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SPECIAL MEETING OF THE CITY COUNCIL
OCTOBER 26, 2020 P.M.
COUNCIL CHAMBERS
AT
6:00 P.M.

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA

IF YOU WISH TO ADDRESS AN AGENDA ITEM, PUBLIC COMMENT FOR EACH ITEM WILL OCCUR AFTER THE INITIAL INFORMATION IS SHARED ON THE MATTER AND INITIAL DELIBERATIONS BY THE PUBLIC BODY. PUBLIC COMMENT WILL OCCUR BEFORE A VOTE ON THE AGENDA ITEM OCCURS

4. SHOWBOAT BUDGET
5. EXPECTATIONS OF MANAGEMENT OF SHOWBOAT
6. COUNCIL COMMENTS
7. ADJOURNMENT

NOTE: Any person who wishes to speak on an item included on the printed meeting agenda may do so. Speakers will be recognized by the Chair, at which time they will be required to state their name and will be allowed five (5) minutes maximum to address the Council.

CONTRACT AMOUNT OUTSTANDING

	<i>paid</i>	<i>outstanding</i>	<i>total</i>
<i>Moran</i>	\$ 1,394,757.30	\$ 153,984.50	\$ 1,548,741.80
<i>Comprehensive</i>	\$ 69,631.42	\$ 14,368.58	\$ 84,000.00
<i>Javo</i>	\$ 7,240.00	\$ 71,160.00	\$ 78,400.00
<i>Lynch</i>	\$ 12,124.00	\$ 13,876.00	\$ 26,000.00
<i>Wolverine</i>	\$ -	\$ 1,414,612.00	\$ 1,414,612.00
<i>Hearthstone</i>	\$ 19,961.75	\$ 7,538.25	\$ 27,500.00
<i>Chamberlain</i>	\$ 5,582.24	\$ 23,417.76	\$ 29,000.00
<i>Fence</i>	\$ 3,900.00	\$ 9,750.00	\$ 13,650.00
TOTAL EXP	\$ 1,513,196.71	\$ 1,708,707.09	\$ 3,221,903.80
DEDUCT		\$ 71,160.00	
OUTSTANDING		\$ 1,637,547.09	

PLEDGES/CASH ON HAND

<u>Description</u>		<u>Amount</u>
Pledges	\$	164,000.00
Lowell Area Comm Fund	\$	150,000.00
Rotary 2017	\$	131,230.00
Chamber	\$	17,000.00
Rotary 2019	\$	19,385.00
Rotary 2019	\$	1,620.00
Family Donation (pledge)	\$	50,000.00
PLEDGED/ON HAND OUTSIDE Acct #260	\$	533,235.00

AMOUNT NEEDED TO COMPLETE WOLVERINE

TOTAL OUTSTANDING	\$ 1,637,547.09
CASH ON HAND IN ACCT 260	\$ 1,030,215.09
PLEDGED/ON HAND OUTSIDE Acct #260	\$ 533,235.00
NEEDED TO COMPLETE	\$ 74,097.00

LOWELL CITY ADMINISTRATION
INTER OFFICE MEMORANDUM



DATE: October 23, 2020
TO: Mayor DeVore and the Lowell City Council
FROM: Michael T. Burns, City Manager *mtb*
RE: Showboat

The Chamber of Commerce has requested how the City wants to proceed with the Showboat Operations. In my discussions with City Council members, it appears there is concern this may create liability issues for the City. I believe I have heard the word albatross many times in my discussions with councilmembers. I have researched a number of different types of government run event centers. While some are hockey arenas, and I recognize they are apples and oranges comparisons, the fact of the matter is, none of them with the exception of Van Andel and Devos Place generate revenue. Hudsonville has to subsidize Terra Square with general fund (tax) dollars. So while they all may differ all of which are government run event centers and my biggest concern is the City will have to financially keep this afloat.

While the Showboat is a significant part of the City and I believe everyone wants it to be successful, I have a fiscal responsibility to prepare for the worst case scenario. To date, the City has not spent one tax dollar towards the project. With the exception of significant number of my hours, the former Assistant City Manager and Director of Public Works. I also believe if the City oversees operations of the Showboat, the City will have to be more risk adverse, and more financially conservative, to ensure no tax dollars ever have to be used for the Showboat. I should also mention, my understanding of why the City owns the Showboat is due to the Showboat Corporation being over extended financially and they needed the City to assist with it.

I believe it is time for the Showboat to be placed in a separate non-profit LLC. The City will not own the boat nor be responsible for its management. My research has lead me to believe the Chamber of Commerce is best to manage this and they provide more flexibility to be successful than I believe the City may. Going forward, I would like to establish expectations such as the following:

- 1) Utilize the boat for community events, such as Santa, Riverwalk Festival and other events.
- 2) Management of scheduling, marketing, contracting, on-site supervision and cleanup of events.
- 3) Notify and prioritize maintenance and repair issues.
- 4) Insurance and liability must be covered by separate LLC
- 5) Finances will be managed by a separate LLC with a portion of the proceeds placed in a maintenance fund.
- 6) Staff will be vetted and hired by the management organization.

I believe the best possible scenario for the Showboat, is separation from the City's ownership to where it can be successful, and will allow for more flexibility. Furthermore, the Downtown Development Authority may only be responsible for public improvements and cannot provide financial support to operations. In the future, there may be opportunities to assist as they are now committed with other issues.

I recognize there is an emotional attachment to the Showboat by many of those involved. As a part of being fiscally responsible, I am unsure an emotional attachment for the City is in the best interest for future liabilities.