

**Minutes of the Meeting of the Finance Committee of Council
Held in the Caucus Room of the Municipal Building
On Monday, February 10, 2020**

The Chairman, Ward 1 Councilman Bob Butkowski, called the meeting to order at 6:30 P.M.

Committee Members Present:

Chairman, Ward 1 Councilman Bob Butkowski
Councilwoman-at-Large Tammy Holtzmeier; Ward 2 Councilman Dennis McBride

Others in Attendance:

Law Director John Gasior; Tom Kramig, Lake Erie Crushers; John Polinko, on behalf of Blue Dog Baseball; Ward 3 Councilman Tony Moore; Kevin Martin, reporter, Morning Journal; Council President Brian Fischer; Service Director Mike Farmer; Ward 4 Councilman Scott Radcliffe; Councilman-at-Large Craig Witherspoon; Finance Director Bill Logan; Mayor Bryan Jensen

Discussion of the Lease with Blue Dog Baseball

Mr. Butkowski stated that they would be going into Executive Session to discuss legal matters and municipal real estate but before they do that, he said that he wanted to give Mr. Kramig and Mr. Polinko a brief opportunity to talk about their proposals one last time.

Mr. Kramig said that first of all he would like to thank everyone who has worked through this process. He knows that it has been time consuming and challenging but we do appreciate your giving this some serious consideration. He stated that they have put together three proposals at the request of the City that they submitted on late Thursday of last week. They are open to all of those proposals as far as a long-term lease extension. He said that he thought they present a win-win scenario for both sides. They are a win for the City in that it assures that the team will be at the ballpark for the next ten years. There are proposals in there that allow the City to meet its short-term debt obligations which was requested in our meeting of last Thursday and it also could provide for a substantial capital improvement to the City-owned park. The proposals are a win for the team because they insure the long-term viability of the team with the potential to recover some losses they have encountered over the past few years and would put them on a path to financial feasibility, so he hopes that the Committee will give them some strong consideration.

Executive Session

A motion was made by Mr. McBride and seconded by Mrs. Holtzmeier to enter into Executive Session and the vote was all ayes.

Reconvene

The meeting was reconvened by Mr. Butkowski at 7:24 P.M.

Recess

A motion was made by Mr. McBride and seconded by Mrs. Holtzmeier to recess the Finance Committee meeting and to reconvene immediately after the Regular Council meeting tonight. The vote was all ayes.

Reconvene

Mr. Butkowski stated that the Finance Committee meeting was being reconvened on February 10, 2020, at 8:14 P.M., continuing the discussion regarding the Blue Dog Baseball lease.

Roll Call

Mr. Butkowski called for another Roll Call and those present were: Councilwoman-at-Large (and Member of Finance Committee) Tammy Holtzmeier; Law Director John Gasior; Ward 3 Councilman Tony Moore; Council President Brian Fischer; Councilman-at-Large Craig Witherspoon; Ward 2 Councilman (and Member of Finance Committee) Dennis McBride; Ward 4 Councilman Scott Radcliffe; Finance Director Bill Logan; Ward 1 Councilman (and Chairman of Finance Committee) Bob Butkowski

Executive Session

Mr. Butkowski stated that they were going back into Executive Session to continue the discussion with regard to municipal real estate.

Reconvene

A motion was made by Mrs. Holtzmeier and seconded by Mr. McBride to reconvene the Finance Committee meeting and the vote was all ayes. The time was 8:37 P.M.

Roll Call

Mr. Butkowski asked for another Roll Call at this time and those present were: Kevin Martin, Morning Journal; Gerald Phillips from Avon Lake; Mayor Bryan Jensen; Resident, Pat Jankowski; Resident, Larry Escalante; John Polinko, on behalf of Blue Dog Baseball; Tom Kramig, Blue Dog Baseball; Mike Sakal, West Life; Ward 3 Councilman Tony Moore; Council President Brian Fischer; Ward 4 Councilman Scott Radcliffe; Finance Director Bill Logan; Ward 2 Councilman (and Member of Finance Committee) Dennis McBride; Councilman-at-Large Craig Witherspoon; Law Director John Gasior; Councilwoman-at-Large (and Member of Finance Committee) Tammy Holtzmeier; Ward 1 Councilman (and Chairman of Finance Committee) Bob Butkowski.

Continuation of Discussion of the Lease with Blue Dog Baseball

Mr. Butkowski stated that they have gone through an extensive vetting process of three different scenarios that we would like to present from the Finance Committee to Blue Dog Baseball, LLC. We will give Mr. Kramig and Mr. Polinko the opportunity now to hear these out. There will be a formal email that will fill in more of the pertinent details but we wanted to give them just an overview of what the numbers and everything looks like from a contextual discussion and the formal email will be coming tomorrow that will fill in those details.

Mr. Butkowski continued by saying that the first option that we would like to present would be continuing the \$250,000 annual rent through 2023 with 2024 being the option year for renegotiating an extension of the contract. The City then would pay for the upgrade of the marquee that fronts I-90. The second option is to have a \$250,000 annual lease through the next ten years; however, for the nine remaining years of that contract we would reduce that by \$60,000 a year so it would be \$190,000 per year. That \$60,000 would be based on the capital improvements that Blue Dog Baseball currently put in the facility. If for some reason that contract was to be defaulted, the remaining prorated dollars would then be due and we are asking Blue Dog Baseball to put up a personal guarantee to back that lease agreement. The third option would be to pay \$250,000 for the 2020 season and for 2021 and 2022, the rent would go down to \$225,000 and then for 2023 the rent would go down to \$200,000. And again the City would pay for that external marquee out on I-90. And that is also true on the second scenario; the City would also pay for that external marquee on I-90. So for all three scenarios the City would be paying for the upgrade to that marquee on I-90 and then the other numbers would fall into place from that point forward, based on those different scenarios.

Mr. Gasior added, and for the last option, for 2024, the amount is \$250,000. Mr. Butkowski said, yes, in year 2024 for that last scenario, the rent would go back up to \$250,000 but that would be the negotiation for moving forward. So that rent would be a place holder at \$250,000 but we would start the negotiations in 2024 for that rent year moving forward for a lease extension.

Mr. Butkowski asked Mr. Kramig if he had any questions and Mr. Kramig said, no, he needs to see it in writing. Mr. Butkowski said, yes, but he had promised that we would get Mr.Kramig some numbers so he wanted to fulfill that promise. He said that Mr. Logan will be able to put this together and get it over to Mr. Kramig tomorrow and they would look forward to working with him.

Adjourn

The meeting was adjourned by Mr. Butkowski at 8:43 P.M.

Transcribed by Gail Hayden, Assistant Clerk of Council