

**FINANCE AND ADMINISTRATION
COMMITTEE MEETING
COUNCIL CHAMBERS
MONDAY, FEBRUARY 9, 2009
7:00 P.M.**

The Finance and Administration Committee of the Merriam City Council met at 7:00 p.m. Monday, February 9, 2009. Councilmembers present included: Committee Chair, Bryan Burks, Councilmember Pam Bertoncin, Councilmember Nancy Hupp and Councilmember Dan Leap. Staff present included Cindy Ehart, Finance Director; Phil Lammers, City Administrator; Bill Lietzke, Police Chief; and Juli Pinnick, City Clerk.

Finance Department – Cindy Ehart

1. Review of monthly financial report.

Finance Director Cindy Ehart presented the financial report for the month of January.

December Sales and Use Tax revenues will be received in February. We have yet to see the falling revenues on sales tax. Auto dealership 2008 year-to-date sales taxes are slightly ahead of 2007 currently. Downward trends are evident at some dealers. Merriam Town Center sales taxes for 2008 are running even for the same period in 2007.

A new schedule was provided in the finance report which illustrates expenditure summary by department. This schedule shows the percent of budget used for each month as well as the dollar amounts of budget used. Any comments included in the executive summary will apply to these departments' budget numbers.

2. Update on General Fund balance projection for 2008.

General Fund balance projections for 2008 are estimated to be between \$4.4 and \$4.5 million. This number will fluctuate based on how the sales tax receipts come in. The result will be an increase of \$300,000-\$400,000 over 2007 Fund Balance. Expenditures are expected to be \$1.25 million under budget for 2008.

3. Update on Transient Guest Tax collections for 2008.

Fourth Quarter 2008 Transient Guest Tax collections reflected a decrease of 21% compared with 2007 collections for the same period. Adjustments for the rate increase were made to reflect a true number. If this trend continues for 2009 it will cause an \$80,000-\$100,000 decrease in the 2009 projected revenues.

Administration Department- Phil Lammers

4. Discussion regarding Business Development Coordinator

City Administrator Phil Lammers explained that after updating the job description and clarifying the duties and responsibilities of this position the falling Transient Guest Tax revenues makes it difficult to fill the position. Staff believes it is best to hold off on hiring for the position until we see more favorable revenues coming in.

5. Internal search for Merriam Fire Chief

City Administrator Phil Lammers stated that appointment of a Fire Chief after Chief Montgomery's retired was put on hold because of talks of consolidation with Fire District No. 2. The latest decision from Consolidated Fire District is to wait in deciding if they would absorb Merriam Fire Department into the district. The Mayor and City Administrator feel it is time for some permanent leadership in the department. The process would be a selection committee conducting the interviews, similar to the process that took place when selecting the Police Chief. The internal recruitment could take place before the end of February with the interview process to follow. The selection committee may consist of five individuals including the City Administrator, mayor, one or two councilmember's, one or two peers from other Fire Departments, and one citizen.

Visitors Bureau - Karen Crane

6. Annual Report on the Merriam Visitors Bureau activities.

Visitors Bureau Director Karen Crane presented the Annual Report. While the Transient Guest Tax revenues are down the occupancy rates were only down 3.4%. Many hotels discount the rooms dramatically to get people in the rooms. Nationally our levels are consistent with the 3% drop in occupancy rates. Occupancy rates are not expected to improve much for 2009 but there will be good deals out there to try to attract visitors.

Advertising for the bureau is being beefed up in on-line efforts due to the lowered cost and larger target markets. 80 % of people who will be taking a trip use the internet to assist in planning. The Visitors Bureau has put up a Face book page up within the last month and have 30 friends already.

The web and e-mail marketing exposure was up from 2007, which saves money in promotional printing.

Trade shows and events helped increase exposure to Merriam and Kansas in general.

A Gallons to Go promotion which offers \$100 gas card to motor coach groups that bring at least 20 room nights they receive a \$100 gas card. This promotion was paid by the hotels. All five hotels participated. The promotion generated in \$ 21,000 of economic impact in bookings from the 72 room nights the promotion brought in. The five hotels have agreed to continue the promotion until the end of this year.

Administration Department- Juli Pinnick

7. NLC Prescription Discount Card Program

Juli Pinnick, City Clerk, provided the background for this item. The program sponsored by the National League of Cities (NLC) offers discounted prescriptions for residents who are either uninsured or have no pharmacy benefit with insurance. As a member of NLC, Merriam is eligible to participate and offer this program to our residents. There is no financial investment required by the city other than promoting and informing our citizens of the program. The program is administered by CVS Caremark.

There was some discussion on which pharmacies are participating in the program, or if it was only CVS pharmacies.

Ms. Pinnick responded that it is not only CVS pharmacies. On the CVS Caremark website, an individual can input their zip code to search for a pharmacy participating in the program. Upon inputting the 66202 zip code over 100 pharmacies within a ten mile radius were available to choose from. These included all the chain pharmacies such as Walgreens and CVS, as well as, family owned pharmacies like Georgetown Pharmacy. In addition all of the retail pharmacies such as Wal-Mart and Target participate; grocery pharmacies and even the discount club pharmacies participate.

City Administrator, Phil Lammers commented that there does not seem to be any down side to this program for the citizens.

There was some concern that if a citizen were to encounter a problem they would start contacting the city.

The discount card has the number to Caremark on the back for the resident to call and the only information on the card that would identify the city is the City logo. Caremark does provide a monthly report showing the participation level of the program for Merriam. This report includes the number of prescriptions filled, the dollar amount saved, the percentage of savings, and any non-Merriam usage. Because these cards would be placed in public places for distribution there may be citizens from other cities that would pick up the card and use it. The monthly reports would be a valuable tool to analyze the effectiveness of the program. The

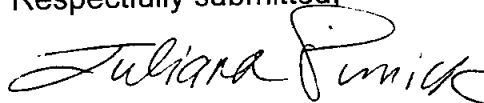
20% discount anticipated to be saved is an across the board savings. Some generic prescriptions are discounted as much as 70% from regular retail pricing.

NLC does not require the City Council to take any formal action to participate in the program.

COUNCILMEMBER HUPP MOVED THAT THE FINANCE AND ADMINISTRATION COMMITTEE RECOMMEND TO THE FULL COUNCIL ADOPTING THE NLC PRESCRIPTION DISCOUNT CARD PROGRAM AND TO PLACE THIS ITEM ON THE CONSENT AGENDA. THE MOTION WAS UNANIMOUSLY APPROVED.

There being no further business to come before the committee, the meeting adjourned at 7:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Juliana Pinnick". The signature is written in dark ink and is positioned below the typed name.

Juliana Pinnick
City Clerk