BELLA VISTA CITY COUNCIL SPECIAL MEETING

August 4, 2025 6:00 PM

Bella Vista District Court 2483 Forest Hills Boulevard

MINUTES

Call to Order by Mayor Flynn at 6:00 pm.

Roll Call called by Deputy Clerk Shelly Frederick. Council Members Harp, Hughes, Wilms, and Isbell were present. Council Members Newport, Honchell were absent. Mayor Flynn was present.

New Business (The Chair will entertain a motion to suspend the rules of order and procedure to allow all ordinances on the agenda to be read by title only.) Council Member Harp made a motion to approve, seconded by Council Member Hughes. ***Roll Call Vote: (Ayes: 4/Nays: 0) Passed 4-0.***

> **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 AND REFINANCING THE COSTS 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. *Mayor Flynn read the ordinance for the first time. Cheryl Schluterman, a representative of Raymond James, explained the purpose of the ordinance, which is to issue additional bonds for needed city projects. The Council must go to the voters first to extend the 1% tax. If approved, the old tax will end and the new tax of 1% will begin. In addition, the voters will be deciding on whether to use the sales tax to provide fire and city admin complex improvements, a new fire station and equipment, street improvements, and police improvements. If the voters vote yes on the items, the bonds will be issued solely to finance those specific items. In addition, there will be a separate question regarding the outstanding Series 2024 capital improvement bond, which the pledge of the franchise fees is paying for. Voters are being asked to refinance them, and pay them off. This will free up the franchise fee revenues the city receives, so they can be used for priority projects as determined by the Council. The total (not-to-exceed) amount will be $34,395,000. Council Member Wilms asked clarifying questions about paying back the investors. Ms. Schluterman explained there is a piece of these total bonds that will be taxable, and a piece that will be tax-exempt. All the new money will be tax-exempt, and the refunded pieces will be taxable, per the IRS tax laws. Currently, Raymond James has assumed a 20-year amortization on these new bonds. But these are actually projected to be paid off on March 1, 2035, assuming no growth in city sales*

taxes. Council Member Harp asked why this requires a special vote now, and couldn't wait until the primaries, when voters would already be at the polls. Ms. Schluterman said we are paying down the current outstanding sales tax fairly quickly. For some reason, if the vote did not pass in November, we could present it again in March. She understood that Mayor Flynn and Finance Director Hall, in consultation with the Municipal Advisor, all agreed that it is needed sooner, rather than waiting until the March election. Finance Director Hall agreed with Ms. Schluterman, adding that even if this Bond vote is passed in November, the city doesn't get the money until June. Also, with ongoing renovations, capital expenses for next year will have to be on hold, until we get the money. Cash flow will be a challenge. Council Member Hughes asked what the plan was, if this vote did not pass. Director Hall responded that most likely the outstanding projects would dig deeply into our reserve funds, nearly depleting them. Mayor Flynn added that many projects would be on hold, and we would not build Fire Station #5. We would need to start leasing vehicles instead of buying them. Road construction projects would need to be scaled back or curtailed. Council members engaged in a lengthy discussion. Attorney Ryan Bowman from the law firm of Friday, Eldredge, and Clark answered further questions from the Council, specifically concerning the wording of the vote, and presenting it to voters. He explained this ordinance is simply asking the voters to have the opportunity to vote on these questions. If approved, an additional ordinance will be presented to the Council to authorize the issuance of the bonds, and it will specify the exact amount. Director Hall answered more questions regarding the specific projects the bond will cover. Council Member Harp made a motion to suspend the rules and move to 3rd and final reading, seconded by Council Member Hughes. ***Roll Call Vote: (Ayes: 4/Nays: 0) Passed 4-0.*** *Mayor Flynn read the ordinance for the third and final time. Council Member Hughes made a motion to approve, seconded by Council Member Isbell.* ***Roll Call Vote: (Ayes: 4/Nays: 0) Passed: 4-0.***

RESOLUTION: A RESOLUTION OF INTENT REGARDING CAPITAL IMPROVEMENTS *Mayor Flynn read the resolution. Attorney Ryan Bowman explained that this resolution allows the city to use city funds on these projects before the bonds are issued. After the bonds are issued, the city can reimburse itself from the proceeds of the bonds for the expenditures made in advance of the election. In particular, this would apply to Fire and City Administration, and is required by federal tax laws. When this resolution passes, it goes back 60 days from the adoption. Council Member Wilms made a motion to approve, seconded by Council Member Harp.* ***Roll Call Vote: (Ayes: 4/Nays: 0) Passed 4-0.***

Staff Attorney Kelley asked Council Members to sign a Notice of and Consent to Meeting document before leaving the meeting.

Adjournment Mayor Flynn adjourned the meeting at 6:58 pm.

Wanda L. Krug

City Clerk Wanda Lepillez Krug

John D. Flynn

Mayor John D. Flynn

CITY CLERK
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ARKANSAS