

RESOLUTION

NO. RS02-2022-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEBURNE, TEXAS AUTHORIZING AN INCREASE IN EXPENDITURES OF \$65,000 FOR FY 2022 FROM THE MAINTENANCE AND REPAIR RESERVE FUND AS PART OF THE STADIUM LEASE AGREEMENT BETWEEN CLEBURNE BASEBALL, LLC, AND THE CITY OF CLEBURNE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City and Cleburne Baseball (Tenant) entered into a lease agreement (Agreement) for the Depot Stadium effective October 24, 2018 and terminating on December 13, 2029; and

WHEREAS, the Agreement establishes a Maintenance and Repair Reserve Fund to be used by Tenant for the repair, replacement and maintenance of items at the Depot Stadium, or other improvements that will enhance the use or safety of the stadium; and

WHEREAS, annually the Tenant and the City deposit \$25,000 in to the fund in addition to the annual rent payment received from Tenant; and

WHEREAS, the Agreement automatically allows for the Tenant to deduct up to \$25,000 annually from the fund for such repair, replacement and maintenance items; and

WHEREAS, the Tenant is requesting to expend an additional \$65,000 from the Maintenance and Repair Reserve Fund in FY2022 to address field padding that has cracked, torn and faded due to age and weathering.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEBURNE, TEXAS, THAT:

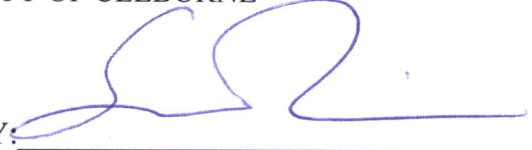
SECTION ONE. The City Council of the City of Cleburne hereby authorizes an increase in expenditures of \$65,000 from the Maintenance and Repair Reserve Fund for FY 2022 for a total of \$90,000 to be used as authorized and defined in the Stadium Lease Agreement.


SECTION TWO. This Resolution shall become effective immediately upon its passage.

PASSED AND APPROVED this the 8th day of February, 2022 at a Regular Meeting of the City Council of the City of Cleburne, Texas.



CITY OF CLEBURNE

BY: 
Scott Cain, Mayor


Ivy Peterson, City Secretary

CITY COUNCIL AGENDA REPORT

ITEM #: RS4

City Secretary's Use Only



DEPT REF #:

DATE OF MEETING: February 8, 2022

PRESENTER: Steve Polasek

PRESENTER'S TITLE: City Manager

DEPT CONTACT EMAIL: steve.polasek@cleburne.net

CLASSIFICATION:

- ☒ Regular
☐ Public Hearing
☐ Workshop Only
☐ Executive Session

COUNCIL ACTION: CONSIDER A RESOLUTION AUTHORIZING AN INCREASE IN EXPENDITURES OF \$65,000 FOR FY 2022 FROM THE MAINTENANCE AND REPAIR RESERVE FUND AS PART OF THE STADIUM LEASE AGREEMENT BETWEEN CLEBURNE BASEBALL, LLC, AND THE CITY OF CLEBURNE.

SUMMARY STATEMENT: As part of the City's stadium lease agreement with Cleburne Baseball, LLC (Tenant) there exists a Maintenance and Repair Reserve Fund (Maintenance Fund). The Maintenance Fund was established to allow for repair, replacement and maintenance of such items as HVAC units, elevator, flooring/carpeting, or other improvements that will enhance the use or safety of the stadium. The Maintenance Fund is financed through annual contributions of \$25,000 each from the Tenant and the City. In addition, the annual rent payments are also deposited in to the Maintenance Fund. Once final payments are received, the anticipated fund balance as of March 31, 2022 is \$155,049.

