

MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

May 25, 2010

1) Call to Order

The Budget & Finance Committee met in the Fishbowl Conference Room of City Hall, Tuesday, May 25, 2010 at 10:00 a.m.

2) Roll Call

Committee Members present: Mayor Raeanne Presley, Bob Simmons, Brian Blankenship, and Sandy Bruns.

Members absent: Mike Booth

Also present: Dean Kruthof, Lori Helle, Jamie Rouch, Bill Derbins, Bill Tirone, Tom Laughlin, Chief Carl Sparks, Jim Lawson, Garrett Anderson, Linda Randolph, Carl Garrett, Jerry Adams and Nancy Haskin.

3) Discussion of Highway 76 Leases

Garrett Anderson presented his report on the renewals of three (3) of the West Highway 76 leases (formerly called Old Airport Leases). These are the Mickey Gilley property; the Lodge of the Ozarks; and the Hughes Brothers Theatre.

Mickey Gilley:

As Garrett had explained at a previous meeting, Mickey Gilley had requested a renewal in order to secure some financing to upgrade the property containing the Mickey Gilley Theatre and Gilley's Texas Café. Mickey's revenue has been decreasing for the past few years, but he is determined to stay in Branson. In an effort to '*support, simplify, and standardize*' all theatre agreements, Garrett's proposal for renewal was a base lease of \$25,000 per month, plus 3% of gross receipts, with a minimum of \$50,000 which will increase \$5,000 every five (5) years. The renewal would be from Gilley's renewal date of _____ forward 35 years.

Hughes Brothers Theatre:

Lena Hughes has expressed a desire to renew prior to the expiration date of the current lease, as they want to do some remodeling and upgrade the theatre in order to enable them to keep their current leased shows and/or attract new talent. Without a long-term commitment from the City, they will be unable to secure necessary financing. Their current lease was a monthly base plus a percentage sliding scale of gross receipts. Garrett's proposal is to keep the \$25,000 monthly base lease, plus 3% of gross receipts, with a minimum of \$50,000 which will increase \$5,000 every five (5) years. The renewal would be from Hughes renewal date of _____ forward 35 years.

Lodge of the Ozarks:

The Lodge of the Ozarks has been owned and operated by Morrell Hospitality for approximately three (3) years. They have also expressed a desire to upgrade their property, expand their business holdings in Branson, and desire a long-term commitment from the City of Branson regarding the leased land. They have had a base rent of \$25,000 per month plus a sliding scale percentage of gross receipts. After much discussion, the committee concluded that they were willing to change the terms of the renewal as follows: base of \$25,000

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monthly, plus 3% of gross receipts up to and including Four Million dollars and 2% of gross receipts **over** Four Million Dollars, with a minimum of \$50,000 which will increase \$5,000 every five (5) years.

All of the above mentioned lease renewals will be for a term of 35 years, and will contain a statement of intent, not a commitment, for renewal option that can be exercised five years prior to lease expiration.

The committee recommended the above proposals to the Board of Aldermen. They also asked that Garrett check to see if there will be any conflict of interest on the Board of Aldermen regarding this item.

4) Discussion of Revenues

A. Sources

This item was moved to a Special called meeting, date to be determined.

B. Proposed Changes

Health Fees:

Linda Randolph from Taney County Health Department discussed several fee changes and proposed new fees for the City of Branson. Re-inspection fees, for food facilities with repeated failed inspections, would be implemented at \$50 per repeat visit; violators can also be written a citation and a fine would be imposed through the court system. Fee increases for routine yearly restaurant inspections were approved as follows: (1) High risk, from \$250 to \$300; (2) Medium risk, from \$150 to \$200; (3) Low risk, from \$50 to \$75.

New pre-open fees were approved for the following business types: (1) Massage/ Body Art, \$50 (2) Swimming Pools & Spas, \$75 (3) Water Parks, \$150 (4) Food Establishments, \$125 and (5) Animal Establishments, \$100. These fees will cover the numerous trips that are required prior to opening a business.

