

**GOVERNANCE, STRATEGY & CITY OPERATIONS COMMITTEE
OCTOBER 3, 2019
CITY OF PLATTSBURGH COMMON COUNCIL CHAMBERS
MINUTES
4:30PM**

Roll Call: Councilor Armstrong, Councilor McFarlin (*arrived after Roll Call at 4:35pm*), Mayor Read

Others Present: Councilors Kelly, Gibbs, Ensel and Moore

Absent: None

1. REPORTS FROM DEPARTMENT REPRESENTATIVES AND DISCUSSION WITH COUNCILORS:

1. Council will hold 2020 Budget Sessions with Rec Complex.

Councilor Armstrong presented a Power Point presentation and Recreation Complex Department Actual costs and revenues analysis which is made part of the minutes of this meeting.

1. AGENDA ITEMS BROUGHT FORWARD FROM DEPARTMENTS TO BE APPROVED BY COMMITTEE AND RECOMMENDED TO COUNCIL:

1. Request to hold a Holiday Parade on Saturday, December 7, 2019 at 5pm. The route will begin on Beekman Street, travel down Brinkerhoff Street, turn left onto Oak Street, right onto Court Street and then right onto Margaret Street. It will proceed to Pine Street ending behind Stafford Middle School. This is to coincide with the Strand Center for the Arts tree lighting.
2. Request from the North Country Mustang Club to hold their Annual All Ford Show at the US Oval on Sunday, July 26, 2020. They request electricity and tents will be erected. A utility fee of \$20 for electricity, a certificate of insurance for event and vendors, portopottys, dig safe permits, and health department requirements for vendors are required.
3. Request that the Mayor is authorized to sign an agreement with B.A.S.S., LLC and Adirondack Coast Visitors Bureau to host B.A.S.S. "2020 Bassmaster Elite Series fishing tournament" on July 30 – August 2, 2020.
4. Request from Environmental Manager Jon Ruff to accept the September 9, 2019 letter from the Clinton County Health Department and agrees to and authorizes entering into the corresponding Stipulated Agreement.
5. Request from Director of Community Development Matthew Miller that the Asbestos Abatement and Demolition of Plattsburgh Municipal Lighting Department (PMLD) Buildings project be awarded to low bidder Ormsby Trucking & Excavating, P.O. Box 795, Morrisonville, NY 12962 in

the amount of \$319,000. The City's initial intention was to complete asbestos abatement and/or demolition of all six PMLD structures located on Green Street. This was altered to accommodate potential redesign of one of the structures, known as Building 4, for the Plattsburgh Farmers' and Crafters' Market and no asbestos abatement or demolition work will be performed on that structure as part of this project. The low bid included the cost of asbestos abatement of Building 4 and will be adjusted accordingly in the agreement to be signed between the City and the low bidder.

By Councilor McFarlin; Seconded by Mayor Read

(RC) Roll call: Councilor Armstrong, Councilor McFarlin, Mayor Read

(All voted in the affirmative)

3. OLD BUSINESS: None

4. NEW BUSINESS: None

Motion to Adjourn by Councilor McFarlin; Seconded by Mayor Read

(RC) Roll call: Councilor Armstrong, Councilor McFarlin, Mayor Read

(All voted in the affirmative)

MEETING ADJOURNED: 5:20pm

City of Plattsburgh Common Council



Government, Operations, and Strategy Committee (GOSC)

Recreation Complex Budget Report

- ▶ This report reflects an investigation into Rec Complex conducted by GOSC Committee members, Councilors Rachelle Armstrong and Patrick McFarlin, in collaboration with Finance Committee members, Councilors Mike Kelly and Jeff Moore.

Facilities under review



All city parks occupy a different place in the budget and are not part of RecCom

Background: why did GOSC conduct this investigation?

Concerns about the Rec Complex:

- ▶ It has consistently been subsidized by the General Fund.
- ▶ Some of its facilities are deteriorating. Capital improvements and ADA compliance have been deferred.
- ▶ Members of the Livable Community Committee and other residents have expressed concern about our facilities.

Purpose of GOSC Report

- ▶ Present the public with budgetary facts--short term and long term.
- ▶ Pose essential questions about the fiscal challenges, community benefit and future priorities for recreation services.

