by ordinance or resolution of the City Council.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

4. Appropriation lapse at the end of each year.
5. Under certain conditions, the budget may be amended subsequent to year-end.

The budgeted revenues and expenditures represent the formal operating budget adopted by the City Council, as amended by the Council during the year.

NOTE 2: FEDERAL AND STATE AWARDS

The City receives Federal and state awards. These grant programs are subject to audit by the Federal and state governments or their representatives. Accordingly, the amount, if any, of expenditures which may be disallowed by the program representatives cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 3: PROPERTY TAX

The City levies its property tax during the month of October, prior to the current fiscal year. The County is the collecting agent for the levy and remits the collections to the City, net of a collection fee. Taxes are delinquent after October 10th. The amount of property taxes the City may levy is subject to a statutory limitation set by the State of Arkansas. The tax levy may not be increased except by amendment to the State Constitution. The assessed value of taxable property upon which the property tax is levied is determined by the County Assessor. The Assessor estimates full market value of the property and applies the statutory rate of 20% to arrive at assessed value.

NOTE 4: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and participation in public entity risk pools. The amount of settlements has not exceeded the insurance coverage for the past three years. There were no significant reductions in insurance coverage in the major categories of risk from coverage in the prior year.

The City participates in the Arkansas Municipal League Program (public entity risk pools) for coverage in the following areas:

Workers' Compensation - This program provides statutory benefits for losses incurred by municipal officials, employees and volunteer fire fighters while performing work for the municipality. Rates for the municipalities participating in this program are revised annually based on the cost experience of the particular municipality or group as determined by the Workers' Compensation Commission.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Municipal Legal Defense Program - The program shall, at the sole discretion of the program administrators, provide extraordinary legal defense and extraordinary expenses in suits against municipal officials and employees and civil rights suits against the municipal government of a participating municipality and pay extraordinary judgments (for actual damages - no punitive damages) imposed on municipal offices and employees and the municipal government. The program shall never be liable to reimburse the municipal government, municipal officials and employees because of judgment in any one lawsuit for more than 25 percent of the program's available funds at the time the lawsuit was filed or the judgment becomes final, or \$1 million, whichever is less. The City agrees to pay into the program each year a charge established by the steering committee. Each City also agrees to pay the first \$3,000 of the aggregated cost for all expenses on each lawsuit. The cost deposit is not refundable.

Municipal Property Program – This program covers insurable property and equipment, exclusive of motor vehicles and water vessels, which belong to or are in the care, custody or control of a participating municipality. Property is valued at the full cost to repair or replace the property after deduction of the depreciation or as agreed to by the participating municipality and program. Loss amounts payable will be reduced by the deductible amount of \$10,000 for class 1 rates, \$7,500 for class 2 rates, and \$5,000 for class 3 and 4 rates. The municipality agrees to pay into the program each year a service charge established annually by the program administrator for property for which the municipality desires coverage.

Municipal Vehicle Program

Liability - This program may pay all sums the municipality legally must pay as damages because of bodily injury, death or property damage to which this agreement applies involving a covered municipal vehicle and for which the municipality is liable. The limit of payment by the program is \$25,000 for bodily injury per person, \$50,000 for bodily injury per accident, and \$25,000 for property damage per accident. The City shall pay into the program each year a charge established annually by the program administrator for covered municipal vehicles and mobile equipment owned or leased by the City.

Physical Damage - This program covers vehicles and permanently attached equipment which are the property of the participating municipality. Property is valued at the full cost to repair or replace the property after deduction for depreciation. Loss amounts payable will be reduced by the deductible amount of \$1,000 per occurrence. The City agrees to pay into the program each year a service charge established annually by the program administrator for the covered property.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

The City also participates in the Self-Insured Fidelity Bond Program administered by the Governmental Bonding Board. This program covers actual losses sustained by the participating entity through any fraudulent or dishonest act or acts committed by any of the officials or employees, acting alone or in collusion with others, during the bond period to an amount not exceeding the lesser of \$300,000 or the amount of the bond. Premiums for coverage are determined by the State Risk Manager and approved by the Board. These premiums are paid by the State Treasurer from funds withheld from the Municipal Aid Fund. There is a \$2,500 deductible per occurrence.

