

Budget Audit Advisory Board Meeting Minutes

February 4, 2009

MEMBERS:	M	A	M	J	J	A	S	O	N	D	J	F#	APPOINTED BY:
Jorge Villacampa	-	-	P	-	-	E	P	-	-	E	A	P	Mayor Donald D. Slesnick, II
Roland Sanchez	-	-	P	-	-	P	P	-	-	P	P	A	Vice Mayor William H. Kerdyk, Jr.
Alfredo Balsera	-	-	E	-	-	E	P	-	-	E	P	A	Comm. Rafael "Ralph" Cabrera, Jr.
John Lindsey	-	-	E**	-	-	P	E	-	-	P	P	P	Comm. Wayne "Chip" Withers
Ofelia Fernandez	-	-	P	-	-	P	P	-	-	P	P	P	Comm. Maria Anderson

(Dash indicates either no meeting or board member not yet serving)

Staff:

Dona M. Lubin, Assistant City Manager

* = Special Meeting

^ = New Member

** = Present via Telephone

= Special Meeting

Chair John Lindsey called the meeting to order immediately following the special joint meeting. To provide input as required by the City's Procurement Code, Mr. Lindsey asked Board members to address each question relevant to this Board in turn.

- Is the purchase, sale and/or lease consistent with the property appraisal as required under section 2-2014?
Response: All members agreed that the price was consistent with the property appraisal.
- What is the immediate impact on the current fiscal budget and the long term effect on future budgets, i.e., the long term overall effect on the City?

Responses:

- The City would be paying nearly \$60,000 at a minimum for real estate taxes and insurance, as real estate taxes are only an estimate for about 2600 square feet of office space and may rise; debt service would be an additional cost;
- Concern was expressed about an annual cost to the City of over \$400,000;
- Interest expressed in which City departments would occupy the space and why;
- The building is of the same caliber of importance to the City as Merrick House and the Biltmore Hotel;
- Concern expressed about tax rolls over the next few years and the effect on the City budget;
- The long-term benefits would be good, but the immediate financial impact on the City would be negative;
- The building will be available for purchase in the future;
- The building will not be demolished, is a jewel in the City even if the City doesn't own it, and is currently in overall excellent physical condition.

- Considering the City's mission statement, are there other alternatives to entering into the proposed transaction?

Responses:

- It is necessary to determine what uses the City would have for the space (likely the Development Department and Historical Resources Department);
- If the City needs additional office space, there are more financially-sound transactions available in the market place.

Mr. Lindsey summarized Board input by stating that there was really no other alternative to the proposed transaction other than a decision of no purchase since the City has no pressing need for the building. The Development and Historical departments can continue in their current locations.

It was unanimously agreed that the Board recommended not purchasing the building, in the strongest of terms, based on current economic conditions and on the fact that there does not appear to be a need. It was also agreed that it was important for the City to demonstrate leadership to its citizen taxpayers.

In response to Board inquiry about the budget and projected shortfalls, Mr. Sansores responded that the Finance Department was currently analyzing the data. Thereafter, a discussion ensued about maintaining the schedule of Board meetings as much as possible.

There being no further business to come before the Board, the meeting adjourned.

Respectfully submitted,

Dona M. Lubin
Assistant City Manager