The Stadium Lease Agreement (Agreement) automatically allows for the Tenant to deduct up to \$25,000 annually from the fund for such items as listed above. The Tenant is asking to exceed this amount by \$65,000 for the repair, replacement and addition of padding along a portion of the field walls and railings. The existing padding is now five years old and has weathered over time resulting in cracks, rips and fading. Going forward, the intent is to develop an annual field padding replacement schedule in order to consistently maintain a high level of quality and avoid a complete replacement scenario. Any funds not spent within a fiscal year remain in the Maintenance Fund and are available for future projects. This year is the first time that the Tenant is seeking to go beyond the \$25,000 maintenance amount; however, as the stadium ages, additional requests can be expected to address larger ticket items such as artificial turf and field lighting.

DISCUSSION/PREVIOUS COUNCIL ACTION: The Stadium Lease Agreement was approved by Council effective October 24, 2018, for a term expiring on December 31, 2029.

BOARD/COMMISSION RECOMMENDATION: Not applicable.

EXHIBITS: 1) Resolution authorizing an increase in expenditures of \$65,000 for FY 2022 from the Maintenance and Repair Reserve Fund as part of the Stadium Lease Agreement between Cleburne Baseball, LLC, and the City of Cleburne.

FUNDING/FISCAL IMPACT:

Cost: Not Applicable

Funded: ☒ Yes ☐ No ☐ N/A

Source (Maintenance and Repair Reserve Fund):

☒ One-Time Expense ☐ Recurring Expense
Budget Amendment Required: ☐ Yes ☒ No

Fiscal Details: The maintenance fund balance is \$155,049 (March 31, 2022). Assuming the full expenditure of the annually allotted \$25,000 and the requested \$65,000, the remaining FY 2022 fund balance would be \$65,049.

For FY 2023, the Maintenance Fund will receive additional maintenance deposits of \$25,000 from the Tenant and from the City, in addition to \$75,000 from Tenant for rent payment, resulting in a projected fund balance of \$190,049.

APPROVALS/REVIEW:

Preparer of Report: Steve Polasek

Department Head:

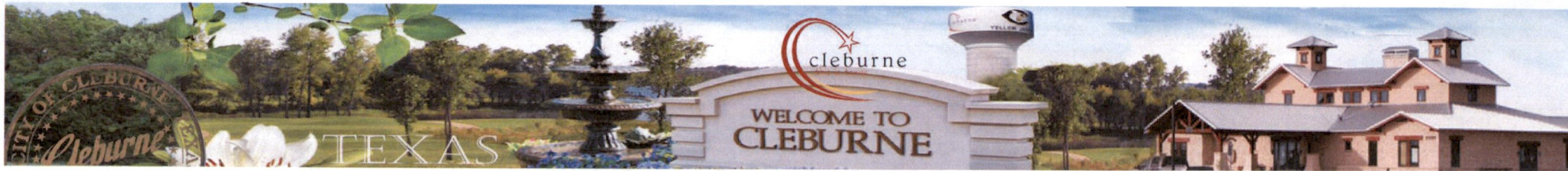
Division Director:

Director of Finance:

City Secretary:

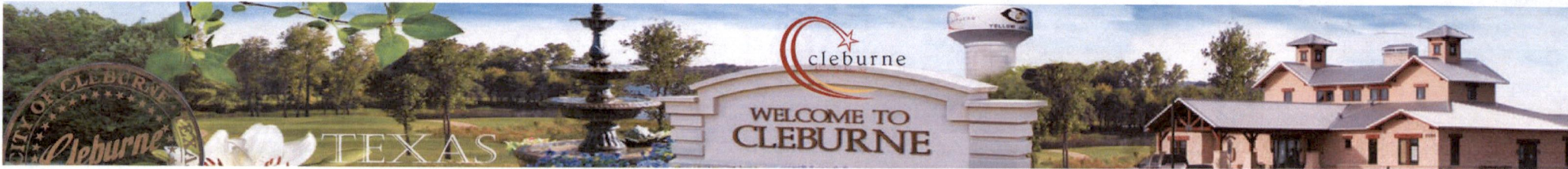
City Attorney:

City Manager:

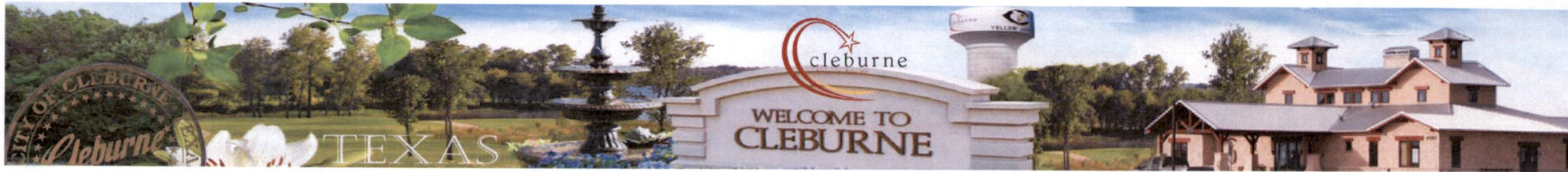


RS4 - CONSIDER A RESOLUTION AUTHORIZING AN
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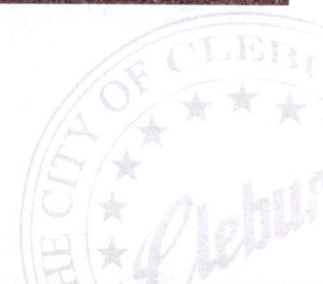
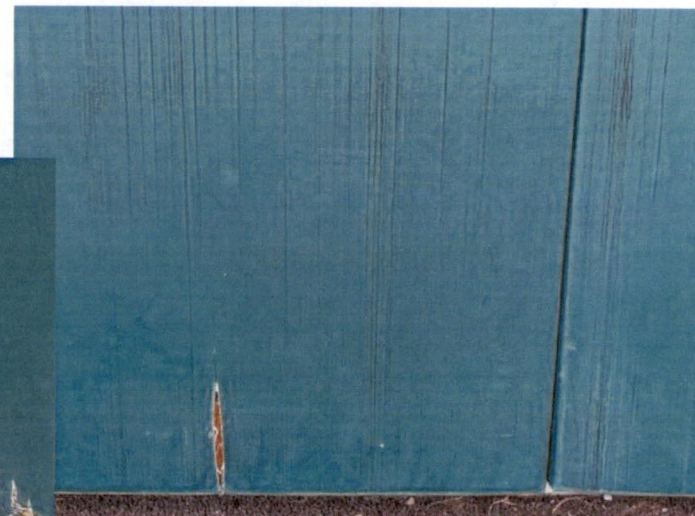
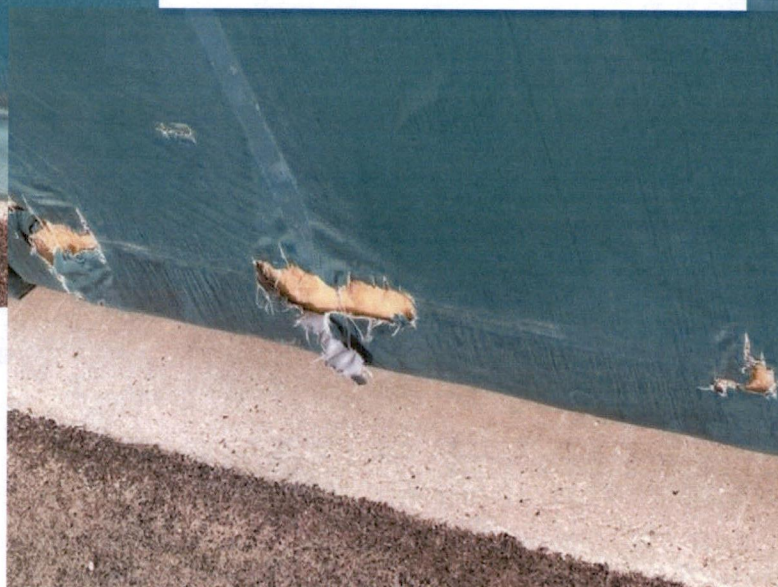
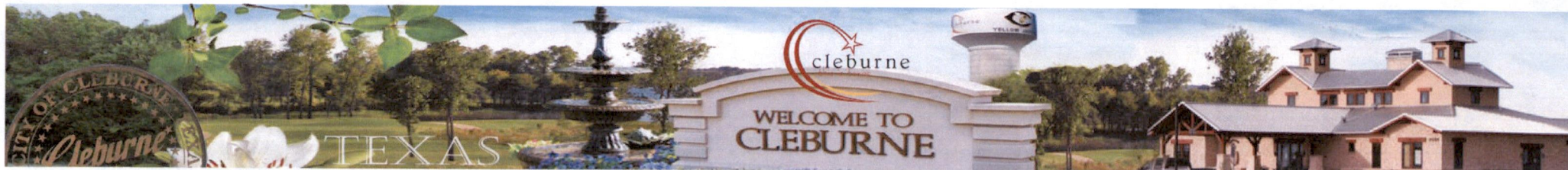
February 8, 2022