NOTE 5: INTERFUND TRANSFERS

During the year ended December 31, 2018, the City transferred \$1,300,000 from the General Fund to the Street Fund to supplement street improvements.

NOTE 6: INVESTMENTS

Arkansas statutes authorize the City to invest in U.S. Government and its collateralized agency securities, bank certificates of deposit, and repurchase agreements. The pension trust funds are authorized to also invest in common stocks, investment grade corporate bonds, and other appropriate securities. The City classifies money market funds and certificates of deposits with original maturities of ninety days or less as "cash equivalents" for financial reporting purposes. A summary of investments at December 31, 2018 is as follows:

<u>Fund Type</u>	<u>December 31, 2018</u> <u>Fair Value</u>
General Fund	<u>\$ 538,912</u>

Investments are reported at fair value. GASB Statement No. 72, *Fair Value Measurement and Application* establishes a hierarchy based on the valuation assumptions used to measure the fair value of the asset as follows:

Level 1 - These are investments where values are based on unadjusted quoted prices for identical assets in an active market the City has the ability to access.

Level 2 - These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3 - These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

The City's investments at December 31, 2018 are composed of the following:

<u>Investment Type</u>	<u>Other Observable Inputs Level II</u>
Mortgage Backed Government CMO Securities	<u>\$ 538,912</u>

U.S. Government, mortgage-backed bonds are valued at fair value using quoted market prices from third parties that use, as their basis, readily observable market inputs, such as yields on similar instruments with comparable inputs. As a result, these are classified as Level II inputs.

As of December 31, 2018, the City held mortgage-backed securities with a fair value of \$538,912. The overall return or yield on mortgage-backed securities depends on the amount of interest collected over the life of the security and the change in the market value. Although the City will receive the full amount of principal if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment is lost. Accordingly, the yields and maturities of mortgage-backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. If market rates fall below a mortgage loan's contractual rate, it is generally to the borrower's advantage to prepay the existing loan and obtain new lower financing. In addition to changes in interest rates, mortgage loan prepayments depend on other factors such as loan types and geographic location of the related properties. At December 31, 2018, the City held no mortgage-backed securities that were considered highly sensitive to changes in interest rates.

NOTE 7: DEPOSITS IN FINANCIAL INSTITUTIONS

Deposits in financial institutions are financial instruments that could potentially subject the City to a risk of accounting loss to the extent of the uninsured/uncollateralized portion of those deposits. The City maintains deposit balances in various financial institutions, and all deposit balances are carried at cost.

State law generally requires that municipal funds be deposited in federally insured banks located in the State of Arkansas. The municipal deposits may be in the form of checking accounts, savings accounts, and/or time deposits. Public funds may also be invested in direct obligations of the United States of America and obligations, the principal and interest on which are fully guaranteed by the United States of America.

The City maintains separate bank accounts in various banks. Deposits with banks (cash and cash equivalents and certificates of deposit) at December 31, 2018, amounted to \$9,541,464, of which \$5,046,682 was insured, \$4,494,782 was collateralized by securities held in the City's name. Cash and cash equivalents includes petty cash of \$400.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 8: CONCENTRATIONS AND RISK OF ACCOUNTING LOSS

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy is to attempt to match investment maturities with cash flow requirements. The City's investments generally are certificates of deposit with maturities primarily one year or less.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the City's policy to minimize credit risk losses due to default of security issuers or backers by limiting investments to the safest types of securities.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Financial instruments that potentially subject the City to credit risk consist primarily of accounts receivable.

During the year ended December 31, 2018, the City received two grants from the Walton Family Foundation totaling \$2,415,100, which amounted to 13% of General Fund revenue.

