

## Council – HOBBS REPORT FOR 2015

March 7, 2016

### **Overview/History**

Hobbs Ice Center is a year-round ice skating facility with three indoor sheets of ice. Originally constructed in 1974, it was expanded to a two sheet indoor facility in 1985. In 2009 Hobbs was expanded again adding a 2/3 full size indoor rink, expanded lobby and restrooms, additional locker rooms, and a new office area for the Parks and Recreation Administrative offices which consolidated City buildings and services for continued departmental savings.

Major users include the Eau Claire Youth Hockey Association, the Eau Claire Figure Skating Club, UW-Eau Claire, the Eau Claire Area School District, the F1 summer hockey program, and the City of Eau Claire Parks and Recreation Department. There are also several summer hockey camp groups that call Hobbs their home. These organizations utilize the facility extensively and are the foundation for continued financial success at Hobbs Ice Center. Additional Revenue is generated through private ice rentals, public open skating and open hockey, vending commissions, advertising sales, and concession operations. Hobbs Ice Center also hosts dry floor events which utilize the facility's 'dry' rink floors in the off season months.

### **Facility Events and Usage**

In 2015 Hobbs Ice Center hosted a major figure skating competition, 3 figure skating testing sessions, 69 varsity level high school and college games, 4 youth hockey tournaments, and one high school hockey tournament. There were also 6 dry-floor events including one new event, the Benchmark Brawl, a cross-fit competition attended by athletes from all over the upper Midwest. Open skating attendance for 2015 totaled 7,471 participants for all drop-in offerings. Overall, Hobbs Ice Center had 7,546 reserved hours of use combined between its 3 ice sheets and meeting rooms. This is an increase of over 500 hours from 2014 and the highest in the facility's history.

### **2015 Major Facility Projects**

Major facility projects in 2015 included the completion of the club viewing room with installation of a full service serving area, dedicated storage room, and a dedicated A/V system for the room. The dasher boards in the Akervik Rink also saw improvements as the puck board around the bottom of the rink boards was replaced.

### **Preliminary Revenues/Expenses**

Revenues in 2015 totaled \$831,699 while operational expenses reached a total of \$676,740 leaving the operation with a net profit from operations of \$154,960. This is the 6th consecutive year the facility has shown a profit from operations and is also the second highest operational profit in the facility's history. The concessions operation had its highest revenues ever, clearing \$80,000 for the first time.

## **Budgetary Performance and Debt Service**

While actual revenues exceeded operational expenses by \$154,960 Hobbs operations did fall short of the budgetary income projection of \$201,400. Revenues were under budget projections by \$35,301 or 4% of the overall projection. There are three main contributors to this revenue shortfall. First, advertising sales for the facility continue to be a challenge although they are slowly improving. Second, the vending & concessions operations at Hobbs brought in less revenue than projected although the concession stand operation did still recover 126% of its expenses.

Another contributing factor to the revenue shortfall were slight decreases in ice usage by the Eau Claire Figure Skating club and the F1 Hockey. Also, the RMB high school hockey team moved their home location to Altoona's rink as their programs combined for the 2015-2016 season and beyond. Further, the ice arena in Chippewa falls had ice available during the summer of 2015. This is the first year that any other area facility had available ice in the summer. That facility is privately owned and operated with volunteers, enabling them to charge significantly lower hourly ice rental rates. As such, some summer usage that traditionally happened here at Hobbs moved to Chippewa Falls. Summer ice rental rates are being analyzed to determine a future strategy to ensure the most summer usage possible at Hobbs.

2015 expenses came in at \$10,722 more than the original projection, or 1% over the budgeted amount. This is exclusively from an unexpected emergency repair to the main air handling system for the O'Brien Rink. Highlights on the expense side of the 2015 operating budget include being under projections on both electricity and natural gas spending. Continued efforts to increase the building's operational efficiency while still getting busier are paying off and significant decreases in the cost of natural gas have also helped immensely.

