

State of the City

Bella Vista, Arkansas

March 27, 2023

The state of the city is excellent. We are in great financial shape. Year-end 2022 financials are completed, and we can report that operating revenues increased by more than \$1 million compared to the prior year, and exceeded \$23 million for the first time. City sales tax receipts increased by about 13%, and gross revenues were more than \$30 million, an all-time record. Our unassigned reserve balance at year end was about \$17.8 million, which is a large increase over the prior year and the largest in the city's history. This was done purposely due to significant capital expenditures planned for 2023, and preparation for a possible recession.

As you know, elections were held in Bella Vista this fall. The result is a new Mayor, a new City Clerk, and two new Council Members. Turnout in Bella Vista was very high, as more than 15,000 residents voted, a record. The per capita participation in the election was far greater than other cities in northwest Arkansas.

The city's 1% bond issue was passed by the Bella Vista voters in March 2020, to be used to build a new fire station on Glasgow Road, a new Public Safety building to house the police, dispatch center and the court facility, and a new fire training tower and accompanying training center. The new fire station was completed in early 2022. The public safety building is recently completed, and the police and court are fully functional in the new location. The fire station training tower we hope will be completed by the end of 2023. In the meantime, our city sales tax receipts have exceeded expectations, and the bond may be paid off as early as 2027 (as opposed to the previously anticipated date of 2042). Since the bond was at a great rate of 1.1% and most of the public safety building materials were contracted for prior to the recent inflationary spike, the projects have turned out to be spectacularly successful from the taxpayers' viewpoint.

The Police Department has had another successful year. Chief Graves has worked hard overseeing the construction of the new Public Safety Building. We have overcome several challenges, including securing water from Cooper for fire suppression at the new building, overcoming IT investment shortfall due to product cost escalation, and working through design oversights. The police also continued with their positive community relations through several community activities including Coffee with a Cop, National Night Out, Citizens Police Academy and the Senior Safety Academy. Bella Vista remains one of the safest cities in Arkansas, and even in the entire U.S.

The Fire Department opened their new Branchwood fire station in January of 2022. This allowed the city to have both ambulance service and fire truck capability at the Glasgow Road location. In addition, land was purchased for the new Fire Training Facility. The fire department worked in conjunction with the street department to rebuild Carlisle Drive for the Fire Training Facility. The city ordered their second ladder truck, and it has a planned delivery date of April 2023. In addition, the fire department continued their vaccine program, by offering the new Covid 19 bi-valent booster for citizens. There were also flu shot clinics offered throughout the city.

The Community Development Services Department (CDS) had another busy year, with 668 residential new home building permits applied for and 547 permits issued. Total building permits issued for all purposes were 4,912 in 2022. In addition, several new businesses were established, including Phat Tire (new construction) and Bison Bikes. There were several ordinance updates, and a new Short Term Rental ordinance was passed in December 2022. Five miles of trails were added in 2022, including several user-friendly adaptive trails. The Back 40 trail system had 296,157 users in 2022. The Little Sugar trail system is now fully completed and adds more than 50 miles of trail in Bella Vista. Our total trail count is now over 100 miles of trails. In addition, we broke ground on the Mercy Way Bridge Project and the Razorback Regional Greenway extension into the city. The earlier Razorback Greenway extension to Metfield has been extremely popular with the citizens, and local use is very high. Finally, CDS was involved in two citywide tree giveaways of trees provided by the Walton Family Foundation.

The Street Department had another stellar year in snow and ice removal, and our road clearing operation is arguably the best in northwest Arkansas. The street department resurfaced 54 miles of city streets in 2022. They received 795 citizen requests in 2022 and completed 96% of those requests in a timely manner. The old fire station #3 was successfully converted into a Street Department substation, including a sand and salt storage facility. In addition, the department completed major drainage improvements and street upgrades to Highlands Boulevard.

The library entered the state library resource sharing system "Mockingbird" for the first time and became one of the more frequent users of the system. New staff members and a rejuvenated summer reading program were among the highlights this year. The library also added one indoor mural, and three outside artworks to their growing collection. Customer and usage rates have increased greatly, and the library is planning a major parking lot expansion in response to the rapid growth. The library facility has added Reme-Halo air purifiers, new media shelving, new signage, and a new roof and complete gutter system this year.

The City of Bella Vista and its residents continue to enjoy a long-term upward trend in their quality of life. The population of Bella Vista is increasing and the average home value in Bella Vista has increased dramatically. The average age of Bella Vista residents continues to decrease, due to an influx of younger residents and young families attracted to our city. In summary, Bella Vista is quite successful by every metric.

I am committed to effectively managing our city and its resources, so that our residents can experience an ever-increasing quality of life, while still preserving our beautiful, natural environment and the relaxed atmosphere that we all enjoy.

John D. Flynn

Mayor