

MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

November 24, 2009

1) Call to Order

The Budget & Finance Committee met in the Fishbowl Conference Room of City Hall, Tuesday, November 24, 2009 at 10:00 a.m.

2) Roll Call

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

Also present: Dean Kruithof, Lori Helle, Jamie Rouch, Sandra Williams, Bill Tirone, Carl Garrett, and Nancy Haskin.

3) Discussion of Convention Center September 2009 financials

Bill Tirone gave the report on the Convention Center, and began by distributing the Summary of 2009, as had been requested by the committee. This contained great information, and Mayor Presley asked Bill to share it with the Chamber of Commerce as well.

Bill reported back, as requested, regarding prices on changes to the signage. The price from Sharp, the company that installed the interior hallway signage, was \$1,800 to add additional signage for the meeting rooms. A discussion was held, and Lori informed the committee that this expense would have to come out of the operating budget. The price to move the exterior data sign was \$6,355 for the move only, plus the unknown expense of moving the data components and cables. This expense would not be Capital; it would be considered maintenance. In order to be effective, a new sign would be needed, which would have to meet the City of Branson sign code. **Dean Kruithof will check with Jim Lawson and report back to the committee.** **Jim Lawson said that the sign is small and could be moved to a wall of the hotel complex. Or, if it should become a ground mounted sign, he would need to look at the details of where it would be located, but was hopeful a viable solution could be reached. In the downtown location of the Hilton/Convention Center, the setback for a pole sign is 10 feet; a monument sign is 15 feet; and a new sign would have to be 300 feet from the existing sign. The LED sign could be incorporated with the existing monument sign in front of the Hilton.**

Bill reported that a Christmas gift show, free to the public, will be held at the Convention Center for 5 days over the Thanksgiving holiday. Also Extreme will be holding their convention between Christmas and New Years. This is a Christian rock convention and is already sold out. Bill stated that November is up from last year, but is not meeting budget at this point.

4) Presentation of Branson Convention Center 12 month 2009 & 12 month 2010 Budget

The 2009 Convention Center budget was approved by the Finance Committee in March, 2009, but never went to the Board of Aldermen due to the discussion of re-allocation.

Jamie Rouch, Assistant Finance Director, compared the 3 month 2009 Convention Center budget to the city's 3 month 2010 budget, and reported that overall it is positive, but is down \$100,000 net to forecast. The reason for a great deal of these losses is in the local market, such as one-day events, weddings, holiday parties, etc. Jamie reported that revenue is down;

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expenditures budgeted are down; and that the City plugged in conservative budget numbers. It is important to track closely, and she will need to amend the City budget to reflect the Convention Center budget numbers.

Mayor Presley inquired as to the content of the Marketing budget number, and it was explained the number included sales staff salaries and benefits, plus tourism marketing, advertising, trade show expense, sponsorships, dues, etc. A discussion was held regarding the Capital Reserve. Lori Helle and Dean Kruithof expressed their desire to hold the \$300,000 difference in budget as a Reserve in the 2010 Convention Center Fund of the City budget.

Bill reported that Trofi restaurant is back up and running again, and that the booking pace for events is much better than last year.

Sandy Bruns made the motion to approve the Convention Center 2010 budget; seconded by Bob Simmons; motion passed.

5) Regular Reports:

A. Minutes

Before approving the minutes of October 27, 2009, Mayor Presley referenced item #7 and asked that the original Branson Landing Financing Plan revenue forecast be discussed at a later meeting, especially the projections that appear to be off. She also asked that the City try to limit the travel of Rick McConnell with Gilmore & Bell, who charges \$240 per hour. Sandra Williams pointed out that Gilmore & Bell have turned in bills in three budget years. **Lori Helle will report back at the next meeting regarding the Branson Landing projections.** She also explained that some of the 2003A specifically can be covered by Tourism revenue, if need be.