As a result of the shortfall in budgeted income from operations, the 2015 General Fund investment for debt service will increase from the projected \$101,700 to \$146,596. This is the second consecutive year of decreasing General Fund investment for Hobbs operations. An appropriation adjustment for Hobbs will be included with the quarterly adjustments in April. Future year debt service amounts will remain at approximately \$310,000.

## **Future**

The future for Hobbs Ice Center continues to be strong. The major user groups in the fall and winter seasons are utilizing the facility a great deal and there is significant potential for more growth in future seasons. In 2015 a preliminary agreement was reached with an ownership group that would like to bring an NAHL hockey team to Hobbs Ice Center and while efforts were made to start the team in the 2016-2017 season, the focus has now shifted to the 2017-2018 season.

Icetime scheduling procedures continue to be modified to allow for more use of the facility, especially during 'non-prime' times of the day. In some instances, all 3 rinks are being used at 5:30am on school days and groups are getting here to skate at 6:30am on weekends.

There are also steps being taken to improve the way games and events are scheduled at the facility, thus creating further evening practice time availability. After the addition of an NAHL team to the fall and winter season, the largest potential for growth of facility usage is in the summer months. Future planning for facility improvements will focus on taking steps to ensure that the facility can maximize off-season use.

For September 2016 - August 2017, there are no planned rate increases at Hobbs Ice Center. The 6% rate increase in 2013 along with improved preventative maintenance have helped to stabilize revenues at the facility. However, rental rates will continue to be analyzed to ensure strong financial performance at the facility.

Major projects for 2016 include completion of a deficiency study for the facility's Akervik Rink ice floor and other facility mechanical equipment as well as the potential for beginning design work for a locker room addition to the O'Brien Rink to accommodate the addition of an NAHL team to the facility. That project is contingent upon reaching an agreement with the league and ownership group to get a team started here. Also, the flooring in the club viewing room area is scheduled for completion in the summer of 2016. Lastly, the scoreboards for the Akervik and Hughes Rinks will have been replaced in early February prior to the presentation of this report.

### **Economic and Community Impact**

In 2013 and 2014, Visit Eau Claire conducted an economic impact study on events that occur at City facilities operated by the Parks, Recreation, and Forestry Department. The results of that study have shown that there is a tremendous amount of impact on the Eau Claire economy directly resulting from major events such as the Eau Claire Youth Hockey tournaments and the Eau Claire Figure Skating Club competitions. These events bring in large numbers of people from outside of Eau Claire who then inject money into the Eau Claire economy. The study's results also show the significant value that facilities like Hobbs have for the City as a whole. When all things are considered, it is clear that Hobbs Ice Center is a benefit to more than just the facility's user groups. The Eau Claire community as a whole also receives significant value on its investment in Hobbs Ice Center and operations at the facility will continue to take the community benefit into account.

## Hobbs Ice Center Total Reserved Hours

UWEC MEN	2012	2013	2014	2015
January	43	51.5	47.25	44.5
February	35.5	36	34.25	45.5
March	1	23	9.75	2
April	8		5	6.5
May	3	4	5	6.5
June		4		
July	4	4		
August	1	5.75		
September	9	7	9	8
October	38.5	30	29	27.25
November	40.25	32.25	41	45
December	26	22.25	31	25
<b>TOTAL HOURS RESERVED</b>	<b>209.25</b>	<b>219.75</b>	<b>211.25</b>	<b>210.25</b>

MEMORIAL HIGH SCHOOL	2012	2013	2014	2015
January	51.75	53.75	37.5	54.75
February	39	30.25	47	41.25
March		3	6.5	3
April		11.25	5	2
May	6	3	6.5	4
June	5	4.5	4	4
July	6	4.5	7.75	5
August	4	4	5	5
September	4	4	4	4
October	9	5	4	4
November	60.75	66	55.5	56
December	45.5	54.75	50	55.75
<b>TOTAL HOURS RESERVED</b>	<b>231</b>	<b>244</b>	<b>232.75</b>	<b>238.75</b>

