

## BELLA VISTA CITY COUNCIL SPECIAL MEETING

February 3, 2026 5:30 PM

Bella Vista District Court 2483 Forest Hills Blvd.

### MINUTES

**Call to Order** by Mayor Flynn at 5:30 pm.

**Roll Call** called by Clerk Krug. Council Members Wilms, Honchell, Harp, and Newport were present. Council Members Anna Isbell and Wendy Hughes were absent.

(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 Wilms made a motion to approve, seconded by Council Member Honchell. **Roll Call Vote: (Ayes: 4/Nays: 0) Passed: 4-0.**

### New Business

**ORDINANCE:** AN ORDINANCE AUTHORIZING THE ISSUANCE OF SALES AND USE TAX BONDS FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL IMPROVEMENTS; PLEDGING COLLECTIONS OF A 1% SALES AND USE TAX TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

*Mayor Flynn read the ordinance for the first time. He called Cheryl Schluterman from Raymond James forward to present current information on the Bonds. Ms. Schluterman summarized the events since August. The voters approved the sales tax extension of 1% and the various capital improvements covered by the ordinance. At that time, an all-in interest rate of 3.73% with final maturity of 2041 was estimated, expecting those bonds to pay off by 2034 assuming 0 growth and no decline in sales tax collections. Since that time, Raymond James did a presentation with S&P to renew Bella Vista's rating, and an AA rating was affirmed with a stable outlook. This speaks to how well-run the city is, and the growth of the area. Yesterday, Ms. Schluterman had a pricing call with Mayor Flynn and Finance Director Hall and the underwriters, Bob Wright with Cruze & Associates and Kevin Faught with Stevens, Inc. At that time, the interest rate estimate was 3.77% overall. They shortened the final maturity to March 1, 2040, and expected payoff date to 2033, reducing it by one year. The morning of February 3rd, Ms. Schluterman held an order period from 9-10:30 a.m., and an all-in final interest rate of 3.76% was achieved. The sale went very well for the offering of around \$25 million of bonds. They had \$66.7 million in orders, with several of the maturities that were oversubscribed. She passed out a list of the orders to demonstrate the diversity of buyers: 22 institutional buyers and*

some individual accounts. She will send the city a final pricing book with further details at the end of the week. Earlier on Feb. 3rd, Mayor Flynn gave his verbal award, and with the approval of the ordinance on the agenda, they will sign the Bond Purchase Agreement, which is the official purchase of the underwriters of our bonds. The closing will be on March 17, with funds available for the projects thereafter. Ms. Schluterman answered several questions from the Council.

Mayor Flynn called Attorney Ryan Bowman from Friday, Eldredge, & Clark forward to explain the ordinance. Attorney Bowman referred Council Members to the redlined Bond Ordinance passed out to them, which was completed following the bond sale that morning. He walked through the changes and summarized the capital improvement items. He went through the maturity schedules for the 2026A Bonds (taxable) and the 2026B Bonds (tax-exempt). He explained that with growth in sales tax collections in Bella Vista, the maturity date will arrive earlier. He reviewed the Principal Amounts of 2026A Bonds Maturing March 1, 2032, and the Principal Amounts of 2026B Bonds Maturing March 1, 2040. He explained Section 10: they are issuing only a small portion of what the voters approved for fire improvement. The City is reserving the right (in this section of the ordinance) to issue in the future up to \$5,385,000 for the remainder of the fire projects that voters approved. There is not a need to issue all those bonds for Fire today, and so the plan is to issue those bonds within the next couple of years for the remainder of the projects approved. He moved to Section 15 and explained that Bank OZK in Little Rock would be the Trustee for the Bond Issue, and they would actually hold the various project funds, called Construction Funds. There will be a Construction Fund for each of the four projects that the voters approved. Bank OZK will pay the third party vendors once they receive a requisition and an invoice from the City. He answered several questions from the Council. Mayor Flynn explained the Fire Department's need for a prolonged period of time to complete projects. Then he reviewed the Bond decision beginning August 4, 2025, when the Council approved the Special Election for the Bond. The voters approved in November by over 70%, which he found gratifying. Since then, Mayor Flynn found this deal has only gotten better. The interest rate has gone down, the payoff is going to be much faster, and getting the credit rating of AA is also very gratifying. He then called for a motion to suspend the rules and move to third and final reading. Council Member Wilms made a motion to move to third and final, seconded by Council Member Harp. **Roll Call Vote: (Ayes: 4/Nays: 0) Passed: 4-0.** Mayor Flynn read the ordinance for the 3rd and final time. Motion to approve made by Council Member Wilms, seconded by Council Member Honchell. **Roll Call Vote: (Ayes: 4/Nays: 0) Passed: 4-0.** Motion to adopt the Emergency Clause made by Council Member Honchell, seconded by Council Member Harp. **Roll Call Vote: (Ayes:**

**4/Nays: 0) Passed: 4-0.**

**Adjournment** by Mayor Flynn at 5:58 pm.

*Wanda Lepillez Krug*  
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City Clerk Wanda Lepillez Krug

*John D. Flynn*  
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Mayor John D. Flynn