Dean Kruithof clarified the refinancing of the 1998B bonds as referenced in Item #7. He stated they are waiting on a new rating, and are hoping for a low A, which could mean a savings of \$300,000 - \$500,000. He is hopeful that if the City gets the rating and can go to market, a Special Board of Aldermen meeting will be held on Thursday, December 17 to approve the refinancing. A first and second reading would be done at the same meeting, with the approval of the Finance Committee. Brian Blankenship moved to approve the refinancing of the 1998B bonds contingent that the final rates are a savings to City of Branson; seconded by Bob Simmons; motion passed.

B. Monthly Tax Reports

Carl Garrett gave a brief overview of the sales and tourism tax reports, and stated that the City is getting the information from the State later each month. Sales tax is up .5% compared to 2009 for September activity, but down 6% for the fiscal year. Tourism tax is down 18.8% for September activity, but because October was a quarter month end, returns did not have to be postmarked until 11/2/2009.

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

(October 29, 2009; November 5, 2009; November 9, 2009; November 12, 2009; November 19, 2009)

Disbursements were approved after discussion of the Stampede Inn LLC disbursement of \$1,014,010.82. This was awarded in a jury trial for the condemnation of a strip of land between the Silver Fountain Inn and Ozark Mountain Inn, which was needed for the Fall Creek Road Extension.

7) Presentation & Discussion of Monthly Financial Reports (October 2009)

Lori Helle reported that revenues as of October 31 were at 37%, which is 4% above the 33% expectation. As reported earlier, the City is holding off on any unnecessary expenditures. She informed the committee that she will have a better feel of the overall situation in February or March of 2010. Lori also reported the Capital Improvement Plan will go to the Board of Aldermen at the December 8th meeting. The point was clarified that the Board is not approving the shifting of money to initiate Capital Improvements; they are only approving the Plan. A discussion was held regarding Sandra Williams inquiry as to why the City did not spend down the Internal Service Fund.

8) Discussion of Branson Meadows TIF allocations – Rue 21

Lori Helle informed the committee that Rue 21 moved from Pat Nash location (Red Roof Mall) to Branson Hills, located next to Bed, Bath & Beyond, and is asking for a decision on how revenue will be applied to the TIF. The question is whether all revenue will be allocated to the TIF or only the increment of revenue from Branson Hills location that is more than the Red Roof Mall location. Missouri State law states in part ... that this can be decided business by business. Dean Kruithof stated his recommendation was for only the incremental revenue to go to the TIF; stated such as a motion, seconded by Brian Blankenship, and motion passed.

9) Discussion of Investments

Lori informed the committee of her meeting with Jim Koetting, a Financial Investment Advisor, who is interested in helping the City invest their funds to receive the highest yield. She also distributed copies of a booklet, *Public Fund Investing for Dummies*, written by Mr. Koetting. After discussion, the committee asked Lori to check the backgrounds (through the SEC, etc.) of all investment advisors interested in working with the City. Lori explained that she is now using the Bond Documents Policy for investments, and she had talked to the Bond Trustee.

Lori will provide the committee with Jim Koetting's proposal at the January 5th meeting, and investment policy will be discussed at that time. This is on the January 5, 2010 agenda.

10) Finance Director's Report

Lori informed the committee of some changes to the 2010 Tourism Tax reporting form. The major change is that theatres will be reporting and listing by each show/performer appearing in their theatre for which they are responsible for paying the taxes, instead of a total figure. Also, theatres will list gift shop and CD/show merchandise sales as a separate line item. The new forms also plainly state that penalty and interest will be added on the first day following

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the due date, which is a change from previous years when the P&I did not start until the seventh day of the month following the due date. Many taxpayers had realized this was the case, and purposely would not pay until the very last day.

Clarification as to what is exempt from tourism tax, especially in the lodging industry, was discussed. Mayor Presley expressed some concern regarding this, and asked that nothing go out to the lodging industry until this matter can be looked into further. **Lori will do more research as to what is exempt from tourism tax and report back. Also, Lori will get Mayor Presley a copy of the Teasdale letter. Gilmore & Bell is researching and will provide a legal opinion soon.**

11) Adjourn

The meeting was adjourned. The next meeting will held January 5, 2010 at 10 a.m.