

Roeland Park City Council
Finance Committee Meeting
Minutes
April 27, 2009

Meeting Chair: Bill Art and Co-Chair: Scott Gregory. Also present at this meeting: John Carter, Debbie Mootz, Megan England, Adrienne Foster, Bob Meyers, and some residents of Roeland Park.

I. Call to order 7:40 PM

II. Unfinished Business:

A. Roeland Park School Discussion – CLO Offer - CLO board members indicated that they could not do the personal guarantees. They would seek bank financing for the first mortgage and would be financially responsible for the second mortgage of 100K backed by the school, CLO's reserve, and 32 years of operating success.

The Finance Committee discussion revealed that the wording on the motion was not correct regarding the "personal guarantors" that it needed to say "Overlapping limited Guarantors", so that a 26 member board would be guaranteeing about \$8,000.00 per member. Another option would be to see the financial statements that CLO needs to present to the bank to secure the first mortgage of \$550K. Or, CLO could collateralize the 2nd mortgage of the \$100K.

There were comments about the need to make this work since our residents are wanting this to happen; however, there is an equally strong need to do due diligence on the 2nd Mortgage amount.

The second part of the response from CLO regarding the "considerable damage to the ac units and venting systems." There was a comment that this damage alone would significantly exceed the cap of \$15k set for out of pocket repairs to the building.

The Finance Committee believes that CLO is incorrect in thinking that \$15k cap would be significantly exceeded. The committee's recommending that the city would see that the a) roof does not leak. b) ac works. c) all toilets work. D) none of the windows are broken.

The following are Recommendations by the Finance Committee.

Motion:

- **The city loan to CLO \$100,000.00 for the first 3 years at an interest rate of 3.5%**
- **On the fourth year the interest rate will go to 7.0% for the remainder of the loan.**
The city would insure that a) roof does not leak. b) ac works. c) all toilets work. D) none of the windows are broken.
- **The city would not require the right of first refusal.**
- **The 10 year second mortgage may be as follows: That CLO present Overlapping limited Guarantors, so that a 26 member board would be guaranteeing about \$8,000.00 per member. Or, CLO could collateralize the 2nd mortgage of the \$100K.**
- **That this loan will come from the city's general fund reserve and will be paid back within about 2 years.**

B. Timeline for Budget. The short term monetary goal setting meeting was set for May 11, 2009 at 6:00 PM. The date of the long term goals setting will be determined at this time for a June meeting time to complete the goal setting for the city.

C. 5 yr Capital Improvement Plan 2010-2014. The plan will be completed in conjunction with the Budget.

D. Treasurer's Report Discussion. There was discussion of the City Clerks 4th Qtr/ Year end Review 12/31/08 report. The focus was on how to explain how the city in the last two years has expended \$300K more than it takes in. Mr. Carter explained this in the context of the city budget. He gave the following example. Revenue there is a cash forward of \$1,000,000.00 and cash into of \$4,000,000.00. On the other side he put Expense with \$800,000.00 in Reserve and with the city expending \$4,200,000.00. So if we only look at cash in and cash out then it would always show that we expend more than we take in.

A comment was made then that at times we are using some of the reserves to cover expenses. Mr Carter agreed. Then the question of how this could be illustrated in the Clerk's report could only be explained in the context of the budget. Plus, examples were given of how the Council approves unbudgeted expenses and how when we do this we are approving use of City Reserves.

Scott Gregory indicated that a person would need to ultimately trust the budget and the annual audit of the city's finances which shows we are following standard accounting practices.

E. Utility Assistance Program – Additional funding. The last \$5,000.00 that was approved by the council has been expended and in order to continue this assistance to our residents it was recommended by city staff that we approve another \$5,000.00.

Motion: The Finance Committee recommends that we move another \$5,000.00 out of the General Fund to the Utility Assistance Program.

III. New Business:

A. RFQ- Mayor August Appointments (City Attorney, City Prosecutor, City Treasurer) Note: This item was discussed in the Admin Workshop earlier.

B. Mayor request for reimbursement:

a. Civic Leadership Lab in Wichita, KS. This meeting was attended by the Mayor and was a last minute decision to go and so could not attend Finance Committee meeting to request the money before going last week. She indicated that in the future she will request funds for travel to the Finance Committee before attending.

Motion: The Finance Committee moves that the Mayor Foster be reimbursed for the conference she attended in the amount not to exceed \$125.00, plus meals and tolls.

b. NLC – HELO on the Hill This is a Lobby in Washington, D.C. on health care reform and immigration. The Mayor was asked how this was a benefit to residents of Roeland Park? She indicated that this is a way to increase networking and increase the level of contact with officials that could benefit our residents.

The Finance Committee got into a discussion of how during these economic hard times that some organizations are cutting out of state travel and that maybe our city needs to consider cutting back. So far with this travel we have used about \$2,000.00 of the \$15,000.00 budgeted. Officials that travel to conferences need to return to the council with a presentation on what was learned and how this will benefit the people of our city.

Motion: The Finance Committee moves that Mayor Foster be reimbursed for the HELO on the Hill conference to include travel and meal per-diem in an amount not to exceed \$_____ (approximately \$325.00).

C. Council Computers (Laptops). Discussion was started. That each councilmember and the Mayor be provided a laptop, so that the Council and the Mayor would have easier access to the information needed. The city would save on using so much paper which appears to be considerable. Plus, the time staff spends in making copies could be utilized differently. The City Clerk explained that issue of security of the system would be difficult to manage since the computers would not be part of the city's computer system (virus software may not be maintained by the owner of the computer). Also if individual computers would need to have programs loaded on to them and would require separate licensing. Another thought was to do desktop type of system, where all the computers would stay on site and be available for each person at the dais. We can look at a terminal network (VPN or Server) to allow external access to those computers for the elected officials. The council moved in the direction of desktops and being able to access files externally. The City Clerk will look into costs and get back to the council.

IV. Adjourn at 9:30PM