Investigation Process

- ▶ Studied Rec Com
 - ▶ Public use data
 - ▶ Costs--personnel, operational, capital spending and debt service
 - ▶ Revenue
 - ▶ Toured sites and assessed infrastructural strengths and weakness. Spoke to Director Miller and staff concerning these matters.
 - ▶ Met with Finance Committee, Chamberlain Marks to discuss findings.

Method: it's time to get real about *true costs*

- ▶ Historically, for accounting purposes, the city has tracked costs and revenue in the MUNIS accounting system. This is the information we see during any budget report. However, when data is displayed in this manner, it can be difficult to recognize the true costs and true revenues.
- ▶ The budget analysis in this presentation will be laid out to express true costs, as if conducting a strategic analysis.
 - ▶ The data corresponds to budget accounting data, but is organized to show true costs.

Hidden costs not typically represented in our budget analyses

- ▶ Typically, when Rec Com's shortfalls (or that of any department) are covered by Interfund Transfers from the General Fund. Historically these transfers are counted as revenue. Since IFTs are subsidies, they will not be counted as revenue for this analysis.
- ▶ Though DPW supports many city operations, the cost of their labor has not been reflected in department budgets. These costs will be expressed in this analysis because it is important to evaluate whether DPWs work at Rec Com is a diversion from its central mission.

City Beach

- ▶ 0.6 miles of beach front and incomparable view of Lake Champlain.
- ▶ Vendor building housing Cabana Beach Bar, Party Factory, Polish Corner,
- ▶ Windsurfing destination
- ▶ Watercross venue
- ▶ Beach volleyball
- ▶ Polar Plunge



Usage Estimates

2018 visitor totals:

- ▶ 27, 587 (2/3 Canadian, 1/3 US residents)

2019 visitor totals

- ▶ 36,167 (13,660 City/Town residents, 20,000 Canadians, 2,504 others.

Beach Budget Summary

2018 Actual Costs and Revenues

▶ Total Costs:	\$142,564
▶ Total Revenue	\$ 68,110
▶ Net	\$ 74,453

2019 Projected Costs and Revenue

▶ Total Costs:	\$140,295
▶ Total Revenue	\$ 87,569
▶ Net Projection	\$ 52,726

Marina

- ▶ Developed 2014-15
- ▶ 36 slips
- ▶ 25 moorings
- ▶ Navtours is the anchor tenant providing charter cruises.
- ▶ Marina building has office space and bathroom facilities.



Marina Usage

- 2018, 2019 slip occupants
- ▶ 100% slips were occupied duration of the season 2020. The majority of occupants were Canadian vessels.
 - ▶ There is a long waiting list

Moorings are a mix of longer leases and transients. These are consistently booked to capacity.

Marina Budget Summary

2018 Actual Costs and Revenues

▶ Total Costs:	\$183,843
▶ Revenue	\$118,367
▶ Net Results	\$ 65,476

2019 Projected Costs and Revenue

▶ Costs	\$248,624
▶ Revenue	\$102,731
▶ Net	\$145,893

Old BaseGym



- ▶ A part of the former Pittsburgh Air Force Base
- ▶ Built in 1934
- ▶ On the historic registry
- ▶ Acquired in the 2000s from PASC
- ▶ Approximately 63,000 square feet
- ▶ Indoor track
- ▶ Gym space for basketball, pickleball, rooms for events
- ▶ cardio and weights rooms
- ▶ Driving range
- ▶ Racquetball courts
- ▶ Multipurpose rooms

Usage

Estimates based on "check-in" data, that is, what is scanned. It doesn't account for events, tournaments, etc.

- ▶ 21,533 "check ins" 69% residents*
- ▶ 9,836 "check ins" 31% non-residents

Membership fees

- ▶ \$299, per year, or \$29 per month, resident
- ▶ \$359 per year, or \$35 per month, non-resident

Old Base Gym Budget Summary

2018 Actual Costs and Revenues

▶ Total Costs:	\$494,752
▶ Total Revenue	\$218,976
▶ Net Results	\$275,776

2019 Projected Costs and Revenue

▶ Costs	\$498,963
▶ Revenue	\$237,070
▶ Net	\$261,893

The Crete Center



- ▶ Built in the 1970's
- ▶ Located in the Beach Complex
- ▶ 49,000 square feet
- ▶ Once an Ice arena

