CITY OF PELHAM – WORK SESSION

Pelham City Hall – Council Conference Room
May 7, 2012 – 5:30 p.m.

MINUTES

Proper notice of the regular scheduled Pelham City Council Work Session was given at least 72 hours in advance of such public meeting and the notice remained posted through the scheduled meeting.

Members of the Pelham City Council met on May 7, 2012 at 5:30 p.m. The regular work session was held in the Council Conference Room in Pelham City Hall and was open to the public. The work session was called to order by Council President Nichols at 5:30 p.m.

Call to Order

Roll Call

The following elected officials were present:

Mayor Don Murphy
Council President Teresa Nichols
Councilmember Bill Meadows
Councilmember Steve Powell
Councilmember Karyl Rice
Councilmember Ron Scott

Media Present: None.

Others present: City department heads, city employees and members of the public.

Approval of Minutes

A motion was made by Mr. Powell to approve the April 2, 2012 regular work session minutes. The motion was seconded by Mr. Meadows and by voice vote the motion was passed unanimously by those members present.

Old Business – AS TIME PERMITS

Mr. Powell asked the reason for tonight's presentation by Rink Management. Dr. Nichols stated the auditors are ready to present the FY2011 audit and Mr. Littlejohn was asked to update the council on rink management services. Mr. Meadows quoted national statistics regarding ice rinks. Mr.

Meadows stated he requested Rink Management Services Corporation be placed on the work session agenda.

1. Rink Management Services Corporation - Jim Littlejohn

Mr. Littlejohn updated the council on the history of the company. He stated there were several management options to consider under a contract with the city. He further stated management of the Civic Complex would involve accounting, operations, advertising and marketing ideas to promote the facility. Mr. Littlejohn said their plan for the Pelham Civic Complex included:

(1) Growth of participation in ice related programs, to include public admissions, learn to skate and youth hockey through the use of marketing, advertising and social media.

(2) Improve payroll efficiency. Mr. Littlejohn stated his company targets payroll expense between 28% and 35% of gross revenue. A member of the council questioned Mr. Littlejohn on the current payroll and how it relates to gross revenues of the Civic Complex. Mr. Littlejohn stated the Civic Complex's payroll expense as a percent of gross revenue is 125%. He further stated the current payroll and number of employees is unsustainable.

(3) Implement cost saving programs which would include but not limited to modifications to the ice program schedule, ice plant operations and maintenance. He said the ice schedule is usually the biggest issue when looking at potential cost savings plans. Mr. Littlejohn suggested not opening the Civic Complex until 3:30 p.m. each afternoon. Prior to 3:30 p.m. there are very few customers in the building.

Mr. Littlejohn stated that of all the facilities his company has surveyed over the years, the Pelham Civic Complex has the most potential for the largest savings and significant impact to the bottom line.

Mr. Littlejohn said previously his company had suggested a fee based management arrangement. Upon further review he said they were so confident about the tremendous savings potential they were willing to work on a percentage of savings with no management fee. He stated employees are a huge issue at the Pelham Civic Complex; it will never work under the current situation.

Mr. Meadows mentioned establishing cost centers for each activity at the Civic Complex. There was discussion about running a profile on the users of the Pelham Civic Complex. Following additional discussion it was suggested only about 2% of the people who use the Pelham Civic Complex were Pelham residents. Suggestions were made on how to increase the use of the Civic Complex by Pelham residents.

Mrs. Rice questioned the suggestion of opening the facility at 3:30 p.m. each day. She asked about the current programs that would be affected. Mr. Littlejohn said the facility is underutilized from 5:30 am until 3:30 p.m. Marketing Director Eva Shepherd explained the daily staffing of the Pelham Civic Complex.

Mr. Meadows commented on the continuing loss of a $ 1 million per year and the possibility of raising sales taxes to offset the loss. Mrs. Rice mentioned contacting the Shelby County Board of Education and offer opportunities for students to learn to skate. Dr. Nichols stated Mr. Littlejohn said the facility could operate with the current programs. Dr. Nichols said the City of Pelham are not experts in running ice facilities. Mayor Murphy stated the problem did not occur in the past four years, it has been an ongoing problem. Mr. Scott questioned Mr. Littlejohn on the number of indoor/outdoor facilities his company currently operations. He stated Rink Management's mix is about 50/50 between indoor and outdoor rinks. They operate a number of rinks in the southeast, with growth potential with college hockey. Mr. Scott asked the number of fulltime employees needed to operate the Pelham Civic Complex. Mr. Littlejohn stated two or three fulltime employees are needed to operate the facility.

In closing, Mr. Littlejohn said the management and staff of Rink Management Services Corporation can make a huge impact on the Pelham Civic Complex. He said the labor issue must be addressed.