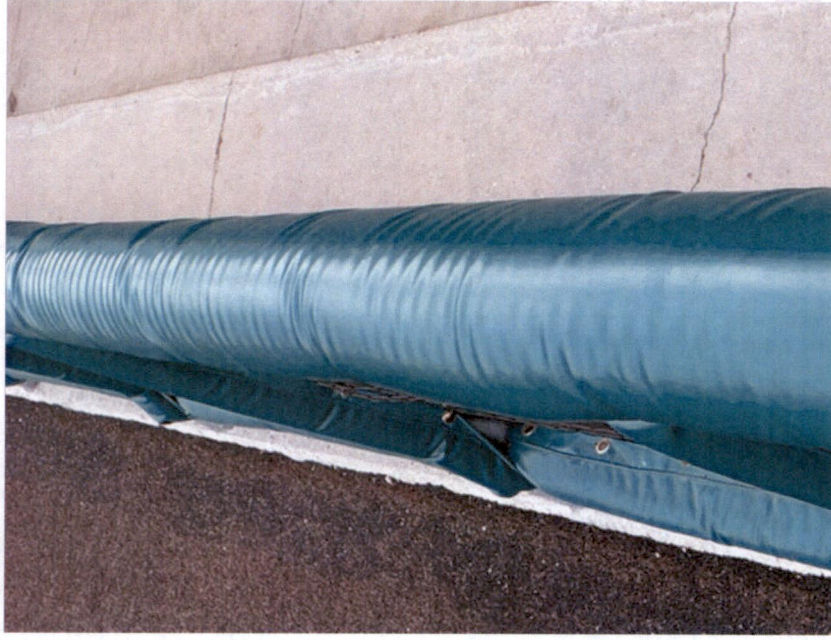
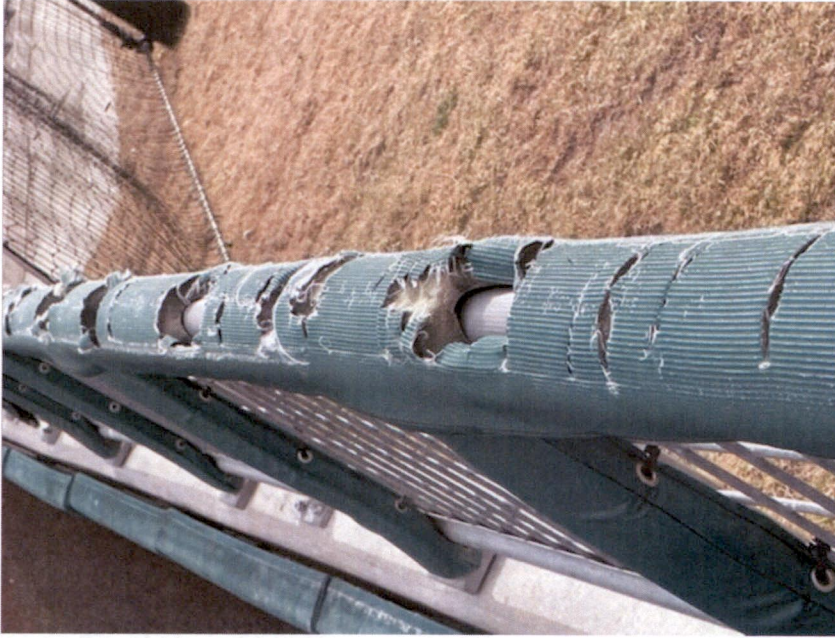
- City's stadium lease agreement with Cleburne Baseball, LLC (Tenant) signed in October of 2018 and expires December 31, 2029
 - Maintenance and Repair Reserve Fund (Maintenance Fund)
 - Maintenance Fund was established to allow for repair, replacement and maintenance of such items as HVAC units, elevator, flooring/carpeting, or other improvements that will enhance the use or safety of the stadium
 - Maintenance Fund is financed through:
 - annual contributions of \$25,000 each from the Tenant and the City (4A Fund)
 - annual rent payments from Tenant
 - Fund balance of \$155,049 once all payments received for FY 2022 (March 31, 2022)



