

MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

January 5, 2010

1) Call to Order

The Budget & Finance Committee met in the Fishbowl Conference Room of City Hall, Tuesday, January 5, 2010 at 10:00 a.m.

2) Roll Call

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

Member absent: Brian Blankenship

Also present: Dean Kruithof, Lori Helle, Jamie Rouch, Alderman Mike Booth, Bill Derbins, Bill Tirone, Yessenia Cruz, Carl Garrett, and Nancy Haskin.

3) Discussion of Convention Center October 2009 financials

Bill Derbins reported on the Convention Center October financials, stating that through October, year-to-date is \$2,227 better than the anticipated loss. Bill stated the booking pace is ahead of last year. The November revenue numbers are down, but the bottom line is up from projections, and they are "holding their own". Dean Kruithof volunteered to furnish the Dom Perignon if the Convention Center EVER turns a profit. This generated a round of applause.

There have been no major cancellations in December, January or February. The Conklin meeting cancelled last February, but they have rebooked in February, 2010 and February, 2011. The EXTREME group brought in approximately 4,600 kids, and concession revenues were very good. It was noted that the community as a whole was not aware of this convention and how many people it would bring to town. Restaurants were not staffed to provide adequate service. A newspaper listing of upcoming events and public service radio spots were two of the ways of keeping the public up to date on events being held at the Convention Center that were discussed. It is important that business owners and managers are aware of an upcoming influx of people, especially in the slow season, in order to provide good service to guests. Many local businesses operate with minimum staff during the "off" season and are not prepared for handle a large crowd. Not having proper staffing is a poor reflection on the City of Branson as a whole.

4) Regular Reports:

A. Minutes

The minutes were approved with discussion. Tourism tax, as it relates to lodging, is being checked into by Gilmore & Bell, after a question arose as to what items are taxable. This has been an on-going discussion, with differing legal opinions. This matter more than likely will end up being Gilmore & Bell's interpretation of an existing law, with a recommendation from the Finance Committee to the Board of Aldermen.

B. Monthly Tax Reports

Carl Garrett gave a brief overview of the sales and tourism tax reports, and stated that the reports are now on a calendar basis. The sales tax for October sales was down 13%, and

MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

January 5, 2010

down year-to-date 2.8%. The tourism tax for November sales was down 3.5% and YTD down 8.3%. Amusements are down approximately 16% while the theatres are split with roughly half of them up, and the other half down. Campgrounds are up for the period.

Bob Simmons noted that since March, Branson Hills has been outselling Branson Landing, and from that TIF area, the City does receive ½%, while 100% of the tax dollars from Branson Landing go directly to repay the bonds. It is hoped that Branson Landing is becoming a tourist destination; and ways can be found to build back the core area that is declining. It appears that Branson Hills is taking business away from the rest of Branson. At this time, Tanger Mall is still a “bright spot”. Mike Booth asked what would have to be done to bring back Factory Merchants Mall (Red Roof). Retail locations have greatly declined at Branson Meadows and Factory Merchants, both owned by Chelsea Properties.

Mayor Presley asked when the City was to start receiving the annual lease payment from Branson Landing. The base rent payment of \$252,000 was due January 2, 2010 and received January 15, 2010. The City has 90 days to provide HCW with the calculations for the amount due based on the % of sales. This was provided to HCW on January 14, 2010 and is due upon receipt. HCW now owes interest on the late base rent payment, and all monies due the City of Branson are due and payable no later than January 29, 2010. This has been conveyed via certified letter to HCW.

5) 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 after discussion. Bob Simmons asked who approved the final payments on projects, with the answer being the City Engineer determines when the final retainage is paid. Bob questioned why the final payment was made on the Skaggs/Cahill trail when the work is not complete. According to Cheryl in Engineering Department, this project was complete as of September 17, 2009.