UWEC WOMEN	2012	2013	2014	2015
January	35	34.25	35.75	31.25
February	23.75	19.25	22.25	23.5
March	2	9	3	4
April	6	10	4	4
May	3		4	4
June				
July				
August				
September	9	6	10	8
October	25.25	20.75	20	31.25
November	31.5	30.5	27	40.75
December	22.5	20.5	24.25	36.75
<b>TOTAL HOURS RESERVED</b>	<b>158</b>	<b>150.25</b>	<b>150.25</b>	<b>183.5</b>

NORTH HIGH SCHOOL	2012	2013	2014	2015
January	25.75	28	27	28.75
February	13.75	15	25.75	24.5
March				
April	2	6	4	
May	3	5		4
June	4	3		4
July	2		4.5	5
August			6	
September	4	5	6	
October	7	5	8	8
November	32.25	19.75	18.5	31
December	27	28.5	37.25	45.25
<b>TOTAL HOURS RESERVED</b>	<b>120.75</b>	<b>115.25</b>	<b>137</b>	<b>150.5</b>

UWEC SUMMER HOCKEY	2012	2013	2014	2015
June	31	23.5	25	0
July	31	25	6	0
August		3		0
<b>TOTAL HOURS RESERVED</b>	<b>62</b>	<b>51.5</b>	<b>31</b>	<b>0</b>

EAU CLAIRE / ALTOONA STARS	2012	2013	2014	2015
January	32.25	27.5	25.5	25.25
February	23	13.25	14.5	34.75
March				
April		4		
May		4		
June			10	
July			10	5.5
August				
September		4		
October		4	2	14
November	25.5	23	16.75	20.25
December	32.25	27	31	28.75
<b>TOTAL HOURS RESERVED</b>	<b>113</b>	<b>106.75</b>	<b>109.75</b>	<b>128.5</b>

F1/BUCKS SUMMER HOCKEY	2012	2013	2014	2015
March	10.5	10	10	0
April	56.5	59.75	51	11.5
May	52	53	32	43.5
June	60	68	45.75	38
July	63	52	39.5	42.25
August	57.25	43.5	28	44.25
September	47	48	53	48
October	61.25	66.5	44	48.5
November	3	6	3	4.5
<b>TOTAL HOURS RESERVED</b>	<b>410.5</b>	<b>406.75</b>	<b>306.25</b>	<b>280.5</b>

REGIS / MCDONNELL	2012	2013	2014	2015
January	20.25	16	18.75	19
February	14.25	14	22	12
March	2			
April	3	2		1
May	5	3	2	1
June	1		4	2
July			4	4
August	3	3	3	2
September	4			
October		6	3	
November	17.75	14.5	13	
December	18	18	24.25	
<b>TOTAL HOURS RESERVED</b>	<b>88.25</b>	<b>76.5</b>	<b>94</b>	<b>41</b>

EAU CLAIRE YOUTH HOCKEY	2012	2013	2014	2015
January	152.25	210.25	203	250.5
February	188.75	152.5	208.5	196.25
March	37.5	11	67	106.25
April				10
May				
June				
July				
August				
September				
October	31.75	48	36	40
November	77	101	97.5	104.75
December	131.5	150.25	150.25	136.75
<b>TOTAL HOURS RESERVED</b>	<b>618.75</b>	<b>673</b>	<b>762.25</b>	<b>844.5</b>

PARKS AND RECREATION	2012	2013	2014	2015
January	131	177.75	167	148.25
February	169.5	155.5	154	143.25
March	110.5	115.25	121	124.25
April	50	52	65.5	81
May	50	60	56	68
June	63	58	76	72
July	63	74	95.5	76
August	69	74	90	76.75
September		116.5	131	75
October	11.5	134	116.5	110.5
November	102.5	138.5	158.75	178.75
December	129.75	150.5	169	212
<b>TOTAL HOURS RESERVED</b>	<b>949.75</b>	<b>1306</b>	<b>1400.25</b>	<b>1365.75</b>