Mr. Powell said that some good points were made but that most were common sense. He questioned why a management company's services were needed to point out the obvious. He questioned the losses for other divisions and commented that even though improvements are needed at the Complex the issue has become a political football. He pointed out that prior to hiring a catering staff the complex profited over a $100,000.00 for catering without labor cost and now there is a couple hundred thousand dollars in overhead with little profit. Mr. Powell commented that the proposal to cut employees who have not been empowered to make decisions leading to the current situation at the Civic Complex while keeping management protected goes against his principles. He further commented that any changes need to start with management.

Executive Session

A motion was made by Mr. Meadows for the purpose of entering into executive session to discuss preliminary negotiations involving matters of trade or commerce. Said motion was seconded by Mr. Scott. There being no further discussion Council President Nichols asked the city clerk to call the roll on the motion to enter into executive session. The roll call votes were recorded as follows:

Teresa Nichols Council President	Yes
Bill Meadows Council Member	Yes
Steve Powell Council Member	Yes
Karyl Rice Council Member	Yes
Ron Scott Councilmember	Yes

Council President Nichols stated the City Council, Mayor Don Murphy, Revenue Director Mike Morgan and City Clerk Tom Seale would attend the executive session. The council moved into executive session at 6:30 pm. Council President Nichols stated the council would return from the executive session at approximately 6:45 p.m. and reconvene the work session. The council returned at 6:45 p.m. and Council President Nichols called the work session back to order.

Mayor's Comments

Mayor Murphy elected to hold his comments until council meeting.

Review of Council Agenda

Dr. Nichols reviewed the council agenda for May 7, 2012.

A. Call to Order

B. Invocation

C. Pledge of Allegiance

D. Roll Call

E. Consent Agenda

(A consent agenda is presented by the Council President at the beginning of a council meeting. Items presented on the consent agenda are considered routine and non-controversial and are organized apart from the rest of the agenda and are adopted by general consent without debate. Items may be removed from the consent agenda on the request of any one member. Removed items may be taken up either immediately after the consent agenda is approved or placed later on the agenda at the discretion of the Council President and City Council.)

1. Approval of the May 7, 2012 City Council Agenda.

2. Approval of the April 23, 2012 regular City Council meeting minutes.

3. Approval of the following non-budgeted expenses from restricted fund accounts. None

F. Public Hearing - None

G. Mayor's Comments

H. Proclamations

1. Declaring May 2012 as "Healthy Vision Month" in the City of Pelham, Alabama.

2. Certificate of Achievement to Andrew Bosworth.

I. Requests to Address the Council – None

J. Old Business - None

K. New Business

1. Resolution 2012-05-07-01 informing the Department of Environmental Management of the actions taken by the Pelham City Council with regard to the Municipal Water Pollution Prevention (MWPP) Program. There were no comments.

2. Resolution 2012-05-07-02 for consideration to authorize the participation by the City of Pelham in the 2012 Sales Tax Holiday for Severe Weather Preparedness Items, July 6-8, 2012. Mr. Powell stated it was difficult to follow the legislation. Mr. Scott asked if the Alabama League of Municipalities supported the legislation. Mr. Powell moved to remove Resolution 2012-05-07-02 from the agenda. Mike Morgan stated, like the back to school sales tax holiday in August of each year, there is no way to determine the impact of the sales tax holiday on the sales tax revenues of the City of Pelham. Mrs. Rice seconded the motion to remove the item from the agenda. Mrs. Rice questioned how the purchase of severe weather preparedness items was going to be tracked. Mr. Powell concurred with Mrs. Rice on the auditing of the items purchased. With no additional discussion the council voted 4 to 1 to remove the resolution from the agenda, with Dr. Nichols voting no.

3. Resolution 2012-05-07-03 for consideration to appoint Michael Helms to the Pelham Park and Recreation Board to fill the unexpired term of David Ladewig. There were no comments.

L. Council and Public Comments

M. Public Announcements

Rescheduling of the May 21, 2012 council meeting to May 14, 2012 at 7 p.m. due to the annual Alabama League of Municipalities Convention in Birmingham, May 19-22, 2012.

N. Adjournment

New Business – AS TIME PERMITS

Announcements

Rescheduling of the May 21, 2012 council meeting to May 14, 2012 at 7 p.m. due to the annual Alabama League of Municipalities Convention in Birmingham, May 19-22, 2012.

Adjournment

Mr. Meadows moved to adjourn the work session and said motion was seconded by Mrs. Rice. The motion passed unanimously by those present and the work session was adjourned at 6:53 p.m.

Respectfully submitted this 7th day of May 2012.

CITY OF PELHAM CITY SEAL ALABAMA

[SEAL]

Tom Seale, CMC, City Clerk