Routine inspection fee increases for swimming pools, both indoor and outdoor, and body art facilities were approved as follows: (1) Body Art, from \$50 to \$75; (2) Outdoor pools, from \$25 annual to \$75 (based on \$25 per visit for 3 inspections per year); and (3) Indoor pools, from \$25 annual to \$100 (based on \$25 per visit for 4 inspections per year).

All of the above proposed new fees and fee increases were recommended by the committee for the Board of Aldermen.

A discussion was held regarding animals running at large and the fees charged for the impounding of the animals, especially repeat offenders. Linda will do more research on this and determine how costs can be covered. Owners can be issued citations and be required to appear in court.

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Fire Department:

Chief Carl Sparks recommended three (3) new fees and an increase of ten (10) others. Due diligence had been done to document that costs were being covered. The new fees are for (1) Carnivals & Fairs, \$50; (2) Covered Mall Buildings, \$50; and (3) Liquid or Gas Equipment in Assembly, \$100. The committee approved the proposed new fees as well as the various fee increases, and recommend these be forwarded to the Board of Aldermen.

Planning & Development Department:

Jim Lawson reported that there have been no fee increases in approximately 13 years. Because of that fact, current fees are very low compared to the costs incurred to administer the fee application. Jim presented a chart showing the proposed fee increases needed to cover both 50% of costs and 100% of costs. Following a discussion on this, the committee recommended to raise fees where necessary, or implement the proposed new fees, to cover a minimum of 50% of costs at this time. Lori Helle suggested she write a "Fee Policy" to be used by all departments as to the structure of fees charged, and the implementation of fee increases. The committee recommends the above proposal to the Board of Aldermen. A discussion was held regarding impact fees, and this will be continued at a later date.

Business Licenses:

This item was not discussed and will be reviewed at a later date.

5) Discussion of Utility Code Changes

This item was moved to a Special called meeting, date to be determined.

6) Discussion of proposed Tourism Tax Deposit

This item was moved to a Special called meeting, date to be determined.

7) Regular Reports:

A. Minutes

The minutes were approved on a motion by Sandy Bruns and seconded by Bob Simmons. Motion carried.

B. Monthly Sales & Tourism Tax Reports

This item was not discussed, but the reports were delivered to the committee prior to the meeting.

C. Presentation & Discussion of Monthly Financial Reports – April 2010

This item was not discussed, but the reports were delivered to the committee prior to the meeting.

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8) Review of Disbursements and Approval of Disbursements \$50,000 and over

The disbursements were approved on a motion by Brian Blankenship and seconded by Sandy Bruns. Motion carried.

9) Discussion of Convention Center April 2010 financials

Bill Derbins reported that April, 2010 had been a good month. It was up approximately \$196,000 all to the bottom line and year-to-date is ahead of budget. Bill expressed some concern that May was somewhat slow, June will be tight, but he assured the committee that July and August should be good. Tom Laughlin, Hilton Regional Vice President explained that, due to the economy, Hilton is now doing a "rolling forecast" for all properties each month. This enables management to stay more in tune with the volatile economy and forecast with a better degree of accuracy.

The surveys, filled out by meeting planners, are now being tracked and analyzed. The parking garage is still somewhat of a problem from time to time. This is being handled by collecting upon arrival when there are functions being held, and the gates are then left open for their departure. Bill reported that there are approximately thirty (30) leased parking spaces in the garage at this time. Bill Tirone informed the committee that the Branson Chamber of Commerce Flash Facts will soon contain a column "*What's Happening in Branson?*" and a listing of Convention Center events and the number of attendees will be published weekly.

10) Finance Director's Report

There was no report for this item.

11) Adjourn

Dean Kruithof moved the meeting adjourn, with the next regular meeting to be held Tuesday, June 22, 2010.