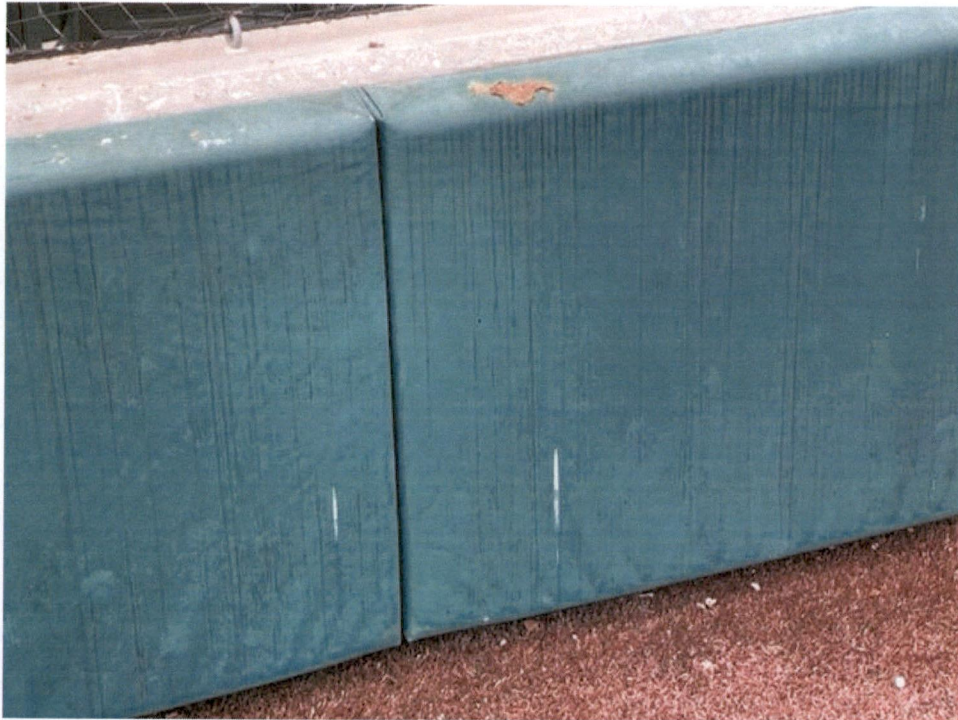
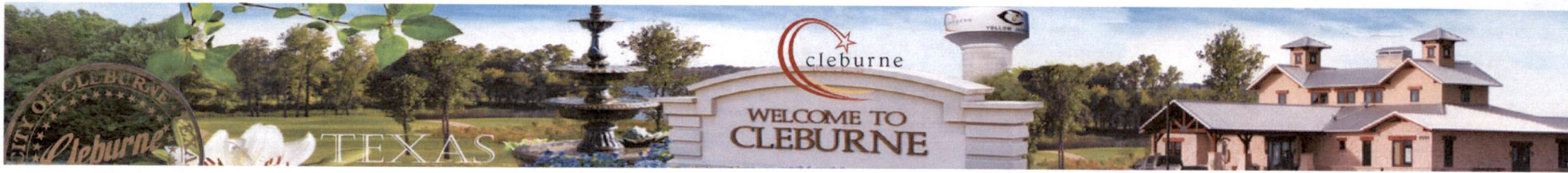
- Stadium Lease Agreement (Agreement) automatically allows Tenant to deduct up to \$25,000 annually from the Maintenance Fund for such items as previously listed
- Tenant is asking to exceed this amount by \$65,000 for this year
 - repair, replacement and addition of padding along a portion of the field walls and railings
 - existing padding is now five years old
 - weathered over time resulting in cracks, rips and fading
- Going forward, intent is to develop an annual field padding replacement schedule in order to consistently maintain a high level of quality and avoid a complete replacement scenario
- Any funds not spent within a fiscal year remain in the Maintenance Fund and are available for future projects



