

**MAYOR'S ANNUAL REPORT TO THE BELLA VISTA CITY COUNCIL  
FOR THE YEAR 2018**

**AS REQUIRED BY STATE STATUTE 14-58-302**

**January 28, 2019**

We ended 2018 with an unrestricted reserve balance of \$7.5M, which is \$600K greater than our budgeted expected ending balance of \$6.9M. This ending balance of \$7.5M equals 50% of our annual unrestricted revenue of \$15M.

Total 2018 General Fund revenues (restricted and unrestricted) of \$17.7M exceeded 2017 revenues by \$3.2M, \$2.4M of which was unexpected funds from the Walton Family Foundation for grants to fund the Central Trails expansion and improvements to the Sugar Creek Bridge. Not counting the unexpected funds from the Walton Family Foundation, our 2018 revenues exceeded 2017 revenues by \$800K.

Total 2018 General Fund revenues exceeded the 2018 Budget by \$1.3M. However, this includes the funds from the Walton Family Foundation. Excluding those funds, our 2018 revenues came in at a deficit of \$1.1M. The majority of this shortfall is in the category of restricted grant funds, which came in at \$700K under budget. A portion of our 4<sup>th</sup> quarter grant funding is currently held up as a result of the federal government shut-down (e.g. SAFER funding for nine fire fighters).

The remaining \$400K budget-to-actual revenue shortfall lies in the categories of Franchise Fees, Property Taxes, and Solid Waste Pick-up Fees. However, at the time of this report, we are still awaiting receipts from Cox Communications of approximately \$80K, Southwestern Bell Telephone (AT&T) of approximately \$19K, and Republic Services of approximately \$85K, which will bring our 2018 unrestricted revenue budget deficit from \$400k to \$216K.

Street Fund revenues for 2018 exceeded 2017 revenues by \$164K, and exceeded the 2018 budget by \$219K.

General Fund 2018 operating, capital improvement, and debt service expenditures of \$14.7M exceeded 2017 expenditures by \$2.1M, but came in under budget by \$1.3M. The Community Development Department and unfinished capital projects contributed the majority of this surplus.

Street Fund 2018 operating expenditures of \$3.4M exceeded 2017 expenditures by \$80k, but came in under budget by \$361K.

In 2018 we experienced the Trafalgar Road Fire which is something that the city has never dealt with before. This continues to be a challenging time for the residents who are impacted. We continue to work closely with federal and state agencies as well as our Congressional delegation and State legislators.

We have continued in parallel with other city business. All 13 projects cited in my 2017 report have been completed with the exception of new Library signage, which proved to be an expensive challenge given the lack of electricity at the point of entry off Lancashire.

Much more has been accomplished. We have found, and are in the process of acquiring, land for a new fire station #3 to replace the currently outdated station 3 in the Highlands. Four fire employees completed

the educational and practical component to become Community Paramedics. We hired a replacement police CID Lieutenant, a much needed narcotic officer position and created a fully trained, outfitted and functional Tactical Response Team. Fifteen new laptops were installed in police vehicles, with the remainder of the fleet to be completed in 2019.

A financial five year plan was created in 2018, along with the implementation of financial policies including operating and budgeting management, capital management, debt management and a reserve policy. Our Finance Director fine-tuned the monthly presentation of our financial statements and updated our Financial Disaster Recovery Plan, which includes the backup of all financial data hourly rather than weekly.

Our redesigned website is more user friendly and visually appealing with easy access. We collaborated with the county and the Bentonville School District to develop an effective communications plan well in advance of the closing of Spanker Bridge for the county's bridge replacement project. We planned, promoted and implemented several different mountain bike and community events, such as the successful city-wide garage sale, an event that will be repeated in April of this year. Fifty-seven new PC's and laptops were deployed in 2018. No city computers now in use are greater than five years old.

In 2018 our new District Court had 2,122 charges filed. The Court disposed 1,462 cases with 660 pending dispositions. Our staff attorney was busy in 2018 handling cases not only in our Court but also in the Bentonville Court as we continue to wean ourselves from the prior court arrangement. On the HR side of the house, we reduced our medical plan renewal to a 0% increase and introduced an online benefits platform, reducing the hours to enroll. We recruited and hired new talent including a Library Director, a Director of Community Development Services and a Senior Planner. Worthy of note is our reduction in turnover from 14.5% in 2017 to 5% in 2018 – the national average is 18.5% for municipalities. In March of last year we partnered with the University of Arkansas and introduced new manager training as well as team building, a first for all municipalities in Northwest Arkansas.

What is on the horizon for 2019?

- Continued collaboration with the EPA, ADEQ and their contractors to extinguish the Trafalgar Road Fire and clean up the site. We are also engaged with State and County Emergency management organizations. We have begun discussions with neighboring cities and the county to create a regional stump dump.
- Work on final costs and designs for major capital projects such as a new Public Safety Building for police and the courthouse, new Fire Station Number 3, a fire training tower, more investment in streets. Our goal remains to reduce the city ISO rating for fire protection from 4 to 3 to reduce fire insurance costs for our residents.
- Resumption of new Hull Dermatology building and re-building Sunset Drive.
- Town Center East expansion of Harps and other improvements
- 2<sup>nd</sup> annual 6 in 60 – Cleanup of Highway 71 on March 30<sup>th</sup>
- New retail space – Shoppes on the Trail on east side Hwy 71 between Crye-Leike and Walgreens
- Acquisition of Centerton Water line on Hwy. 279
- Conclude the Comprehensive Land Use Plan 2040
- Prepare for the 2020 Census. Much of our funding from outside the city depends on an accurate census.

- We continue to work with the Bella Vista Library Foundation in their quest to build a much needed addition to our library.
- We plan to remount another ambulance to ensure that our equipment is up-to-date to provide the very best of service to our residents.
- Work continues on the Under 11 fifty miles of trails within the central part of the city.

As always, I extend our thanks to the many volunteers in our community who tirelessly help with the Animal Shelter, trail maintenance, the recycling center, the museum, our churches, community groups and service clubs. Our community is strong. We stand firm in one spirit, striving side by side for goodness.

**Truly, without question, BELLA VISTA is indeed *"A PLACE TO CALL HOME!"***