



CITY OF TWINSBURG, OHIO

Finance Committee Mtg.

October 23, 2018

5:30 PM

- **CALL TO ORDER**

Sam Scaffide called the meeting to order at 5:30 p.m.

Roll Call:

Finance Committee Members: Mr. Barr, Ms. Stauffer, Mr. Scaffide

Also present: Jo-Ann McFearin

Finance Director: Ms. Buccigross

Mayor: Ted Yates

Law Director: David Maistros

- **AUDIENCE PARTICIPATION**

No audience participation

- **APPROVAL OF THE September 25, 2018 MINUTES**

Minutes were unanimously approved. Minutes stand approved as written.

- **CAPITAL IMPROVEMENTS/CAPITAL OPERATING BUDGET DISCUSSION**

- Ms. Buccigross mentioned that they have the same packets as last meeting. The green packets are where the capital requests are and the multi-colored spreadsheet is where the operating budgets are.
- **Derek Schroeder - Parks and Recreation**
 - The budget for Parks and Recreation does not really change immensely from year to year looking at 2017 and 2018.
 - The major difference is the busing (which is not included in the 2018 amended appropriations column). If the busing were to be added into the appropriations, the 2019 budget would basically be the same. He did add this into the 2019 budget for Day Camp school busing. That is why the two numbers seem higher in 2018 & 2019 because those numbers are not in there yet.
 - Ms. Buccigross stated that Parks and Recreation is only up 1% budget wise from 2018 to 2019 overall. It is pretty much status quo for Parks and Recreation.
 - As far as travel, employees from the Parks and Recreation go to the Ohio Parks and Recreation Association annual conference in February. This is within drivable distance. Mr. Schroeder also attends the National Parks and Recreation Conference or an Event conference once a year. Depends on which is more affordable to go to. They also have a quarterly Parks and Recreation Director Roundtable meeting that is in Solon and they go to Chamber meetings occasionally.
 - The concert dollar figure might change if they decide to bring in a different group/act.

- Mr. Schroeder then started to discuss capital improvements for Parks and Recreation. First item was the ball field of which they have just heard from the Nature Works grant for the Liberty Road ball field. They did receive a \$130,000 grant for this project. That is the biggest expense for his capital expense packet. This is a 75% reimbursable grant. In the end, the City is responsible for 25% of the total project. TBL is putting up \$80,000 of the match money for this project so the City would have to provide the remaining match of \$105,000. The approximate total of the whole project is \$315,000. Looking to see if some of the land can be cleared by the City. This does not include a parking lot. Mr. Schroeder mentioned the parking lot would be similar to the parking lot at the Dog Park. Might be something to look at over the years. Might be able to do a sponsorship for the fence if this project moves forward. Mayor Yates thinks it is a great opportunity and thinks that it should be explored. Mayor Yates would like a formal presentation/commitment from TBL regarding the donations to Council.
- Ms. Buccigross asked if there were any other questions concerning Parks and Recreation's capital improvements requests. There were none. She noted that the diving boards are a necessity since it is a safety concern. The event tent will be a savings of rental costs over time and might even be used by other departments. Restroom dividers need to be replaced as well at the Community Center. The current ones are falling apart. There is already a brand new cover for the amphitheater. This project has been put on hold for now.
- Mr. Scaffide brought up an idea that has been approached previously about putting monies aside (like a savings program) for higher priced projects for the different departments so that the total amount isn't being looked for all at one time. Ms. Buccigross was wondering how that fund would be supported.
- Ms. Buccigross also brought up about the concrete at the Senior Center. Mr. Schroeder noted that a CDBG grant has been applied for. There is crumbling concrete that needs to be addressed.
- Ms. McFearin asked if revenue numbers were available for Rock the Park. Ms. Buccigross mentioned that the revenue projections can be sent out to her for the Rock the Park concerts.
- **Derek Schroeder - Fitness Center**
 - Ms. Buccigross stated that Fitness was up 5% and part of that was the healthcare correction. The 2019 budget should bring the numbers up to where they should be, what they actually spend on healthcare. The biggest unknown in the Fitness Center budget is the professional services, the instructors.
 - Mr. Schroeder was asked about the communications number. He noted that now they now have to pay Spectrum.
 - The budget has stayed pretty consistent over the years for the Fitness Center. Expenses are actually down compared to the last couple of years. They do not have any really major projects going on in the near future.
 - Mr. Scaffide inquired if the hot tub was going to be replaced with possibly an above ground hot tub. Mr. Schroeder mentioned that you can put an above ground hot tub in, but there are health codes as to what you can do. You then have ADA compliant issues as well. It is an expensive project and trying to find a contractor who will take on the project would be hard to find.
 - This year's capital consists of pool vents, which are a safety issue, that need to be replaced. Flooring in the lobby will be replaced, and then the turf project which

