

FINANCE MEETING

March 8, 2016

The Finance Meeting of the City of Natchez met in the Council Chambers on Tuesday, March 8, 2016, at 9:30 a.m.

PRESENT: Mayor Larry L. "Butch" Brown
Alderwoman Mary Toles Ward 2
Alderwoman Sarah Carter Smith Ward 3
Alderman Mark Fortenbery Ward 5
Alderman Dan Dillard Ward 6

ALSO PRESENT: City Clerk Donnie Holloway
City Attorney Hyde Carby
Temple Hendricks, Board Secretary
James Johnston, Planning Department
Wendy McClain, City Clerk's Department

ABSENT: Alderwoman Joyce Mathis Ward 1
Alderman Tony Fields Ward 4

Wendy McClain-Budget Amendments

Wendy McClain, Deputy City Clerk, presented budget amendments for 2016. Mrs. McClain advised that revenues increased from \$35M to \$36.5M and expenditures went from \$32.8M to \$35M. There would be a \$1.5M more in revenues than expenditures. Either the city had been or would be spending \$1M since the last budget—expenditures had gone up more than the revenues had gone up. As an example, three firefighters had not been budgeted for and travel for FD had increased. Redistricting expenses were \$75,000.00 when \$40,000.00 had been budgeted.

\$58,000.00 had been collected for the Tricentennial that had not been budgeted—Mayor Brown said the 3C was not a part of the city's budget. \$30,000.00 was budgeted for MDA but the other donations had not been budgeted. Mrs. McClain said the \$30,000.00 was on the budget when adopted. Alderwoman Carter Smith and Alderman Fortenbery clarified that these items needed to be on the city's books to keep the accounting straight. Mrs. McClain replied to Mayor Brown that she would take the Tricentennial out of the budget.

Mayor Brown advised the Special Fire was an unbudgeted item yet still listed. Mrs. McClain replied that it had federal money and Mr. Johnston had a grant going through it so it had to be budgeted. Darby and Dennis Short's donations were running through Special Fire.

Recreation Council Fund's budget expenditures went up as golf had not properly budgeted lease payments as well as three part time, summer employees had not been budgeted. Recreation donations did not go into the Recreation Council account.

Mayor Brown said Capital improvements and Colonnade showed a deficit. Mrs. McClain clarified that a lot of money that was in Capital Improvements was moved into other accounts such as Sr. Center renovations. These balances had nothing to do with bank account balances. For the Sr. Center, revenues were taken out of Fund 300 and placed into Fund 303. The expenses were taken out of Fund 300 and were put in the Sr. Center renovation and other separate accounts.

Mrs. McClain and Alderman Dillard advised that Capital Improvements had not been budgeted correctly.

Mayor Brown said regarding the Holiday Inn TIF bond, the city had received \$22,000.00 more from the ad valorem taxes than had been budgeted. Mr. Holloway advised that the TIF bond annual payment was around \$40,000.00. The first bond was paid off last year. The second bond still existed.

Mrs. McClain clarified that the \$1.5M difference between total budget fund revenues and expenditures had nothing to do with cash balance.

The asset base of \$2M was still in place.

Mrs. McClain, Mr. Johnston and Mr. Carby had discussed which statute to use regarding the line of credit.

The city had only borrowed for payroll from other funds.

Mr. Carby said several ways to borrow money:

You could do a certificate of indebtedness—Mayor Brown replied no as a 5 year indebtedness

Mr. Carby said there was section to borrow in anticipation of grant funds but could only be used to repay the grant with the reimbursed money so the match was not able to be borrowed. Alderwoman Carter Smith said she felt that was due to the fact that cities should be able to pay for their match, not borrow the matching funds.

Mrs. McClain said in the work session that the BOA had made a motion to take out a \$400,000.00 line of credit to be repaid by the General Fund; if not available in the General Fund, to be repaid out of Community Development—Alderwoman Carter Smith and Alderman Fortenbery clarified Casino Community Development. Mrs. McClain said that the motion needed to be rescinded and to make a new motion on what was determined to do with the grants.

Mr. Bowser obtained clarification that Home Bank would charge up to \$500.00 for processing the paperwork when taking out a line of credit whether the funds were used or not.

