

MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF BRANSON, MISSOURI
January 28, 2016

1) Call to Order.

The meeting of the Budget & Finance Committee was held in the Municipal Courtroom of City Hall, Thursday, January 28, 2016 at 2:30 p.m. The meeting was called to order by Mayor Karen Best.

2) Roll Call.

Members present: Mayor Karen Best, Alderwoman Cris Bohinc, Alderman Patrick Parnell, City Administrator Bill Malinen, Rod Romine and Pamela Yancey. Members absent: None.

Also present: Finance Director Jamie Rouch, Stacy McAllister and Carl Garrett; Marc Mulherin & Daniel Armstrong of the Branson Convention Center.

3) Convention Center Unaudited Year End Financials 2015.

Marc Mulherin of the Branson Convention Center presented the year end 2015 summary of the convention center's financials and operations.

Marc explained the actual revenue for the Branson Convention Center was \$4,554,984 with a budget of \$4,182,300, which makes the variance \$372,684 above the budgeted amount. The actual expense was \$4,632,086 with a budget of \$4,867,841, which makes the variance \$235,755 below the budgeted amount. The loss of (\$77,102) exceeded the budgeted loss of (\$685,541.)

Marc then explained the comparison of the 2014 and 2015 actuals. The total revenue for 2014 was \$3,592,847 and \$4,554,984 in 2015, which is a variance of \$962,137 more in 2015 vs. 2014. The total expense for 2014 was \$4,670,114 and \$4,632,086 in 2015, which is a variance of \$38,028 less expense in 2015 vs. 2014. The loss in 2014 was (\$1,077,267) and (\$77,102) in 2015, which is a variance of (\$1,000,165) less in 2015 vs. 2014.

Marc went on to explain the business overview. Room rentals missed the 2015 budget by \$20,392 and exceeded the 2014 actual by \$57,803. Concessions missed the budget by \$24,832 and exceeded the 2014 actual by \$16,257. Catering exceeded the budget by \$426,965 and exceeded the 2014 actual by \$525,105, due to two city wide conventions in 2015, SYTA and ASCE. Parking exceeded the budget by \$49,491 and exceeded 2014 actual by \$52,013. Marc explained that event parking still continues to drive revenue in the area. Contracted services were under budget by \$72,494 and utilities were also under budget by 51,438.

Marc explained the Branson Convention Center was able to host the following significant events in 2015: 2nd Annual Branson Shootout Futsal Tournament, Conklin Companies, The Branson Collector Car Auction in April and December, MO Rural Water Association, Phil Waldrep and John Hagee Ministries, Jamefest and five other Cheer and Dance Competitions, Two live MMA Fights, Associated Electric Cooperative, SYTA-Student Youth Travel Association and ASCE-American Society of Civil Engineers.

MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF BRANSON, MISSOURI
January 28, 2016

Customer and Client Satisfaction based out of 100%: Facility Sales Team being knowledgeable, 92.3 %, Facility Event/Catering Team being readily available, 98.1%, Building operations and maintenance being clean, 94.2%, Food and beverage quality, 92.2%. When asking the customer/client how they would have rated the Branson Convention Center PRIOR to their event, 86.6%. When asking the customer/client how they rate the Branson Convention Center AFTER their event, 94.2%.

Marc reported that in 2015 SMG achieved a 12.5% reduction in KWH (kilowatt hours) usage. Based on a \$0.11 per KWH rate in 2015 that translates to an additional savings of \$66,915. The sustainability goal for the Branson Convention Center is to track and reduce the diversion rate away from the dumpster. The 2015 diversion rate is 41.33% with recycling the following: Glass recycling of 16,360 lbs., Composting 28,460 lbs., Cardboard and Metal 53,461 lbs., Other/Pallets/Cooking oil 37, 416 lbs., which makes the total trash removed 328,280 lbs.

Marc finished with saying the Branson Convention Center had a good year in 2015 and is currently looking for nationwide and larger groups to come to Branson. Mayor Best advised him that she met with Representative Justice and he was looking at bringing a large group to Branson and asked Marc to contact him about the group information.

Regular Reports.

a) Minutes of November 19, 2015.

