Chapter 2

Financial Stewardship by Benjamin Hunt

Funding the Future of Bella Vista
"A budget is more than a financial document. It is a statement of priorities."

Chapter Overview

Every successful city begins with sound financial leadership in different areas.

- The quality of our roads
- The reliability of our water system
- The capacity of our sewer infrastructure
- The strength of our police and fire departments
- The efficiency of our permitting process
- The technology available to serve residents

Every one of these depends upon financial planning.

This chapter is mainly about financial philosophy and evaluation. As Mayor, I will view every financial decision through one simple question: Does this financial decision improve the lives of our residents today while preparing Bella Vista for tomorrow?

Financial stewardship is not about spending less. Nor is it about spending more.
It is about spending wisely. It is about creating long-term value. It is about protecting taxpayers while ensuring our city has the resources necessary to support continued growth over the next twenty years.

Mission

To build one of the most financially stable, transparent, efficient, and forward-thinking municipal governments in Arkansas by planning responsibly, investing strategically, and maximizing every taxpayer dollar.

The Twenty-Year Financial Challenge

Bella Vista is growing rapidly and growth creates opportunity. It also creates financial responsibility.

More residents require:

- More roads
- More water capacity
- More sewer capacity
- More police officers
- More firefighters
- More equipment
- More parks
- More technology
- More facilities
- More maintenance
- More long-term capital investment

If we wait until infrastructure reaches capacity, costs increase dramatically.
The financially responsible approach is to anticipate future needs before they become emergencies.

Planning ahead protects taxpayers.

Financial Philosophy

My administration will operate under seven financial principles.

1. Live Within Our Means

- Balanced budgets should be the standard.
- Debt should be used strategically—not routinely.
- Every recurring expense should have a sustainable funding source.

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2. Invest Before Problems Become Crises
Deferred maintenance is one of the most expensive decisions a government can make.

- Roads
- Water

- Sewer
- Buildings
- Vehicles
- Technology

Replacing assets before failure reduces long-term costs and improves service.

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3. Build Financial Capacity
The goal is not simply to save money. The goal is to create the financial capacity to invest in Bella Vista's future. Every financial decision should strengthen the City's ability to improve services over the next twenty years.

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4. Diversify Revenue
Long-term financial health depends upon a diversified revenue base.

My administration will aggressively pursue:

- Commercial development
- Sales tax growth
- Tourism revenue
- State and federal grants
- Public-private partnerships
- Economic development opportunities
- Responsible investment of existing assets

The broader our revenue base, the less pressure exists on property owners.

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5. Measure Return on Investment
Every major expenditure should answer one question: What value does this create for our residents? Projects should be evaluated based upon measurable outcomes rather than tradition or political popularity.

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6. Practice Complete Transparency
Residents deserve to know how their money is being spent.

My administration will support:

- Public financial dashboards
- Quarterly financial reports
- Capital project updates
- Budget performance metrics
- Grant tracking
- Debt reporting
- Reserve reporting

Transparency builds trust.

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7. Prepare for the Unexpected

- Economic downturns
- Natural disasters
- Infrastructure failures
- Inflation
- Interest rate changes
- Prepared governments recover faster

Strong reserve policies protect essential services during difficult times.

Revenue Growth Strategy
One of the greatest financial opportunities facing Bella Vista is growing our tax base without increasing tax rates.

That means attracting:

- High-quality commercial development
- Destination businesses
- Tourism investment
- Professional services
- Hospitality
- Outdoor recreation businesses
- Medical facilities
- Technology employers

Economic growth creates additional revenue that benefits every resident.
As Mayor, I will focus not only on controlling expenses but also on expanding opportunities for responsible revenue growth.