Mrs. McClain said the line of credit was considered due to the float. Alderman Fortenbery said he was willing to take the funds out of Casino Community Development if it would be paid back without a line of credit being taken out. Alderman Dillard said he was concerned that the city would over-obligate Community Development for all the matching funds just as it had over-obligated Capital Improvements.

Alderwoman Carter Smith said the minutes of the work session were not clear on what was coming out of the 333. She asked that the Casino Community Development Fund (with the section of the contract noted in parenthesis) be noted as separate from Community Development. Mrs. McClain said the \$500,000.00 for the pool has been moved to the Casino Pool Fund.

Mrs. McClain:

- clarified to Alderwoman Toles that Magnolia Bluffs Casino was now paying the \$1M annual lease in twelve equal payments.

-\$333,000.00 and \$225,000.00 were currently in the same account and the balance was \$771,000.00 remained in Casino Community Development after the \$500,000.00 was moved out. The \$1,050,000.00 had come from the \$333,000.00 payments. Alderwoman Carter Smith clarified to Mrs. McClain that the \$333,000.00 and the \$225,000.00 be separated as difference things could be done with these funds and she asked Mrs. McClain to provide how much was in those funds—how much had gone in and how much had come out.

All agreed to stop using the 333 reference for the \$333,000.00 for the Casino Community Development Fund.

All agreed to separate the \$225,000.00 and the \$333,000.00 funds.

-\$562,000.00 was designated to come out for Trails and Duncan Park Tennis—Mrs. McClain advised the BOA they would be surprised to see the amount that had come out of that account with some reimbursements still owed to the fund. Alderman Fortenbery said the BOA thought the balance in the fund was more as had being told different things. \$1.3M was in the account during the finance work session and \$500,000.00 was moved to the pool.

Mr. Carby said the notice would have to be published for any budget amendment over 10%.

James Johnston, Planning Department

Yazoo & MS Valley Railroad Depot Preservation

Mr. Johnston said he would need a motion to pay Paul Jackson & Son, Inc. \$98,448.00 (approximately \$88,357.08 was reimbursable). Aldermen Dillard proposed that the money come out of Community Development.

2016 Tricentennial

A motion would be needed to receive the following donations for the restricted purpose for the 2016 Tricentennial Celebration:

Concordia Bank & Trust Company \$ 1,000.00

My Brother's Keeper, 2016

Mr. Johnston would be asking for a motion to pay AAA State of Play \$18,718.92 (playground equipment).

MS Regional Recycling Cooperative Grant

Mr. Johnston would be asking for a motion to pay the following invoices:

WTYJ Radio	\$112.50
FNRG	\$500.00
Total	\$612.50

Auburn Kitchen Dependency

Mr. Johnston would need a motion to extend the project from 2-29-16 to 3-21-16 to complete the small punch list noted by MDAH during their inspection of the project this past week.

Humana Foundation

Mr. Johnston would be requesting a motion to pay The Flower Station \$437.00.

Dennis & Darby Thermo-Imaging Camera Donation Fund

Mr. Johnston advised he would be requesting the board to formally accept the donations for the restricted use of purchasing thermo-imaging cameras for the Natchez Fire Department:

Natchez Mall Merchants Association, Inc.	\$2,500.00
Mr. & Mrs. Peter T. Burns, Jr.	\$ 100.00

A motion was made by Alderman Fortenbery, seconded by Alderwoman Carter Smith, to close the Finance meeting to make a determination that a valid reason existed to go into Executive Session. The motion carried unanimously.

Mr. Carby advised that it had been determined that a valid reason existed to go into Executive Session which was the discussion of a personnel issue at the Fire Department.

After meeting in Executive Session, Alderman Fortenbery made the motion to go out of Executive Session and return to the regular order of business. Alderwoman Toles seconded the motion which carried unanimously.

A motion was made by Alderman Fortenbery to adjourn the Finance Meeting of the Board of Aldermen. Alderwoman Toles seconded the motion which carried unanimously.

Larry L. "Butch" Brown
Mayor

Attest:

Donnie Holloway, City Clerk