EAU CLAIRE FIGURE SKATING CLUB	2012	2013	2014	2015
January	60	57	53.75	59.75
February	55.75	55.75	54	48.75
March	254.5	134.5	182.75	179.75
April	139	89.5	74.5	71.75
May	56.5	54.25	62	48.5
June	56.5	39.25	58	58.75
July	55.75	53.25	58.75	49.5
August	61.25	55.25	68.25	60
September	56.5	53.25	62.5	45.5
October	61.25	57.25	61.75	53.75
November	85.5	65	101	92.75
December	66	55.75	56.25	45.5
<b>TOTAL HOURS RESERVED</b>	<b>1008.5</b>	<b>770</b>	<b>893.5</b>	<b>814.25</b>

<b>Individual Renters Combined Total</b>	<b>2015</b>
	<b>1200.5</b>

<b>Combined Facility Total</b>	<b>2015</b>
	<b>5458</b>

Hobbs Municipal Ice Center Reserved Hours by Space

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>O'Brien Rink</b>	1727	1834	1765	1695	1879	2046
<b>Akervik Rink</b>	1433	1648	1718	1878	2177	1907
<b>Hughes Rink</b>	1179	1101	1309	1388	1569	1511
<b>Conference Room</b>	419	342	374	502	605	558
<b>Meeting/Party Room</b>	235	251	176	233	110	316
<b>Club Viewing Room</b>	361	277	416	288	419	711
<b>Mezzanine Spaces</b>	38	25	0	0	30	30
<b>Lobby</b>	0	0	0	0	0	15
<b>Parking Lot</b>	0	12	0	26	20	27
<b>Fitness Room</b>	0	12	220	248	225	425
	5392	5502	5978	6258	7034	7546

Hobbs Municipal Ice Center Reserved Days by Space

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Dry Floor Space</b>	16	10	18	54	45	24
<b>Conference Room</b>	129	120	129	146	172	169
<b>Meeting/Party Room</b>	51	55	42	43	73	64
<b>Club Viewing Room</b>	101	94	101	75	135	142
	297	279	290	318	425	399

## Hobbs Ice Arena Financial Summary

	2012 Final	2013 Final	2014 Final	2015 Amended Budget	2015 Preliminary	2015 Difference
<b>Operating Revenues</b>						
Ice Rentals & Open Skating	\$575,848	\$582,048	\$615,800	\$612,400	\$610,109	(\$2,291)
Dry Floor Rental	\$13,243	\$9,725	\$8,853	\$11,500	\$9,242	(\$2,258)
Room Rentals	\$0	\$2,242	\$5,436	\$4,700	\$5,168	\$468
Vending & Concessions	\$106,281	\$109,551	\$90,985	\$112,500	\$96,552	(\$15,948)
Advertising	\$23,500	(\$25,790)	\$19,375	\$40,000	\$24,750	(\$15,250)
Mis/Grants/Sales of Assets	\$391	\$345	\$708	\$800	\$778	(\$22)
Comm Enhancement for Operations	\$40,000	\$65,000	\$65,000	\$65,000	\$65,000	\$0
Building Rent (Recreation Admin & Coaches Offices)	\$19,300	\$19,700	\$19,700	\$20,100	\$20,100	\$0
Total Operating Revenues	\$778,563	\$762,821	\$825,857	\$867,000	\$831,699	(\$35,301)
<b>Operating Expenses</b>						
Personnel Costs (Excluding OPEB)	\$243,502	\$226,092	\$233,933	\$215,500	\$244,958	\$29,458
Auditing/Training/Special Services	\$66,236	\$80,397	\$68,392	\$98,100	\$98,390	\$290
Utilities	\$267,237	\$308,757	\$286,211	\$274,800	\$254,403	(\$20,397)
Licensing/Insurance/Special Assessments	\$9,093	\$9,952	\$9,336	\$10,100	\$10,192	\$92
Supplies	\$47,672	\$56,640	\$60,352	\$67,100	\$68,797	\$1,697
Total Operating Expenses	\$633,740	\$681,838	\$658,224	\$665,600	\$676,740	\$11,140
<b>Income (Loss) from Operations</b>	<b>\$144,823</b>	<b>\$80,983</b>	<b>\$167,633</b>	<b>\$201,400</b>	<b>\$154,960</b>	<b>(\$46,440)</b>
<b>Debt Coverage</b>						
<i>Sources</i>						
Donations	\$47,000	\$20,000	\$6,000	\$6,000	\$6,000	\$0
Results of Operations	\$144,823	\$80,983	\$167,633	\$201,400	\$154,960	(\$46,440)
<i>Uses</i>						
Debt Service and Debt Issuance Costs	(\$309,665)	(\$310,094)	(\$336,668)	(\$309,100)	(\$307,555)	\$1,545
Reserve for Future Debt Service/ General Fund Tran	(\$117,842)	(\$209,111)	(\$163,035)	(\$101,700)	(\$146,596)	(\$44,896)
Consolidated Govt'l Operational Savings	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000	

