

ADDENDUM

MARTINSVILLE CITY COUNCIL AGENDA

September 12, 2017

7:30 pm – REGULAR SESSION ADDENDUM

1. Consider a proposal submitted by National Sports Services LLS, Topeka, KS, to purchase the Martinsville Mustangs.
2. Consider information regarding replacement and upgrade of the City's telephone equipment.

Date: September 12, 2017
Item No: Addendum 1
Department: City Manager

Issue: Consider a proposal submitted by National Sports Services LLS, Topeka, KS, to purchase the Martinsville Mustangs.

Summary: During the summer of 2016, the City contracted with The Sports Advisory Group regarding efforts to determine interest in potential sale of the Martinsville Mustangs. A major element of SAG's work is to represent clients in the potential sale or purchase of sellers and buyers of minor, major, and independent sports teams

Early this year, an interested purchaser of the team was identified by SAG and that ultimately led to direct conversations with National Sports Services of Topeka, KS. NSS acquires sells, develops, and manages a variety of sports teams, with a recent acquisition being the Wilmington Sharks – a team in the same Coastal Plain League the Martinsville Mustangs are affiliated with.

NSS has submitted a proposal to the City for purchase of the team. The terms as proposed is for an initial 2 year period which covers the remaining 2 year management contract the City currently has with the Coastal Plain League. For some time, the City has investigated options for certain stadium upgrades and under the purchase agreement, if no activity occurs regarding stadium improvements, NSS can sell or relocate the team, with the City being given the first right of refusal to purchase the team back at the proposed current sale price plus any documented net investment made by NSS.

Mr. Bill Davidson, CEO of NSS has made several trips to Martinsville to discuss their proposal and plans on attending Council's meeting on September 12 to provide additional information.

Attachments: None

Recommendations: The recommendation is that the City Manager be authorized to execute the sales agreement subject to the final agreement language matching the terms provided in NSS's proposal.

Date: September 12, 2017
Item No: Addendum 2
Department: City Manager

Issue: Consider information regarding replacement and upgrade of the City's telephone equipment.

Summary: As the FY18 capital budget was prepared, there were internal discussions regarding the need to begin planning for the replacement of key telephone switches and equipment since the equipment was aging and reaching a point beyond which service, repair, or parts could be available. The initial project estimate was in the \$500,000 range and it was anticipated the project would occur in the FY2020 - FY2022 budget years. In the FY18 Telecom Budget, \$100,000 is included in the Plant Expansion line item (11315308 508220) to begin accumulating funds toward the total project cost.

As discussions occurred between the City's Telecom staff and Ronco Communications regarding this project, particularly in regard to existing equipment aging out of factory support, an initial proposal was provided to begin replacing the equipment now, taking advantage of substantial discounts currently available. A proposal was provided and after negotiations with Ronco, the proposal is to consider beginning replacement now at a cost of \$266,600.86, with Ronco agreeing to a partial payment of \$100,000 in the current fiscal year, and the balance of \$166,600.86 being made in after July 1, 2018, in FY19. Taking advantage of current discounts in addition to stretching funding over two fiscal years significantly lessens the financial impact to the City.

Attachments: None

Recommendations: Staff requests authorization to proceed with the purchase agreement now, recognizing that \$166,600.86 will be allocated in the FY19 Telecom budget to complete project payment.