Alderman Patrick Parnell moved to accept the minutes of November 19, 2015, seconded by Rod Romine with the correction of Rob to Rod on the third page of the minutes. Ayes: 6, Noes: 0. Motion carried.

b) Monthly Sales & Tourism Tax Reports.

Carl reported that the year-to-date receipts are still up 4.4%. Tourism tax receipts were up 3.1%, however, they are down compared to the previous 6 years. Carl stated we need a strategy to grow sales in the months of October through December. Sales were down for theatres by 3.7%. Most of the growth has been in the amusement area due to zip lines, go karts and museums. The report may not reflect attendance but reflects the dollars spent at the theatres, due to the no tourism tax collected from the resellers of tickets.

The Rolling 12 report shows that Historic Downtown was up for the year, while Hwy 76 was down. Alderwoman Cris Bohinc stated that some businesses in the Downtown area were reporting to be down 20%. Carl advised that not all businesses were showing down per the rolling 12 report. Current economic growth is at 3.5%.

Carl reported that as reflected on the unrestricted tax reports, 2015 was the best year going back 10 years in tax revenues not restricted to bond payments. The tourism tax not restricted to TIF payments is at \$310,123, which is not as good as 2014. Jamie Rouch added

MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF BRANSON, MISSOURI
January 28, 2016

that once the accruals from 2015 go into effect we will have a better picture of what the total for the year will look like for true sales.

Discussion was made on why sales tax is not collected on tickets from resellers. Jamie Rouch stated that when a theatre sells the tickets to the reseller we receive the tax from this sale, but cannot collect the tax on the reseller selling the tickets. Jamie added that she and the Mayor met with Representative Eric Burlison and the Ways and Means Committee regarding the potential negative impact House Bill 1463 would have on the city sales and transportation taxes. Jamie let the Representatives and Committee know about the loss the City would incur the way the Bill is written, they have since sent her an amendment to the Bill that she has sent to Rick Connell to review.

c) Financials.

i) Monthly Unaudited Financials – November 2015.

Jamie reported that revenues continue to be up while expenses are down. She explained that we have not closed out the year for 2015 and once this is completed she will bring final numbers to the committee for 2015. The Finance Department is still working with FEMA/SEMA on the July flood and will continue to work with them on the December flooding.

Jamie asked the Committee if they would like to see any additional information or to see the information reported in a different manner. Bill Malinen stated he would like to see the report that compared the budget for sales and tourism tax. Mayor Best added that she would like to see on the bottom of the report what percent the general fund reserve is at. Jamie advised we could add those to the current report.

ii) Cash Reconciliation & Balance Sheet.

This item was not discussed.

4) Review of Disbursements & Approval of Disbursements \$50,000 & over.

(November 7, 2015 – January 15, 2016).

Disbursements were acknowledged as presented. Pamela Yancey moved to accept the disbursements, seconded by Rod Romine. Ayes: 6, Noes: 0. Motion carried.

5) Finance Director's Report.

Jamie Rouch gave out a City of Branson Finance Department Brochure 2015 – 2016. Jamie explained the brochure was to give a glimpse into the 2016 Finance Departments goals. The goals are as follows: Complete close out of CDBG. Continual training and education for the Finance staff due to government finance changing on a yearly basis. We started the Cash Centralization last year where we are trying to centralize where the cash comes into the city. We are trying to apply and receive more grants for the city. Jamie and Stacy attended a grant writing training class where the professor became a great contact for future grants. We are also

MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF BRANSON, MISSOURI
January 28, 2016

trying to complete more business audits, complete an internal control manual and successfully implement a biannual budget. We are planning on a city-wide training session for Payroll, AP and Purchasing. We are planning for additional CPBB education. On April 8th, 2016, we are planning to move the Resource Alignment Diagnostic (RAD tool) to an online version. Jamie explained that the Fiscal Health Tool shows a great picture of what the financials look like going out for five years. Jamie stated we are looking at this very carefully as it currently shows we will go upside down starting in 2018. Alderman Parnell asked Jamie if we have looked into a plan for 2018. Jamie advised that yes we have looked at our options, we have 2 years and some flexibility to move money from services that are not meeting our goals rather than increasing the budget we can reallocate those funds where needed.

6) Adjourn.

The meeting adjourned at 3:32 p.m. on a motion by Alderwoman Cris Bohinc, seconded by Rod Romine. Motion carried.