6) Discussion of Monthly Financial Reporting

Lori Helle discussed with the committee the format of her financial reporting - looking for some direction from the committee to be sure it is clear, understandable, and concise. When she presents her monthly report before the Board of Aldermen, she is often asked questions pertaining to a different period than the one she is reporting, and she does not have the answers immediately at her disposal. She asked if charts or graphs would be more self-explanatory, and the committee agreed they might, but the Board would need to see them before the meeting, not receive them that night.

Because of the month end close and the preparation time, there is a lag time before the presentation to the Board. The committee expressed that a concise report on the “current” tax revenues and Convention Center status might be more beneficial than giving a full financial report on previous months. This type of report would be more understandable by

MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

January 5, 2010

the citizens. The Board would still receive a copy of the full financial statements in their packets and could contact Lori with any questions or concerns.

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

A great deal of discussion was held regarding the monthly financial reports. The heart of this discussion was regarding the design and format of the reports. To some, they are very clear and present the information; to others, they are confusing and not understandable. The crux of the problem seems to be that most municipalities, including Branson, do not budget month-to-month. They budget annually – consequently, the monthly financial reports show budget as annual divided by the number of months.

Mayor Presley expressed concern of knowing when certain line items might be getting “in trouble” and cuts would need to be made. Lori explained that monthly she keeps a close eye on the budget by looking at the previous year “Actual” column versus current month and considering any unexpected expenditures due to things such weather, etc. She thoroughly analyzes each line item quarterly through her MD&A report, and confers with Administration on any concerns.

Bob Simmons noted that on the Non-Departmental line of the General Fund, the wording “includes Convention Center” needs to be removed. This was a copy and paste error and has been corrected.

The question was asked what was included in Non-Departmental, and Jamie Rouch is to get the answer to this by the next meeting. This is for the following: Health, 133,334; Telephone, 13,906; HTE, 17,146; and Salary Study, 6,750. The amount budgeted was incorrect and will be corrected in December, 2009.

Dean expressed his appreciation of the committee and assured them that he, Lori and Jamie try to always be accommodating when the committee asks for something different. Format and style of financial reporting is a work in progress, and transparency and clarity are very important.

8) Discussion of Tax-Exempt Bond Compliance Policy

This item was moved to the January 26, 2010 meeting.

9) Discussion of Five (5) Year TIF Report

Lori informed the committee she is hoping to do the report in February, 2010. It has to be posted in the newspaper weekly for four (4) weeks. This report must be done for all TIFs, and the minimum requirement is to only report on the progress of the project.

MINUTES

BUDGET & FINANCE COMMITTEE

CITY OF BRANSON, MISSOURI

January 5, 2010

Lori asked the committee for direction in whether to only report the required information, or to go ahead and do a full detailed report. Dean Kruithof stated his preference was to do the full report and present the public with as much information as possible. The complete report will give details of revenue, and should compare them to projections. Gilmore & Bell will be preparing the report with input from City staff, but this expense was not budgeted and will be expensive. **Lori will ask Gilmore & Bell for an estimate on a full report. The estimated amount from Gilmore & Bell is approximately \$6,700 for the full report.**

Mayor Presley stated that the Finance Committee will need to see the report and review it before it is presented in a Public Hearing.

10) Discussion of Investment Policy

Lori has put a tremendous amount of work into updating the Investment Policy. It is now very detailed and is in line with all GFOA recommendations. Committee members were asked to carefully read over the policy draft; submit any questions to Lori; and hopefully be ready to approve the policy as soon as possible as the City is losing money each month it is not investing City funds. **Sandy Bruns requested a Glossary be added to the policy and a requirement for a Certification costing \$300. The Glossary has been added and the Certification will be done after the policy is approved.**

11) Discussion of Debt Service Reserve Fund Investments

This item was moved to the January 26, 2010 meeting.

12) Discussion of Revenues

This item was moved to the January 26, 2010 meeting.

13) Discussion of GASB Changes

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

14) Adjourn

The meeting was adjourned, with the next meeting to be held Tuesday, January 26, 2010 at 10:00 a.m. in the Fish Bowl.