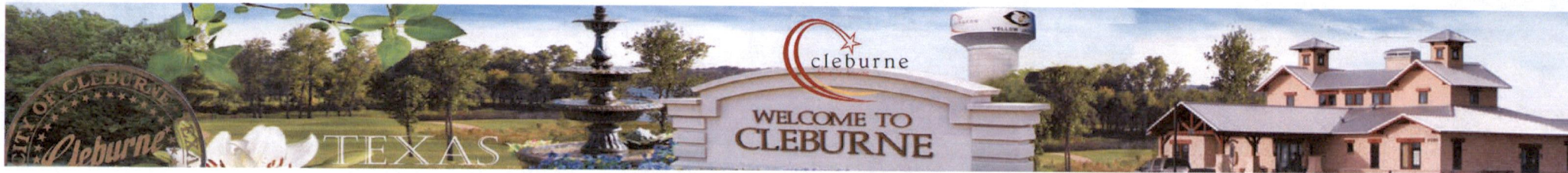
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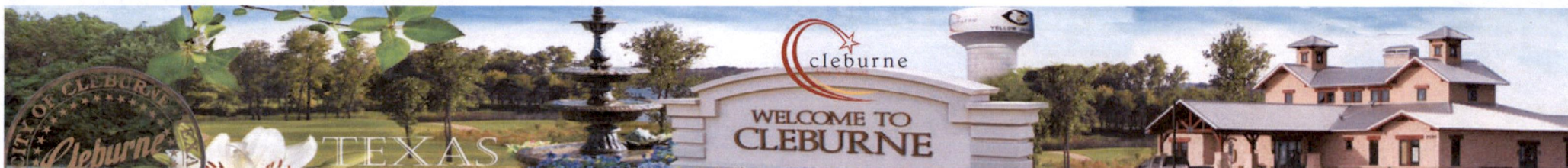
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- First time Tenant has sought to go beyond the \$25,000 maintenance amount
- As the stadium ages, additional requests can be expected to address larger ticket items
 - artificial turf
 - field lighting
 - roofing
- Maintenance fund balance - \$155,049
 - Assuming full expenditure of the annually allotted \$25,000 and requested \$65,000
 - Remaining FY 2022 fund balance would be \$65,049
- FY 2023 Maintenance Fund will receive:
 - additional maintenance deposits of \$25,000 from the Tenant and from City
 - \$75,000 from Tenant for rent payment
 - projected fund balance of \$190,049



For more information contact:
Steve Polasek, City Manager
steve.polasek@cleburne.net

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