they have received a lot of complaints about. The flooring is not tacked down per the flooring company and it is now bubbling and having issues. Trying to work out a resolution with the company to get this issue resolved. Mayor Yates stated that the track in the field house is 20 years old and is near the end of its life cycle. The question was approached as to what would happen to the whole track when it will need replaced. Mr. Schroeder stated that their intent, in the long run, is to turf the whole track/field house flooring. This will probably not happen for 5-10 years. The reason for the turf area is because the Fitness Center is 20 years old and they are trying to remain competitive and relevant in the marketplace. Reinventing a space that isn't normally used by a lot of people. Mayor Yates reiterated that this project is partially funded by Kent State of which they have a partnership (\$5,000 a year for the next five (5) years) to cover half of this project. They will renegotiate with Kent State after the five year commitment is up to hopefully continue the sponsorship. If this capital project (gluing down of the flooring) gets approved for 2019 they can get the company here in the next few weeks to work on this project.

- The other capital project is the leasing of equipment. It is to replace every single piece of equipment in the Fitness Center which is aging. They are also getting a few boards for Yoga on Water. If this does get approved for 2019, the company will keep the 2018 pricing for all of the equipment and that pricing does include training for employees on each piece of equipment. Leases are for four (4) years. They need to stay up-to-date and relevant.
- **Ms. Buccigross/Mr. Mineard – Clubhouse Budget Update**
 - There are few items for the Clubhouse that they are rolling up into a new grouping for general clubhouse where they will put things like utilities and cleaning services, etc. so they are not trying to split up into thirds between pro shop, banquet center, and restaurant to trying to divide up into square footage to chargeback all of the different businesses that are running out of that building. They do have general line items that are overarching clubhouse costs. So there are pro shop budget, restaurant budget, and banquet budget and then general costs for the building. They will all fall under the golf fund. Between golf, restaurant, and banquet, they will all have to cover their costs with their revenues that are in those line items.
 - Mr. Mineard stated that their budget is pretty much status quo on most of his line items. Pretty big drops on some of the line items because now they own the golf carts instead of leasing them, professional services (expenses for the clubhouse – architect, etc.), etc. Insurance and bonding, utilities, etc. are now in the general clubhouse budget. No significant increases. Tyco Security is a big expense to the clubhouse as well. The debt services will come out of that general clubhouse fund as well. The goal would be for the clubhouse, restaurant, and golf course to make money to be able to cover the cost of the debt service. Ms. Buccigross mentioned that Mr. Mineard's budget went from just under \$8 million dollars to \$400,000.
 - On the revenue side, Ms. Buccigross noted that the snack shop is going to run under Aaron and Moses restaurant. Food and beverage will be under one area. The pavilion rental is included as well since groups can rent out for clambakes, golf outings, etc. Rental fee is approximately \$400. Mayor Yates mentioned that more improvements will probably be made to the pavilions spring of 2019.
 - Green fees numbers are down to be a little bit more conservative for 2019. A good majority of the green fee numbers are not in that calculation. Weather is definitely a determining factor in the numbers.