NOTE 9: LITIGATION

The City is subject to claims and lawsuits that arise primarily in the ordinary course of business including, but not limited to, cases of eminent domain arising from development projects. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the assets, liabilities, fund balances, revenues, expenditures and changes in fund balances and cash flows, where applicable, of the City.

NOTE 10: RETIREMENT PLANS

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended, was effective for the City on January 1, 2015, and established accounting and financial reporting requirements related to pensions for governmental entities whose employees are provided with pensions through pension plans that are covered by the scope set forth in the statement.

Although the pension plans in which City employees participate meet the criteria for implementation of GASB Statement No. 68, reporting the liability and certain disclosures related to actuarial calculations for determining the total pension liability are not relevant to *modified cash basis* financial statements. However, required disclosures related to the description of the plans, types of benefits provided, funding policy, contribution requirements and rates, and actual cash contributions are applicable to the *modified cash basis* of accounting and are provided in the paragraphs that follow.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Local Police and Fire Retirement System

Plan Description

The City contributes to the Arkansas Local Police and Fire Retirement System ("LOPFI"), an agent multiple-employer defined benefit pension plan administered by the State of Arkansas. LOPFI provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The LOPFI Board of Trustees has no authority to establish and amend benefit provisions to LOPFI.

LOPFI issues a publicly available financial report that includes financial statements and required supplementary information for LOPFI. That report may be obtained by writing to Arkansas Local Police and Fire Retirement System, 620 West Third Street, Suite 200, Little Rock, Arkansas 72201, by calling 1-501-682-1745, or online at www.lopfi-prb.com.

Funding Policy

The employee contribution rate depends on the type of service being rendered and whether or not the service is also covered by Social Security. The different contribution rates required by state law are:

- Paid service not covered by Social Security: 8.5% of gross pay
- Paid service also covered by Social Security: 2.5% of gross pay
- Volunteer fire service: no employee contribution

The City is required to contribute at actuarially determined rates. The plan is also funded with state insurance tax. For 2018, the City's contribution to the plan was \$1,011,082 and the amount of insurance tax paid by the state to the plan for the benefit of the City was \$449,516 for the year ended December 31, 2018.

Net Pension Liability

The City's proportionate share of the total collective net pension liability attributable to employees of the City was \$15,033,282 at December 31, 2018 (the actuarial valuation date and measurement date).

NOTE 11: NON-UNIFORMED EMPLOYEES PENSION PLAN

In June 2007, the City established a defined contribution plan for all non-uniformed and nonelected employees and has contracted with a private insurance carrier who maintains the accounts for the City. In a defined contribution plan benefits depend solely on amounts contributed to the plan, plus investment earnings. The contribution plan requires the City to contribute an amount up to 5% of the employee's base salary, provided the employee contributes that amount. The City's contributions shall be invested ratably in the guaranteed benefit portion of the annuity contract unless the employee chooses not to participate. Interest earned is credited to each employee's account. Eligibility to enter the plan commences immediately upon employment and employees who leave employment receive all benefits deposited in their account.

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 12: COMMITMENTS

The City's commitments consist of the following:

Noncancellable Leases

The City entered into noncancelable lease agreements on May 1, 2017 and December 1, 2015 for the use of the District Court Building and Community Development Services building, respectively. The District Court Building lease terms are monthly rental payments of \$4,150 through April 30, 2020. The Community Development Services building lease terms are monthly rental payments of \$2,150 through November 30, 2019. The City is also leasing computer equipment for 36 months through May 31, 2021 for \$4,593 per year. Future minimum payments required under the above noncancelable operating leases are as follows:

For years ending December 31,

2019	\$ 78,043
2020	21,193
2021	<u>1,914</u>
	<u>\$ 101,150</u>

Construction Contracts:

The City was contractually obligated for the following construction contracts at December 31, 2018:

<u>Project Name</u>	<u>Contract Balance December 31, 2018</u>
Street Projects	
Riordan Road Corridor	\$ 52,834
Mercy Way Bridge and Corridor	276,026
Other Projects	
Central Trails Expansion	<u>3,263,962</u>
	<u>\$ 3,592,822</u>

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Long-term Liabilities:

The following is a summary of the City's general long-term debt at December 31, 2018:

Note payable with First Security Bank, bearing interest at 1.85%, due in monthly principal and interest payments of \$5,450, secured by property and equipment, maturing November 2020. \$ 123,250

Note payable with Arvest Bank, bearing interest at 1.825%, due in semi-annual principal and interest payments ranging between \$100 and \$251,039, secured by property and equipment, maturing February 2021. 1,156,214

Lease purchase agreement with Regions Bank, bearing interest at 2.09%, due in semi-annual principal and interest payments of \$49,145, secured by property and equipment, maturing August 2022. 375,298

Total general long-term debt 1,654,762

Compensated absences 2,014,396

Total Long-term Liabilities \$ 3,669,158

Principal and interest maturities of the City's general long-term debt are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 604,034	\$ 28,478	\$ 632,512
2020	610,375	17,034	627,409
2021	343,600	5,729	349,329
2022	<u>96,753</u>	<u>1,520</u>	<u>98,273</u>
	<u><u>\$ 1,654,762</u></u>	<u><u>\$ 52,761</u></u>	<u><u>\$ 1,707,523</u></u>

CITY OF BELLA VISTA, ARKANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 13: BENTON COUNTY SOLID WASTE DISTRICT

Benton County and the cities of Benton County, including Bella Vista, entered into an interlocal agreement pursuant to Arkansas Code Ann. § 8-6-723 creating the Benton County Solid Waste District (BCSWD). The BCSWD was established to adequately, reliably, and economically dispose of the City's and County's solid waste. Payments totaling \$13,231 were made to BCSWD during the year ended December 31, 2018.

NOTE 14: ACCOUNTS RECEIVABLE

The accounts receivable balance at December 31, 2018 is composed of the following:

<u>Description</u>	<u>General Fund</u>	<u>Other Funds in the Aggregate</u>
Property taxes	\$ 365,949	\$ -
Franchise fees	226,581	-
Sales taxes	666,507	-
Fines, forfeitures, and costs	16,620	-
Grants	82,511	-
Sanitation fees	85,285	-
Advertising and promotion taxes	4,580	13,303
Ambulance fees	280,154	-
Other	5,287	-
	<u>\$ 1,733,474</u>	<u>\$ 13,303</u>

**REQUIRED
SUPPLEMENTARY INFORMATION
(Unaudited)**

**CITY OF BELLA VISTA, ARKANSAS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS – UNAUDITED
DECEMBER 31, 2018**

Land and buildings	\$ 7,555,771
Equipment	11,683,494
Infrastructure	<u>102,919</u>
	<u><u>\$ 19,342,184</u></u>

See Independent Auditor's Report



INDEPENDENT AUDITOR'S OPINION ON CITY'S COMPLIANCE WITH STATE LAWS

Honorable Mayor and City Council
City of Bella Vista, AR

We have examined management's assertions that the **City of Bella Vista** complied with the requirements of Arkansas Act 15 of 1985 and the following Arkansas statutes during the year ended December 31, 2018.

- Municipal Accounting Law, §14-59-101 et seq.
- District Courts and City Courts, §§16-10-201 – 16-10-210
- Improvement Contracts, §§22-9-201 – 22-9-204
- Budgets, Purchases, Payments of Claims, Etc., §§14-58-201 – 14-58-203, 14-58-301 – 14-58-309
- Investment of Public Funds, §§19-1-501 – 19-1-504
- Deposit of Public Funds, §§19-8-101 – 19-8-107
- Review of Audit Report by Governing Body, §§10-4-418
- Procurement law, §§19-11-201 – 19-11-259

Management is responsible for the City's compliance with these requirements. Our responsibility is to express an opinion on the City's compliance based upon our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City of Bella Vista, Arkansas, complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2018.

