

**CITY OF MASON
COUNCIL WORKSESSION
APRIL 13, 2009**

Mayor Grossmann called the meeting to order at 6:04 p.m.

ATTENDANCE

The following members of Council were present:

Mike Gilb, Christine Shimrock, Don Prince, David Nichols, Pete Beck and Tom Grossmann. Tony Bradburn was absent.

COMMUNITY CENTER EXPANSION

Eric Hansen introduced the members of Council's Community Center Committee: Pete Beck, Christine Shimrock and David Nichols. Eric provided a brief update of the history of this project starting from the original discussion to the current status. In addition, staff provided a financial summary using current approximated data which indicated that the City would provide current funding in the amount of \$8 million, receive approximately \$1 million in rental income from TriHealth, incur approximately \$200,000 annually in net debt service costs to obtain a projected financial status for the Center between negative \$300,000 and a positive \$1.4 million, while maintaining ownership of an asset valued at over \$26 million. Currently the Center's operating deficit is approximately \$1 million annually. Eric indicated that moving forward with the expansion, while necessary in order to continue to compete in the market, was not an immediate solution to the financial condition of the Center and that this was a long-term commitment. Eric explained the anticipated rent to be realized from the expansion and announced the construction costs/manager's projections have been more competitive than originally planned and while not yet bid, the City is hopeful for further declines. Action at the next Council meeting to commit to a maximum debt issuance and finalize the scope of the project (base project and alternates) will be important to conserve costs, preserve timeframes, and further opportunities to save money on the project.


Discussion followed as Council members worked to better understand the numbers and how they were developed. Mayor Grossmann questioned the two alternatives and their financial feasibility. Greg Nicholls, Chief Building Official, described the results of the feasibility study that was conducted by Ballard King & Associates, LTD, for those areas. There was some discussion related to TriHealth's contribution towards a warm water pool and the proposed location for the pool. Mayor Grossmann questioned the size of facility, interior materials and the Center's ability to compete with other facilities in the area over the long-term. Eric Hansen stated that it could happen again that a competitor could build a bigger facility. Greg Nicholls stated that the interior of the facility would be less institutional with drywall replacing concrete block. Pete Beck explained that the facility does not operate like a private health club. There are amenities in the facility that are not necessarily profitable (the BRIDGE) to the Center but valuable to the community.

Mayor Grossmann reiterated the Council Committee's positive recommendation to move forward with the entire project, including both alternates. Mayor Grossmann asked for staff's recommendation for the project. Eric Hansen explained staff's hesitation in responding, as there is a lot more work to be done.

ADJOURN

The meeting adjourned at 6:59 p.m.


Clerk of Council


Mayor