

## BUDGET & FINANCE COMMITTEE

February 19, 2013

### Summary

Ellinger called the meeting to order at 1:02 PM. All committee members except Myers present. Ford, Henson & Lane were also present.

#### I. **1.29.13 Committee Meeting Summary**

A motion by Henson second Beard to approved the January 29, 2013 Committee summary passed unanimously.

#### II. **Homelessness Commission**

Ellinger called on Kay who was the Co-Chair of the Mayor's Homelessness Commission. Kay requested that the item stay in Committee until a comprehensive funding approach can be agreed to.

Kay called on Mayor Gray. Gray stated that his administration was committed to staff the proposed Office of Homelessness Intervention and Prevention. Gray stated that he will propose funding for the office in his FY 14 Mayor's Proposed Budget.

Gray stated that the office will develop a plan to implement the Homelessness Commission recommendations and develop a workable housing trust fund model.

Numerous citizens spoke on the Homelessness Commission Report.

Harry Richart, Mark Davis, Adam Jones, Kate Savage, Laura Babbage, Rachel Childress, Jenny Puccini, Mike Scanlon, Janice James and Mary Heath spoke in favor of the Commission Report.

Ike Lawrence, John Kemper and Darlene Thomas spoke against the recommended funding option to implement the Homelessness Commission recommendations.

Ford spoke in favor of funding for both affordable housing and implementation of the Homelessness Commission recommendations.

Ellinger stated that he would keep both the Homelessness Commission Report and the Affordable Housing Task Force in the Committee for future discussion.

#### III. **Monthly Financial Report**

Bill O'Mara, Acting Finance Commissioner provided the monthly financial report.

O'Mara discussed economic indicators. He stated that unemployment rate, employment, building permits issued, new business licenses, and home sales were also in a positive position. O'Mara stated that home foreclosures have increased recently however.

O'Mara reported that in the major revenue categories the actual General Fund revenue is lagging behind the budgeted revenue by over \$ 1.6 million through January. He stated that business net profits are under budget by \$ 2.7 million while the franchise fees are approximately \$ 1.6 million. He stated that the insurance premium tax is \$ 2.4 million ahead of budget through January.

O'Mara discussed the Code Enforcement abatement collections.

Melissa Lueker, Acting Budget Director discussed revenue and expenditures in greater detail. She stated that year to date the total actual revenue collections are approximately \$ 500,000 ahead of budget primarily due to increases in the services and ad valorem categories.

Lueker also stated that actual expenses are approximately \$ 5.0 million below the budgeted expenses year to date. She stated that this was primarily due to diligent management of personnel accounts. She also stated that operating expenses are about \$ 1.3 million less than budgeted primarily due to reduced need for salt.

Gorton asked about variances in salt and fuel consumption. In response Lueker stated that she would need to respond later.

Gorton asked about the insurance premium tax. She stated that the Council had voted to increase the premium tax by 1% after the Mayor recommended the tax increase in the Mayor's Proposed Budget. She wanted to know why the tax increase did not go into effect.

In response David Barberie stated that the premium tax is part of the franchise agreements with the affected utilities and they are still negotiating the franchise agreements. He stated that the franchise agreements for natural gas and electric should be before Council during March.

Kay asked who establishes the rates. In response Barberie stated that Council would approve the rate structure.

Gorton asked how the \$ 2.5 million transfer from the General Fund to the Urban Services Fund would be handled and if a budget amendment would come before Council. In response O'Mara stated that he would need to respond later.

Stinnett stated that assigned fund balance items would need to come before Council ratifying the Administration recommendations.

Stinnett stated that the franchise fee increase could be used to support the affordable housing initiatives.

Mossotti asked about current fund balance. In response Lueker stated that she would need to respond later.

Ellinger stated that there would not be time to discuss the “Financial Efficiency Ordinance” from Lane. In response Land stated that he would request a presentation at an upcoming Work Session.

The meeting adjourned at 3:05 PM.

Pas 2.20.13