Usage

- ▶ Trade Shows—regional attendees estimated at 12,000
- ▶ Winter indoor soccer leagues
 - ▶ City residents (5,150 individuals)—43%
 - ▶ Non-city residents (6,850 individuals)—57%
- ▶ Total—12,000 individuals

Crete Center Budget Summary

2018 Actual Costs and Revenue

▶ Costs	\$285,915
▶ Revenue	\$139,687
▶ Net	\$146,228

2019 Projected Costs and Revenue

▶ Costs	\$318,853
▶ Revenue	\$144,015
▶ Net	\$174,838

In unpacking budget numbers, hidden costs and expenses that have been deferred and not accounted for in previous analyses are uncovered

- ▶ Interfund transfers have subsidized the facilities.
- ▶ Investment in Rec Com facilities has been neglected for decades.
- ▶ Because of budgetary stress, some maintenance, and repair costs have been deferred.
 - ▶ This has resulted in annual repairs or bandaids being applied when an operation was necessary.
- ▶ ADA compliance has been deferred, though a 2015 study by the Spine Institute indicated a need.

Strategic, Long-term Planning

Facts and Assumptions

- ▶ The Rec Complex facilities offer recreational opportunities to city and regional patrons.
- ▶ Maintenance of recreational assets has been deferred, and funds are stretched thin.
- ▶ This year the General Fund will need to subsidize \$635,351 for Rec Com.
- ▶ When maintenance, repair, and renovation is deferred, facilities deteriorate, adding to more costs and decline in services.
- ▶ These facts and assumptions point to the need for strategic planning and consideration of long-term investments.

Possible solutions

- ▶ Finally confronting the facts about the Recreation Complex and considering the long term financial and social impact of our decisions is difficult but necessary.
- ▶ Our mission is to evaluate what recreational services the city can offer and sustain to benefit the public.

The City could choose to renovate aging facilities: "operate" to stem further decay

- ▶ What might a capital plan that renovates the two structures that are in need of the most extensive repairs?
 - ▶ The Old Base Gym
 - ▶ The Crete Center

**How would investing in the gym affect the budget?
Consider projections expressed in the spreadsheet.**

Estimates for a Proactive Capital Plan--Gym

Project	2020	2021	2022	2023	3 year Total	Fund Source
ADA Compliance		\$250,000				GenFund
Building repairs	\$50,000	\$1,895,000				GenFund
Elevator			\$200,000			GenFund
Cardio Equip	\$30,000		\$30,000			GenFund
Air Con.		\$300,000			\$2,755,200	GenFund

How would investing in The Crete Center affect the budget?
Consider projections expressed in the spreadsheet.

Estimates for a Proactive Capital Plan: Crete Center

Project	2020	2021	2022	2023	5 year total	Source of Funds
Roof Repair, ADA Compliance Deferred maintenance	\$600,000	\$3,000,000			3,600,000	Gen Fund

Note: the figures are extrapolated from the 2015 report on the Beach Complex by McFarland, an engineering company. Extensive repairs were indicated.

What if . . .

The city decided to enter into a licensed management agreement for the marina?
How would that affect the budget?

▶ The Chamberlain has estimated that this would reduce losses to \$25-30,000 until debt is retired in 2026 which would save about \$115,000 per year based on projected 2019 figures.

Essential Questions to Guide Budgeting Decisions

It is a given: recreation services enhance quality of life. But what can the city afford short and long term?

- ▶ Who do these facilities serve?
- ▶ How can the city best serve the greatest number of its residents?
- ▶ What values and facts should be considered in setting priorities?
- ▶ Should the city explore establishing public/private partnerships as it considers the future of some facilities?
- ▶ Is closure of some facilities a prudent solution?

Process going forward

- ▶ Council must consider the information and all variables contained in this report. It will be important to consider the Rec Complex budget within the context of the entire 2020 budget.
- ▶ GOSC will confer, consider feedback, and make recommendations before its next meeting, November 7, 2019.

