

FINANCE COMMITTEE
9-17-09 – 5:30 P.M.
MINUTES

ATTENDEES: Councilman Hardman, Councilman Conley, Councilman Cordry, Councilman France, Councilman O'Riley, City Administrator Bruce Harrill, City Clerk Stinson, City Collector Leuthen, Executive Assistant Willis, Carl Ramey of Stifel, Nicolaus & Company and Deputy Clerk Welch.

CALL TO ORDER: The monthly Finance Committee meeting was called to order by Councilman Hardman at 5:30 p.m.

REVIEW BILLS: City Clerk Stinson was in attendance to answer questions about the monthly bills. She advised that the check to Cross Creek Animal Hospital had been voided and a new check was being issued do to a change in the amount due. Chief Carter had talked to Mrs. Walker about the charges for the Animal Shelter. City Clerk Stinson also advised that checks for Paetech and MPUA had been issued after the report was created and were included in the checks to be signed.

Councilman Hardman asked about the tree trimming budget. City Administrator Harrill said that we had used the majority of the budget and suggested we adjust the budget when budget review took place. Councilman Hardman also asked about the Park Building and if there would be additional charges. City Administrator Harrill said there would be charges for concrete work, and any additional work needed to complete the shell of the building.

A motion was made by Councilman Hardman to pay the bills presented and seconded by Councilman Cordry. Motion carried.

MONTHLY BUDGET REVIEW/ACCOUNT STATUS: City Administrator Harrill stated that we were currently at 41% for total revenues and total expenses for the year. Revenues should increase later in the year as taxes become due. Currently, we are in good shape for this time of year. The available cash is low but we are waiting on \$100K in grant income and draws.

REVISED BUDGET REVIEW SCHEDULE: City Administrator Harrill provided everyone with revised budget review schedules. Some times and review dates have been changed. Councilman Hardman said she would be unavailable on September 23 & 25th and asked that someone take her place.

COMMUNITY IMPROVEMENT DISTRICTS (CID): City Administrator Harrill stated that he had been meeting with developers on September 16th to create an incentive to encourage development in Waynesville. City Administrator Harrill introduced Carl Ramey with Stifel, Nicolaus & Company, who has also met with the developers.

Mr. Ramey stated that he has worked with the City on a variety of projects. Mr. Ramey informed the Committee that Richard Hicks & David McFarland were interested in developing at the intersection of H Highway and I-44, near the high school and near Lowes. He asked if the City could support a community improvement district incentive to move forward for the proposed development. City only has one at present time. The

TIF will not work because of changes in State law. The Chapter 100 program is used in a case by case basis.

The Community Improvement District or CID gives many of the tools that TIF would provide, such as, eligible expenses for public improvements; and tools where development will have to generate their own source of income in order to fund public improvements. The developer pays for majority of development with assistance of the tax. He suggested we possibly look in to a 1% CID tax. The CID has to be within boundaries of tax district. Since McFarland & Hicks are interested in developing 2 sites, it was asked if we would have to create 2 different CIDS. Mr. Ramey and Gilmore & Bell thought it could be done with just one. Mr. Ramey said these developments would be a separate political jurisdiction. Authority to do so is in the State Statutes and it also gives its limitations. The owners of the property would have to initiate the creation of the CID.

Mr. Ramey advised the Committee as to how a CID was created and explained the measures necessary to bring it to fruition. Councilman Hardman asked if the developers said to go ahead with the plan. City Administrator Harrill said yes, and we will be drawing up the paperwork for review. Councilman Conley asked if the developers could bypass our Planning & Zoning Committee and was told no by City Administrator Harrill. Councilman Cordry asked if this could be done over a 5 year plan. City Administrator Harrill said that we need to understand that the plan can change. We do not know what will happen. Mr. Ramey said that if another developer said that he wants to come in to the CID, the plans can be changed to add additional developers.

Mr. Ramey also said that the CID funds can support ongoing maintenance in order to make sure public areas are maintained so that it is not a burden on the fund, but it has to be uniform throughout the district. Some CID's are formed for single developers. The one for the City will be to encourage developers and will not solve all our problems at one time. We should try to give it as much flexibility as the law allows. The developer will borrow and spend money upfront; the City will own the equity. The CID could be used to reimburse the developers. However, the City is not obligated to make up the difference if the revenue generated does not cover the cost. There will be legal fees involved to create the CID. City Administrator Harrill said the City could upfront the costs and be reimbursed by the CID. We would have to see work in progress before anything happens. The CID will have to determine at what time obligations to develop will be met.

Councilman Hardman asked what would be the next step. City Administrator Harrill said he would get the information from Gilmore & Bell and work with the developers, and prepare the petition to present to the City Council. Hopefully, in October or November, we will be able to have a public hearing. Councilman Hardman said it feels like a win/win situation for all.

PROPOSAL ON RETIREMENT PLAN: Councilman Hardman provided information from Andy Offutt with Edward Jones Company. He would like to present information on a 457 plan for employees as supplemental retirement options. City Employees currently are using ING for supplemental savings. Councilman O'Riley asked if it was a group plan.

Councilman Cordry asked how it would be presented to employees. Councilman Hardman said we were open for discussion if it did not conflict with the existing plan.

STANDARD & POOR RATING FOR CITY: City Administrator Harrill told the Committee he had received a letter from Standard & Poor stating that the City's rating on Certificates of Participation had changed from BBB- to A-, confirming a stable and improving financial outlook on the City.

OTHER BUSINESS: Councilman Hardman advised the Committee that Nola Wood had left the City. Her duties are currently being shared by other employees. Councilman Cordry asked about Direct Deposit. City Administrator Harrill said we would still work to achieve the use of Direct Deposit as soon as we could.

Councilman Stanford said that the date in the liquor ordinance still showed as July 1st and asked for it to be changed. Also, under fees for liquor control, original package sales need to be added. With these changes, we should be able to present to City Council for approval.

There being no further business to come before this Committee, Councilman Hardman adjourned the meeting at 6:10 p.m. The next scheduled meeting of the Finance Committee is Thursday, October 15, 2009, at 5:30 p.m.