These conditions were considered in determining the nature, timing and extent of audit tests applied in our audit of the 2018 financial statements, and this report does not affect our report dated October 14, 2019 on those financial statements.

This report is intended solely for the information and use of management, the City Council, the Mayor, Arkansas Division of Legislative Audit, and applicable bonding agencies and funding sources and is not intended to be and should not be used by anyone other than these specified parties.

Landmark PLC

**LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS**

Rogers, Arkansas
October 14, 2019



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Council
City of Bella Vista, AR

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying regulatory basis financial statements of the general fund, street fund, and other funds in the aggregate of the **City of Bella Vista Arkansas** as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2019. We issued an adverse opinion because the City prepared the financial statements on the basis of financial reporting provisions of the Arkansas Code Annotated §10-4-412, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The effects on the financial statements between the regulatory basis of accounting and U.S. GAAP, although not readily determinable, are presumed to be material. Our report expressed an unqualified opinion that the financial statements are fairly presented, in all material respects, in accordance with the regulatory basis of accounting described in Note 1.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses as item 2018-001, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. As described above, we identified a certain deficiency in internal control that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses under the caption "Views of Responsible Officials and Planned Corrective Actions". The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Landmark PLC

**LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS**

Rogers, Arkansas
October 14, 2019

**CITY OF BELLA VISTA, ARKANSAS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018**

2018-001: Segregation of Duties

Condition: To ensure the proper safeguarding of assets, financial accounting duties relating to initiating, receipting, recording Federal funds received, depositing, disbursing, and recording transactions should be distributed among appropriate employees. During the year ended December 31, 2018, the City did not have a process in place to ensure proper segregation of duties.

Criteria and Cause: A proper segregation of duties is an integral part of any internal control system. Ideally, duties should be segregated to prevent one person from being in a position to authorize transactions, record transactions and maintain custody of assets of the City. During the year ended December 31, 2018, we noted that the Finance Director had full system access to the accounting records and has the ability to post journal entries that were not reviewed or approved by a member of management or the City Council.

Effect: Under the current process, a fraudulent or incorrect transaction could be recorded by the Finance Director without being detected timely. This lack of proper segregation of duties increases the risk that errors or fraud may occur and not be detected in a timely manner.

Recommendation: We strongly suggest that record keeping, recording of Federal funds, authorization, and journal entry posting be segregated. Furthermore, we suggest limiting the Finance Director's accounting system access. These modifications to the procedures will greatly strengthen internal controls over this area.

Views of Responsible Officials and Planned Corrective Actions: The City is currently reviewing a plan to address this finding.

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

**ACCEPTING THE FINANCIAL AUDIT REPORT PRESENTED BY THE
ARKANSAS DIVISION OF LEGISLATIVE AUDIT FOR THE YEAR
ENDING DECEMBER 31, 2018**

WHEREAS, pursuant to Ark. Code Ann. § 10-4-418, the governing body of the City must review the annual audit report created by the Division of Legislative Audit or the City's independent auditor; and

WHEREAS, the audit report for the year ending December 31, 2018, only found that the City should improve segregation of duties related to accounting functions;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF BELLA VISTA, ARKANSAS:**

Section 1: The City Council of the City of Bella Vista, Arkansas has reviewed and accepts the audit report presented by the Arkansas Division of Legislative Audit for the year ending December 31, 2018. In response to said audit, the Mayor and Finance Director are directed to continually review practices and procedures relating to the segregation of duties, including cash handling and accounting among employees, to the extent possible given the limited financial resources to hire additional employees.

ADOPTED THIS _____ DAY OF _____, 2019.

APPROVED:

PETER CHRISTIE
MAYOR

ATTEST:

WAYNE JERTSON
CITY CLERK

Requested by: Mayor
Prepared by: Jason Kelley, Staff Attorney