City of Plattsburgh
 Rec Complex Department Actual Costs & Revenues
 For Period Ended December 31, 2018

	Beach	Crete	Gym	Marina	Totals	Indirect Adm'n	2009	2011	2016	2017
Rec Complex Department Costs 2018										
Salaries & Wages & Temporary Pay	\$ 86,678	\$ 38,200	\$ 206,577	\$ 19,617	\$ 351,072	130,781	15%	20%	50%	100%
Overtime	2,873	1,670	5,345	1,226	11,113	8,173				
Separation Pay & NonPay Compensation	-	-	2,500	-	2,500	-				
Services and Supplies	14,035	170,337	92,772	37,546	314,690	33,281	12550	152323	82961	33575 281409
	<u>103,585</u>	<u>210,207</u>	<u>307,194</u>	<u>58,389</u>	<u>679,375</u>	<u>172,234</u>	Admin allocation			
Allocated Benefits:										
Health Care	-	15,135	8,889	-	24,024	24,024				
Retirement	12,872	5,731	30,463	2,996	52,062	52,062	Payroll allocation			
Payroll Matching	6,698	2,982	16,039	1,559	27,278	27,278	6851	3050	16403	1594 27898
Workers' Comp	1,684	460	2,473	240	4,858	4,858	1843	503	2706	263 5315
Unemployment	316	421	1,053	316	2,105	2,105	All admin allocation			
Disability	-	116	303	-	419	419				
EAS	76	101	253	76	507	507	All admin allocation			
Cafeteria Contribution	-	-	-	-	-	-				
Total Benefits	21,647	24,947	59,472	5,187	111,253	111,252				
							26.44%			
Other Allocated Costs:										
Audit	220	449	675	227	1,570	1,570				
Unallocated Insurance	2,574	5,223	7,633	20,122	35,551	35,551	2009	2011	2016	2017
Debt Service	8,538	37,089	99,779	93,918	239,324	239,324	8,881	2,700	1,391	28,728
Additional DPW Support	6,000	8,000	20,000	6,000	40,000					
Total Allocated Costs	17,332	50,761	128,086	120,267	316,445	276,445				
Rec Complex Department Costs 2018	\$ 142,564	\$ 285,915	\$ 494,752	\$ 183,843	\$ 1,107,073					
Rec Complex Revenue 2018:										
Culture & Recreation	\$ 67,524	\$ 138,485	\$ 217,092	\$ 117,348	\$ 540,449					
Interest Temporary	(8)	(17)	(26)	(14)	(66)	(66)				
Commissions	573	1,176	1,844	997	4,589	4,589				
Medicare Reimbursements	21	43	67	36	167	167				
Rec Complex Revenue 2018:	\$ 68,110	\$ 139,687	\$ 218,976	\$ 118,367	\$ 545,140					
Rec Complex Net Results 2018	\$(74,453)	\$(146,226)	\$(275,776)	\$(65,476)	\$(561,933)					

City of Flattsburgh
 Rec Complex Department Projected Costs & Revenues
 For Period Ended December 31, 2019

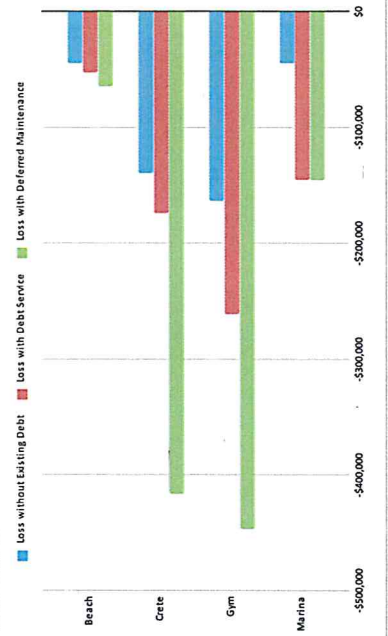
	Beach	Crete	Gym	Marina	Totals
Salaries & Wages & Temporary Pay	\$ 98,046	\$ 95,670	\$ 228,988	\$ 83,322	\$ 485,988
Overtime	4,037	1,250	15,100	4,069	29,456
Retirement Pay & Non-Pay Compensation	17,530	138,857	73,134	15,352	242,872
Services and Supplies	107,819	239,984	319,995	102,742	769,945
Direct & Indirect Department Costs					
Allocated Benefits:					
Health Care	11,135	9,815	3,275	24,225	
Retirement	8,298	22,473	8,050	48,205	
Payroll Matching	6,277	7,099	17,001	6,090	36,467
Workers' Comp	802	907	2,171	778	4,657
Unemployment	-	-	-	-	-
Disability	80	103	284	80	387
AFS	-	107	287	80	533
Cardenia Contribution	-	-	-	-	-
Total Benefits	15,457	28,735	51,890	18,272	114,454
Other Allocated Costs:					
Interfund Prior Period Transfers	-	-	181	-	181
Audit	211	416	603	1,453	2,683
Unallocated Insurance	2,697	6,014	8,010	20,122	36,843
Debt Service	8,315	35,705	98,574	101,265	243,859
Additional DPW Support	6,000	8,000	20,000	6,000	40,000
Total Allocated Costs	17,223	50,135	127,968	127,610	322,935
Rec. Complex Department Costs 2019	\$ 140,295	\$ 318,853	\$ 488,993	\$ 248,624	\$ 1,206,735

