

MEMORANDUM

TO: Finance and Administration Committee of City Council

FROM: Jeremy Craig, Director of Finance and Administration

DATE: December 6, 2004

SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING

The Finance and Administration Committee met Monday, December 6, 2004. Those in attendance included: Chairperson Mary Brown, Ward IV, Councilmember Jane Durrell, Ward I, Councilmember Bruce Geiger, Ward II, Councilmember Mike Casey, Ward III, Director of Finance and Administration Jeremy Craig, Parks Superintendent Darren Dunkle, and Director of Public Works Mike Geisel. Also in attendance was Caroline McDowell, Executive Secretary. The meeting was called to order by Chairperson Brown at 5 p.m.

1. Parks Concessions

The need to include a separate motion to approve concessions as part of the general fund budget for 2005 was discussed. Councilmember Geiger noted that if the City does not operate concessions at the pool and CVAC, it will incur an approximate \$70,000 loss, which includes soda exclusivity contracts and rebates, and tournament/event cancellations because of lack of concessions. Mr. Geisel reiterated Councilmember Geiger's comments about the impact of not undertaking concessions. He pointed out that the first year, the bottom line indicates a \$20,000 loss because of start-up expenses such as equipment purchases. However, in continued operation, it will become a positive. He stressed that the City is not taking on concessions to make a profit but to continue a service for those who use the Parks facilities.

Councilmember Durrell and Chairperson Brown agree that discontinuing concessions would be a disservice to regular users and customers of the facilities, especially after the passage of Prop P. Councilmember Durrell noted that without concessions, the City may run into the problem of people bringing in food and drink to the Parks areas, requiring a grounds crew and additional costs to the City.

Councilmember Casey questioned the impact that concessions would have on the City payroll and personnel. Mr. Geisel answered that one full-time employee would be allocated to the concessions resource, but he/she would also fill a staff gap in other public works/parks areas. Mr. Dunkle added that lack of work outside of the pool/recreation season would not be an issue and, therefore, the position as full-time is valid.

Councilmember Durrell said she hopes that once the City takes on concessions, it would continue to operate it in the future to defray the costs of the initial equipment and start-up expenses. Mr. Geisel assured that once the operation is in-house, it will remain so; it would be in the best interest of the City to evaluate the first year, though, and make any changes and improvements where necessary.

Councilmember Geiger made a motion to include a resolution for Parks concessions in the 2005 budget. Councilmember Durrell seconded and the motion was approved 4-0.

2. Other Items

Councilmember Geiger questioned the \$100,000 budgeted for two in-house employees for economic development that have no connection to CCDC. Mr. Craig noted that the money is not in economic development in the budget; it is in Personnel and other expenses are in the City Administrator's department. Councilmember Geiger recommended that a motion be made to reposition the money in the budget and not be expended until the Council votes on its usage. Councilmember Durrell agreed that by voting for the budget as is, the Council would be summarily agreeing that the \$100,000 would be at the unedited disposal of the two new employees. Councilmember Casey stated that he would support a motion that the Council vote on the direction of economic development funds and the money be disbursed quarterly.

Mr. Craig reminded the committee that a meeting will be held on December 20th to review two debt issues and the recommendations from the retirement study. CBIZ, the actuary and Financial Advisor Michelle Bock will be in attendance.

Chairperson Brown adjourned the meeting at 5:30 p.m.