# Hobbs Municipal Ice Center

Hobbs Municipal Ice Center Operating Budget

	2015 - Preliminary	2014	2013	2012	2011	2010	2009*	2008	2007	2006	2005
Revenues	\$831,699	\$825,857	\$762,821	\$778,563	\$713,159	\$652,249	\$558,867	\$514,447	\$482,171	\$477,225	\$448,870
Expenses	\$676,740	\$658,224	\$681,838	\$633,740	\$631,533	\$619,833	\$566,137	\$545,895	\$524,059	\$556,105	\$479,126
<b>Net</b>	<b>\$154,959</b>	<b>\$167,633</b>	<b>\$80,983</b>	<b>\$144,823</b>	<b>\$81,626</b>	<b>\$32,416</b>	<b>(\$7,270)</b>	<b>(\$31, 448)</b>	<b>(\$41,888)</b>	<b>(\$78,880)</b>	<b>(\$30,256)</b>

\* Renovation in 2009

\* Consolidated Operation Savings - not applicable in 2009

\* Consolidated Operation Savings Beginning 2010 = \$180,000

**HOBBS MUNICIPAL ICE CENTER FEES**

LINE #	FEES	LAST INCREASE	2014-2015 ADOPTED FEES (09-01-14 to 08-31-15)	2015-2016 ADOPTED FEES (09-01-15 to 08-31-16)	2016-2017 ADOPTED FEES (09-01-16 to 08-31-17)
Hobbs-1	Hobbs Ice Rental - Prime Time - O'Brien & Akervik Rinks - Per Hour Weekdays 12noon to 12midnight, AND all Weekend and Summer Hours.	2014	\$175.00	\$175.00	\$175.00
Hobbs-2	Hobbs Ice Rental - Non Prime Time - O'Brien & Akervik Rinks - Per Hour Weekdays 12midnight to 7am, EXCEPT June 1 through August 31.	2014	\$143.00	\$143.00	\$143.00
Hobbs-3	Hobbs Ice Rental - Non Prime Time - O'Brien & Akervik Rinks - Per Hour Weekdays 7am to 12noon, EXCEPT June 1 through August 31.	2014	\$159.00	\$159.00	\$159.00
Hobbs-4	Hobbs Ice Rental - Prime Time - Hughes Studio Rink - Per Hour Weekdays 12noon to 12midnight, AND all Weekend and Summer Hours.	2014	\$143.00	\$143.00	\$143.00
Hobbs-5	Hobbs Ice Rental - Non Prime Time - Hughes Studio Rink - Per Hour Weekdays 12midnight to 12noon, EXCEPT June 1 through August 31.	2014	\$122.00	\$122.00	\$122.00
Hobbs-7	Hobbs Event - Dry Floor Special Event - Daily Rental Per Rink, plus any additional custodial overtime related to the event.	2011	\$1,000.00	\$1,000.00	\$1,000.00
Hobbs-8	Hobbs Hourly - Dry Floor.	2014	\$125.00	\$125.00	\$125.00
Hobbs-10	Hobbs Hockey Event - O'Brien Rink - Varsity Single Game	2014	\$775.00	\$775.00	\$775.00