	Beach	Crete	Gym	Marina	Totals
Rec. Complex Revenue 2018:					
Culture & Recreation	\$ 87,773	\$ 144,350	\$ 237,621	\$ 102,970	\$ 572,714
Interest/Temporary	2	4	6	3	14
Commissions	(423)	696	1,145	496	2,760
Refund prior year expense	(629)	(1,034)	(1,703)	(738)	(4,103)
Rec. Complex Revenue 2019:	\$ 87,599	\$ 144,015	\$ 237,070	\$ 102,731	\$ 571,384
Rec. Complex Net Projection 2019	\$ (52,726)	\$ (174,838)	\$ (281,893)	\$ (145,893)	\$ (635,351)

Additional Annualized Deferred Maintenance Amortized over 20 years*
 (64,489) (616,815) (447,696) (145,893) (1,074,283)

Representative Rec. Complex Costs to be Paid From General Fund
 * based on engineering estimate for Crete Center and capital improvements estimate at \$35/square foot (low end of \$35 to \$500 refurbishment range) for Rec. Center

Loss without Existing Debt, Loss with Debt Service and Loss with Deferred Maintenance



2020 CAPITAL SPENDING Description Of Project

Description Of Project	2020	2021	2022	2023	5 Year Total
12. RECREATION COMPLEX FACILITIES					
Beach ADA Comptability Adjustments	50,000				50,000
Beach Accessory Structure Repair	25,000				25,000
Beach Bathroom Plumbing Repair	100,000				100,000
Crete Center Roof Repair, ADA, Deferred Maintenance*	600,000	3,000,000			3,600,000
Rec Center ADA compliance	50,000	1,895,200			1,945,200
Rec Center Building Repairs*	30,000				30,000
Rec Center Elevator		200,000			200,000
Rec Center Cardio Equipment		300,000			300,000
Rec Center Air Conditioning		30,000			30,000
TOTAL:	855,000	\$445,200	230,000	0	6,530,200
CRETE CENTER NEW DEBT LOAD	20 years at 3.00%	241,977	241,977	241,977	725,931
REC. CTR. NEW DEBT LOAD over	20 years at 3.00%	185,193	185,193	185,193	555,579
Beach Improvements	20 years at 3.00%	11,763	11,763	11,763	35,289

	Beach	Crete	Gym	Marina
Loss without Existing Debt	-\$44,411	-\$139,134	-\$163,319	-\$44,828
Loss with Debt Service	-\$53,726	-\$174,838	-\$261,893	-\$145,893
Loss with Deferred Maintenance	-\$64,489	-\$416,815	-\$447,086	-\$145,893

Rec. Complex Department Costs 2019

	Beach	Crete	Gym	Marina	Totals
Salaries & Wages & Temporary Pay	\$ 98,046	\$ 95,670	\$ 228,988	\$ 83,322	\$ 485,988
Overtime	4,037	1,250	15,100	4,069	29,456
Retirement Pay & Non-Pay Compensation	17,530	138,857	73,134	15,352	242,872
Services and Supplies	107,819	239,984	319,995	102,742	769,945

Balance of 2019 from Marina Admin

0	23,227	17,270	3,482	78,909
359	27,772	7,330	546	3,130
359	50,999	24,599	4,178	90,315

6,550
 38,219
 6,862
 0
 0
 183

0
 0
 0
 0

0
 52,314
 70,326
 0

14
 2,760
 (4,103)
 623,157 Full Year
 \$ 621,82*

2,755,203,600,000
 40,000