

# MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

March 24, 2009

## 1) Call to Order

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

## 2) Roll Call

Members present: Mayor Raeanne Presley, Stephen Marshall, Sandra Williams, Bob Simmons, and Mike Davis.

Also present: Dean Kruithof, Lori Helle, Jamie Rouch, Bill Derbins, Bill Tirone, Yessenia Cruz, Harlen Slavins, Jann Clark, Jerry Adams, and Nancy Haskin.

## 3) Discussion of Convention Center January 2009 financials.

The January financials were reviewed as Bill Derbins went over the provided questions and answers. Several questions, listed below, required further explanation and discussion.

Question 1 regarding why beverage cost was higher than budget was explained. A group, AIMS, had received a package price, and it was rung up as beverage. This will be corrected on the March statement.

The question (#2) asking why there was a need for leased labor was discussed at length. Bill feels the expense is offset by a savings in hourly expense. They are using mostly temp personnel from Penmac at this time. On the Convention Center budget, leased labor is forecast starting in April. **Stephen Marshall inquired if Penmac is using E-Verify. Since the Convention Center is city owned, even contract employees would fall under the ruling. Penmac Personnel runs E-Verify on every job applicant. They even have signs posted in their lobby in English & Spanish advising all applicants it will be run.**

Question #4 regarding why management level wages are over budget was explained. This will change beginning in April, as there will no longer be a F&B Director.

The rest of the provided questions and answers were accepted with little or no discussion.

It was noted that many of the questions were answered by stating that there had been an error in posting data, and it would be corrected in the next period. The question was raised as to why this seemed to occur so often. Yessenia responded that they are operating four (4) business units, which is a very complex situation, and is new to the Hilton. She is trying hard to correct past accounting errors and have the entries stay consistent.

A discussion was held regarding the timeliness of the questions and answers and also the monthly Convention Center financials. The committee needs these prior to the meeting in order to be better prepared. In order for this to take place, Jamie and Lori need the questions from committee members a minimum of two and a half weeks before the next Finance meeting so that they can add their questions and forward them to Bill. Bill needs to receive them no less than two weeks prior so that he can research the answers and get them back to the City. This way they can be delivered to the committee several days prior to the meeting. Dean brought up the possibility of moving the Finance Committee meeting date to earlier in

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the month, in the hopes it might help alleviate the timing problem. After much discussion, the decision was made to keep the meetings the same, the fourth Tuesday of every month

Bill Derbins reported back on questions brought forth at the previous meeting. The first one was the metering of the laundry. Bill stated it would require two (2) meters with an approximate cost of \$4539 for water and \$10,052 for electric. The propane is already run direct to sub-meters for the hotel, convention center kitchen, and laundry.

Bill had received the bids for new equipment for the parking garage, which ranged from \$80,000 to \$280,000. The two lower bids were from the company they are using now, with the highest bid received from Schlumberger. **Stephen asked who had spec'd the equipment in the beginning.** **Dean reported per David Miller that Jim Martin with Benham Co. had written the specifications for the parking garage.** The expense of the current equipment, when in need of repair, occurs because the only available maintenance company is in Kansas City. This is expensive, but also requires additional time. Bill Derbins is going to check on the system that is currently being used at Branson Landing. Another possibility is using a live person at each gate from possibly 7 am until 11 pm.

#### 4) Discussion of Convention Center Liberty Contract.

At the present time, Hilton does not require clients to use the AV vendor, Liberty. Their information is forwarded to client, and is recommended by the sales manager, but there is not a requirement that Liberty be allowed to bid the event. **The committee would like to have a copy of the approved booking policy used by Hilton. This is the Hilton booking policy and a copy is not available to the City. We can look at it, and we will be doing spot audits of the Convention Center to be sure they are following the policy.**

#### 5) Regular Reports:

##### A. Minutes

Dean asked that future minutes indicate the responses to questions presented.

##### B. Monthly 1% Sales Tax Trend

##### C. General Sales Rolling Annual Trend

##### D. Tourism Tax Revenue Rolling Annual Trend

There was discussion relating to the trends, especially the "shift" as shown on the Rolling 12. The committee agreed it is important in the upcoming years for Branson to work toward diversification.

#### 6) Review of Disbursements: (February 26, 2009; March 5, 2009; March 12, 2009; March 19, 2009)

The disbursements were approved as presented. **The committee requested information on the status of the TanStone contract, and how much has been paid to date. The Development Agreement original amount was \$1,908,610.00. To date, including the 4/16/09 check, there has been \$1,031,247.06 paid, with a balance remaining of \$877,362.94.**

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## 7) Presentation and Discussion of Monthly Financial Reports (January 2009 and February 2009)

A discussion was held regarding the February 2009 statement. Lori reported that expenses are still being held down and she and Dean are keeping a close eye on every financial aspect. Next year the Convention Center will be shown as a separate fund, which should make things much easier to see all activity of the convention center.

**The question was raised why there is negative interest income in the Water/Sewer Fund.**

**The negative interest is due to the Paid on Deposits. This account is a sub account of the interest so it nets with the Interest Income, so for example in 2007, we had 13,957.63 in interest on water and -18440.45 in Paid on Deposit-so the total interest was -4,482.82. In 2009 however we had 16906.25 in Interest on Water and -10,177.34 in Paid on Deposit so the total was 6,728.91.**

A discussion was held regarding how the Internal Service Fund is being used. Lori explained that it is not available cash, but monies moved from departments and set aside for capital equipment. **It was recommended that the Board approve a policy on this Fund in time for the 2010 budget.**

Lori announced the audit of the City by Cochran, Head & Vick is complete and will be submitted to GFOA on Tuesday, March 31<sup>st</sup>. Dave Cochran and Mike Keenan will attend the April 28<sup>th</sup> Finance Committee meeting and City Council to present the audit findings.

The Convention Center audit is scheduled to begin Wednesday, March 25<sup>th</sup>.

The 2010 budget process will begin around the first to middle of May and will be on the agenda for the next committee meeting. A retreat needs to be scheduled soon to discuss the forecast and policies for FY 2010.

## 8) Review of Financial Policies

Lori reported that she is, and will continue to be, working on bringing the City's financial policies up to date and will "memorialize" them. She plans to have them completed before starting the 2010 budget.

## 9) Discussion of previous State audits

Lori has reviewed the previous State audits and feels that most of the auditor's comments and recommendations are being met. She does feel there needs to be a cell phone policy written and put in place.

## 10) Requests for agenda items to be placed on future agendas

There were no requests for future agenda items.

## 11) Adjourn

The next meeting will be held on Tuesday, April 28, 2009 at 10:00 a.m. The meeting adjourned at 11:50 a.m.