



Minutes - Final

Budget and Finance Committee

Wednesday, March 23, 2016

6:00 PM

Council Chambers

Roll Call: Chairperson Guridy, Councilperson Hendricks and Mota

15-629 Finance Reports for March 23 Meeting

Attachments: [DEC 2015 MO RPT-3-March 18](#)
[FEB 2016 MO RPT](#)

Mr. Julio Guridy discussed the final audit in December. Last month, we talked about Number 2 that was supposed to be closed up. We got the funding from the Parking Authority.

Mr. Brent Hartzell stated with respect to December, it is a little different from version 2. Not enough to bring anything to attention. If you take out the POB (Pension Obligation Bonds) payments, the operational expenditures, exceeded operations revenue by \$1.9 million. It is not good, but a whole lot less than the budgeted amount. Along with revenue that we received from The Parking Authority for 2015 that came in January. The expenditures so this year you will find a rather sizeable increase in Accounts 14 and 15. The pension costs and the health insurance costs.

Mr. Julio Guridy thanked Mr. Hartzell. He stated in December, the number 3 report. February monthly report came in well with revenue and income tax. it was a little over \$2 million. With regards to the casino fees we pretty much got the same as last year for quarterly disbursement. He spoke about the insurance for the employees and you will see how much we have spent. He stated that the pension debt is paid 100 percent.

Mr. Brent Hartzell stated that is the POB payment that has already been paid for this year. The \$5.5 million from a year ago has not been paid by February. We already made the \$2.5 million for this year.

Mr. Debi Bowman stated that she has to research a little deeper, but it looks like a debit of one entry.

Mr. Julio Guridy talked about the total un-pooled cash is higher. He asked any questions or comments.

Mr. Jeff Glazier pointed out a new feature of the monthly report. In the past, the monthly report broke out the enterprise fund and the golf course. This month, marks the debut of the 911 fund. It gives clarity to the cash fund.

Mr. Julio Guridy thanked Mr. Glazier and stated that it is a good addition. He asked Mr. Glazier are there any other funds or anything else you would like to talk about.

Mr. Lou Hershman asked about the 2015 report. He stated that our expenditures exceeded our income by \$7 million.

Mr. Brent Hartzell stated that Mr. Hershman is right by making that distinction, but it should be pointed out that the budget was going to go \$10 - \$11 million over in that range of what revenues were going to be. A chunk of that is for the pension obligation bonds which is \$5.5 million that came out of the reserves. The anticipation when the budget was passed is that we were going to spend on operations a little over \$4 million more than we gained in revenue. We actually spent \$1.9 million more than revenue. Yes, it is an over-expenditure, but it is \$2 million at least better than what was originally budgeted.

Mr. Lou Hershman asked about the sell of city property and the debt payments. He asked about the Golf Course fund. He asked about the police department and promotions.

Mr. Brent Hartzell stated that Montex.

Mr. Fran Dougherty stated that the city will get that for Mr. Hershman.

Mr. Brent Hartzell stated that we have accommodated enough to take care of the debt payments as they are owed regardless of the source. We actually did come up in the miscellaneous column \$1,870,000 and similar items to go up this year by \$60,000. The revenue flows are slow at the beginning of the year. We are coming into the heart of tax season. We see a lot of our real estate tax information.

Mr. Daryl Hendricks stated that he does know that we are having the same difficulties have were having all along. Sometimes the candidates don't do very well on the polygraph.

Mr. David McGuire asked Mr. Hershman if he asked the Finance Director to borrow \$5 million from the reserve account. He asked about the \$5 million taken from the Solid Waste Fund.

Mr. Brent Hartzell stated that as far as the revenue that is coming in during

the budget. Out of that, what was budgeted in 2015. \$5.5 million was being designated ahead of time to pay off the pension obligation bonds. In a sense, operating revenues against operating expenditures in the 2015 budget came in about \$4 - \$5 million more than the operating revenues. He stated that the \$5 million is intended as a way of ensuring sufficient revenue for this year's budget along with the increase in the earned income tax. We proposed Council approving the \$4.5 million transfer from the reserve of the Solid Waste Fund to the General Fund. In the Solid Waste Fund which was determined in 2015 there was sufficient balance on the encumbered Solid Waste Fund that you can draw upon that as a loan to the General Fund. It will be paid in equal installments between 2017 - 2023, paying roughly \$650,000 per year for seven years, beginning in 2017.

Mr. Julio Guridy thanked Mr. Hershman, Mr. Glazier, Ms. Bowman, and Mr. Hartzell.

Adjourned: 6:17 PM