Hobbs-10.1	Hobbs Hockey Event - O'Brien Rink - JV/Varsity Game Combined	2014	\$975.00	\$975.00	\$975.00
Hobbs-12	Hobbs Hockey Event - Akervik Rink - Varsity Single Game	2014	\$575.00	\$575.00	\$575.00
Hobbs-12.1	Hobbs Hockey Event - Akervik Rink - JV/Varsity Game DH.	2014	\$775.00	\$775.00	\$775.00
Hobbs-13	Hobbs Event - Birthday Party Reservation Fee (available during open skate hours only). Includes: Open skate admission (10 youth/2 adults), 12 hot dog/pizza meal deals, and room space provided. Any additional person beyond 12 is \$8.00 per person.	2014	\$125 (up to 12) plus \$8 for each add'l person	\$125 (up to 12) plus \$8 for each add'l person	\$125 (up to 12) plus \$8 for each add'l person
Hobbs-14	Hobbs Event - Food (Excludes Birthday Parties) - Per Event.	2010	\$100.00	\$100.00	\$100.00
Hobbs-16	Hobbs Drop In Program - Youth (17 Yrs. & Under)	2013	\$6.00	\$6.00	\$6.00
Hobbs-18	Hobbs Drop In Program - Adult	2013	\$6.00	\$6.00	\$6.00
Hobbs-20	Hobbs Drop-In Special (Events, Lunch Break Open Skate) (New Fee Effective September 1, 2014)	2014	\$3.00	\$3.00	\$3.00
Hobbs-21	Hobbs Skate Rental - Skates are ONLY available to use during Open Skate Sessions at the Hobbs Municipal Ice Center.	2014	\$3.00	\$3.00	\$3.00
Hobbs - 30	Hobbs Ice Resurface Charge (New Fee Effective September 1, 2014)	2014	\$42.50	\$42.50	\$42.50
Hoobs-31	Hobbs Locker Room - Cleaning Fee	2015		\$50.00	\$50.00
Hobbs-32	Hobbs Room Rental - Mezzanine (5 spaces available A, B, C, E, F) - No Cost.	2010	\$0.00	\$0.00	\$0.00
Hobbs-33	Hobbs Room Rental - Meeting/Party Room/Conference Room - Per Hour.	2014	\$30.00	\$30.00	\$30.00
Hobbs-34	Hobbs Room Rental - Club Viewing Room - Per Hour / Per Day	2014	\$250.00	\$50.00 / Hour \$250.00 / Day	\$75.00 / Hour \$600.00 / Day
Hobbs-35	Hobbs Room Rental - Club Viewing Room - Per Varsity Game	Proposed New	N/A	N/A	\$100 / Game
Hobbs-36	Hobbs Room Rental - Kitchen (includes food fee)	Proposed New	N/A	N/A	\$150



**HOBBS MUNICIPAL ICE CENTER FEES**

LINE #	FEES	LAST INCREASE	2014-2015 ADOPTED FEES (09-01-14 to 08-31-15)	2015-2016 ADOPTED FEES (09-01-15 to 08-31-16)	2016-2017 ADOPTED FEES (09-01-16 to 08-31-17)
Hobbs-37	Hobbs Room Rental - Audio/Video	Proposed New	N/A	N/A	\$30