Capital Improvement Planning
Major infrastructure should never be funded one project at a time.
My administration will maintain a rolling Capital Improvement Program (CIP) that identifies priorities over the next:

- 5 years
- 10 years
- 20 years

The Capital Improvement Program will include:

- Roads
- Bridges
- Water
- Sewer
- Public safety facilities
- Technology infrastructure
- Fleet replacement
- Parks
- Public buildings

Every project will include estimated costs, funding sources, timelines, and measurable benefits.

Financial Innovation
Modern financial management requires more than accounting. It requires information.

Technology will be used to improve:

- Budget forecasting
- Revenue analysis
- Capital planning
- Asset management
- Performance measurement
- Financial dashboards
- Procurement
- Purchasing
- Grant management

Data-driven decisions reduce waste and improve outcomes.

Financial Performance Measures
Success should be measurable.

Examples include:

- Balanced operating budget achieved annually.
- Healthy unrestricted fund balance maintained in accordance with Government Finance Officers Association (GFOA) best practices.
- Five-year Capital Improvement Program updated annually.
- Increased grant revenue.
- Growth in commercial tax base.
- Increased sales tax collections.
- Reduced deferred maintenance.
- Projects completed within budget.
- Improved bond rating when applicable.

Residents deserve measurable results.

Legal Authority
Bella Vista's financial management is governed by Arkansas law, local ordinances, generally accepted accounting principles (GAAP), and nationally recognized municipal finance standards.
Arkansas Constitution

- Arkansas Constitution, Article 12 – Governs municipal corporations and limits municipal indebtedness except as authorized by law.

Municipal Budgeting

- A.C.A. § 14-58-201 through § 14-58-203 – Requires municipalities to prepare, adopt, and administer annual operating budgets and provides the framework for municipal financial administration.

Municipal Purchasing

- A.C.A. § 14-58-303 – Establishes purchasing and competitive bidding requirements for cities, helping ensure transparency and stewardship of public funds.

Municipal Accounting

- A.C.A. § 14-59-101 through § 14-59-119 – The Arkansas Municipal Accounting Law, establishing uniform accounting procedures, financial reporting, internal controls, and fiscal accountability for municipalities.

Investment of Public Funds

- A.C.A. § 19-1-501 et seq. – Authorizes municipalities to invest public funds in approved investment vehicles while protecting public resources.

Municipal Bonds

- Arkansas Constitution, Amendment 62 – Authorizes local governments, with voter approval where required, to issue capital improvement bonds for public projects.

Economic Development

- Arkansas Constitution, Amendment 97 – Provides authority for municipalities to participate in economic development projects and incentives within constitutional limits.

National Best Practices
My administration will align financial management with nationally recognized standards, including:

- Government Finance Officers Association (GFOA) – Distinguished Budget Presentation Award principles, long-range financial planning, capital improvement programming, reserve policies, and financial transparency.
- Governmental Accounting Standards Board (GASB) – Financial reporting and accounting standards.
- Generally Accepted Accounting Principles (GAAP) – Consistent, transparent financial management.
- These standards represent proven practices used by some of the highest-performing local governments in America.

First 100 Days

- Conduct a comprehensive financial assessment.
- Review all reserve policies.
- Evaluate all outstanding debt obligations.

- Begin development of a twenty-year financial forecast.
- Initiate a citywide Capital Improvement Program.
- Review grant opportunities.
- Evaluate A&P revenue strategy.
- Launch a public financial transparency dashboard.
- Review procurement and purchasing procedures for efficiency and accountability.

Measuring Success

Residents should experience the benefits of responsible financial management through:

- Better infrastructure
- Lower long-term costs
- Greater transparency
- More predictable budgeting
- Increased investment in public safety
- Improved customer service
- Strong financial reserves
- Sustainable growth without unnecessary financial risk

Closing Thoughts

Money is not the goal. Money is the tool. The true measure of financial stewardship is not how much government spends or saves. It is whether those resources improve the quality of life for the people who live here. Every budget reflects our priorities and under my administration, our highest priority will always remain the same: *Prioritizing Our Residents.*