- **Ms. Cargould– Restaurant Budget Update**
 - The restaurant budget they started with is from the previous chef that came up with some numbers before the restaurant even opened. They started out with a projected revenue and food costs as well as how many people they would need. Numbers are not going to be real numbers until the restaurant is up and going for a while. They will see what happens in 2019.
 - Professional services include Cintas for rugs, mopping mechanisms, knife sharpening, towels, credit card processing, etc. Printing and advertising is under office supplies. Sysco foods prints the menus at no cost. They do not currently have a line item for marketing. It is under miscellaneous for the time being.
 - Credit card tips for servers/bartenders are included in their paychecks.
 - Cleaning is currently under general. They are not sure whether they are going to contract this service out or if there will be some part-time employees to schedule to clean. This might get rolled up into salaries and wages if it is part-time city employees instead of being contracted out. Currently the cleaning is done in-house. Window cleaning might be contracted out on a scheduled basis.
 - Mayor Yates gave a quick update on revenue for the restaurant minus tips and sales tax, they are averaging (from day 1) approximately \$1700 a day which equates to about \$610,000 a year. They would like to see it higher than that as time goes by.
- **Ms. Fechter – Banquet Operations Budget Update –**
 - Ms. Fechter mentioned that the banquet center is comparable to the restaurant as they are just starting out and try to get everything together and figure everything out. She is collecting data to figure out what events are coming in at and what they are paying out and what the income is they are trying to collect it all together. Most of her budget is pretty much employees and operating - buying liquor & linens for events, and anything that the clients need for an event along with employees that help put on an event. For some weddings they use banquet staff as well as pulling in restaurant staff to assist. It has been a learning curve as to how to staff banquet events and the restaurant at the same time. She now has 5 servers -- one server to every 15 people. Events that they are catering in-house for the first couple of years will be averaging around 100 people or under.
 - Anything that a client wants they can do, but it costs the client, so they make that money back as well as rental fees for the caterers as far as plates, flatware, etc. that they use from Gleneagles banquet center.
 - Printing costs include bridal books that she uses, advertising, mailings, etc. There is an outside business that does the designs.
 - Ms. Buccigross mentioned that the last page had the general items that relate to the clubhouse in regards to the debt, the insurance, utilities, etc.
- **CAPITAL IMPROVEMENT BOARD RECOMMENDATIONS**
 - Mr. Scaffide asked if there were any questions/issues/objections with any of the 2019 Capital Improvements items on the lists to be recommended to Council from the Finance Committee. Mr. Barr and Ms. Stauffer noted that they do not have any issues with any of the items on the lists. Mr. Scaffide questioned if they want to add the dollar amount for the turf at the fitness center.
 - Ms. Buccigross mentioned that if that is the way Council would like to proceed with putting through the dollar amount for the turf as well as well as the monies for the

ballpark. If they put the money through for the turf, it does not necessarily constitute a commitment to actually doing the work. Putting the money through on the 2019 budget for the turf doesn't necessarily mean you have to do it, but the line item would be there.

- Mayor Yates mentioned that people are coming back to the fitness center because of the classes that are being offered in the new turf area. He is not jumping in to putting out the extra money lightly, but he just wants to get it done and feels that they have come to the best agreement with the flooring company that can be reached. Ms. Buccigross mentioned that a vote can be taken including the ballpark and the turf as amendments, put the 2019 budget through to Council, and then maybe at Caucus continue discussing the turf issue and whether they go forward with the work. Ms. Stauffer mentioned that she would like more than an hour to think about it. Mr. Barr is not opposed to putting the money in as an appropriation with maybe some Council oversight, but from a finance standpoint he is comfortable appropriating the funds based on oversight to keep the ball moving forward. This is potentially setting aside the money for these projects. Mayor Yates would like a decision made prior to the first week in November because right now they are on a schedule starting the first week of November. He would like a decision made so that the work could start on the turf. He stated that if it is put on the budget and you are committed to them moving forward with the project, they are good with that.

- **CAPITAL IMPROVEMENT BOARD VOTING**

- Mr. Scaffide made a motion to pass, with recommendation from the Finance Committee, the capital improvement recommendations including the money for the turf at the fitness center as well as the money for the new ball fields. Mr. Barr seconded the motion. There was no further discussion and the motion passed 3-0 and it will proceed forward.
- Mr. Barr made a motion to recommend the 2019 appropriations to Council for three (3) readings. Ms. Stauffer seconded the motion. The motion passed 3-0.
- Policy updates were moved to the next meeting

- **COMMENTS**

- No comments or questions.

- **MISCELLANEOUS**

- No miscellaneous

- **NEXT MEETING: November 27, 2018 @ 6:00 p.m.**

- **ADJOURNMENT: Mr. Scaffide adjourned the meeting.**