

# MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

January 26, 2010

## 1) Call to Order

The Budget & Finance Committee met in the Fishbowl Conference Room of City Hall, Tuesday, January 26, 2010 at 10:00 a.m.

## 2) Roll Call

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

Also present: Dean Kruithof, Lori Helle, Bill Derbins, Bill Tirone, Carl Garrett, Nancy Haskin, Jerry Adams, and Jann Clark.

## 3) Discussion of Tax-Exempt Bond Compliance Policy

Lori reported that the IRS has imposed new regulations and the proposed Tax-Exempt Bond Compliance Policy will bring the City of Branson into compliance. The City asked Gilmore & Bell, P. C. who specialize in bonds, to assist in developing and implementing these policies and procedures; they will also train key staff on this new policy and help with the implementation of the policy. The cost for this service is \$8,000 and was budgeted in 2010. After discussion, Bob Simmons made the motion to recommend this policy to the Board of Aldermen. The motion was seconded by Brian Blankenship, motion passed.

## 4) Discussion of Investment Policy:

Lori Helle explained that the City of Branson's Investment Policy needed to be updated to add clarification and guidance to the investment officer. She has worked hard to bring the policy up to date; modeled it after several other cities; followed the Association of Public Treasurers recommended structure; had the policy reviewed by two investment firms; and incorporated the input and recommendations of the Finance Committee. She highlighted the major changes/additions to the policy for the committee, and discussion was held on each. The committee had recommended a glossary be added to the policy and this was done.

The committee recommended the liquidity be 1.5 times the highest monthly average of expenses. They stated they consider CD's liquid, not a market risk. They also recommended an addition to *IV. Authorized Financial Institutions* of the policy to add that the Finance Director could remove an institution "for good cause".

A discussion was held on section *VI. Investment Parameters* regarding the frequency of the Finance Director reporting to the City Administrator and the Finance Committee. As written, it stated "at least semi-annually", and after discussion, it was approved as written.

Sandy Bruns recommended that an Investment Safe-keeper be considered to do the monthly market-to-market analysis, which is very time consuming. It was decided to include this service in the RFP for banking services that will be going out in the next few weeks.

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Motion was made by Sandy Bruns, seconded by Brian Blankenship to recommend the revised Investment Policy to the Board of Aldermen. Motion passed. A final copy of the policy will be provided to the members of the Finance Committee.

**5) Discussion of Debt Service Reserve Fund Investments.**

This is tied to the Investment Policy and Lori Helle is contacting local and regional banks and investment firms interested in handling investments for the City of Branson. Those replying will provide the requested documentation to be approved as an authorized financial institution.

**6) Discussion of Licensing & Tourism Tax Code Changes**

Carl Garrett highlighted some of the proposed changes to the Licensing & Tourism Tax Code. These would strengthen the City's position in collection of tourism tax; close the gap on missed opportunities to collect from closed businesses; stop the pro-ration of license fees, thus increasing revenue; and avoid confusion by changing the due date for tourism tax to be the 20<sup>th</sup> of the following month, and eliminate the quarterly months not being due until the last day of the following month.

Several items will be discussed in more depth at the February meeting. Carl will provide more information regarding different ways to calculate the business license fees; requiring businesses that operate regular routes in Branson to be licensed, example would be Schwan's; and having businesses that operate several businesses under one licensed umbrella business name/corporation license each business name.

**7) Discussion of Revenues**

This item was moved to the February 23, 2010 meeting.

**8) Discussion of Convention Center November, 2009 Financials**

Bill Derbins reported on the November 2009 Convention Center financials stating November was down \$127,000 to the forecast and December is down approximately \$50,000. Due to the weather, January is an "off" month, but February is looking better.

Beginning with the February 3, 2010 edition of the Branson Tri-Lakes News, there will be a monthly listing of the upcoming events to be held in the Convention Center. This is a great public service, and hopefully will help keep the Branson community aware ahead of time of upcoming events.

With the change of the City of Branson fiscal year, the Convention Center financials presented at the Finance Committee should no longer be two (2) months in arrears. Both December, 2009 and January, 2010 will be discussed at the February 23, 2010.

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## 9) Regular Reports:

### A. Minutes

The minutes of the January 5, 2010 Finance Committee were approved.

### B. Monthly Tax Reports

Carl Garrett reported the sales tax and tourism tax receipts; and reported that the December sales tax figures should be received the end of the of first week in February.

### C. Discussion of Monthly Financial Reports (December 2009)

Lori Helle presented the December 2009 Monthly Financial Reports.

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

(November 30, 2009; December 4, 2009; December 10, 2009; December 18, 2009; & December 23, 2009)

Disbursements were approved. The Finance Committee and Mayor Presley asked to see some of the Branson Landing Fountain Maintenance invoices. These will be provided at the February 23<sup>rd</sup> meeting.

## 11) Finance Director's Report

Dean Kruithof reported on the refinancing of the 1998B bonds. Dean received a call from Kevin Faught with Stephens, Inc., and they had an offer on the table for the entire package at 3.850% resulting in a net savings of approximately \$300,000. After discussion, Mike Booth moved to accept the offer and refinance now. The motion was seconded by Bob Simmons, motion passed.

## 12) Adjourn

The meeting was adjourned, with the next meeting to be held Tuesday, February 23, 2010 at 10:00 a.m. in the Fish Bowl.