

Waterways – HOBBS REPORT FOR 2016

March 27, 2017

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's three varsity hockey teams, the F1 and Bucks AAA 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 2016 Hobbs Ice Center hosted one major figure skating competition, 3 figure skating testing sessions, 69 varsity level high school and college games, 3 major youth hockey tournaments, and one high school hockey tournament. The rest of the facility's ice usage comes from public open skating and hockey, figure skating and hockey practice time, and private rentals. The meeting rooms at the facility are used for various Recreation Division programs, staff orientations and trainings, user group meetings and events, and also for private rentals. Hobbs was also the host for 5 dry-floor events held in April and September. Open skating attendance for 2016 totaled 8,414 participants for all drop-in offerings. Overall, Hobbs Ice Center had 7,131.5 reserved hours of use combined between its 3 ice sheets and meeting rooms.

2016 Major Facility Projects

Major facility projects in 2016 started with completion of a comprehensive evaluation of the facility's major components including mechanical equipment and refrigeration systems. Operational practices were also evaluated during this process. Results of the study will be used to plan future replacements and upgrades to the facility's equipment. Initial priorities to address from the study include the condenser towers for the O'Brien & Akervik rink refrigeration system, additional locker rooms and enhancements to the existing rooms, the construction of an indoor resurfacers garage between the O'Brien & Akervik rinks including a snow melt pit, and additional storage space. Discussion on the condition and replacement timeline of the ice rink floors for the O'Brien & Akervik rinks was also included in the study.

Other 2016 projects included new space heaters in the Akervik Rink as well as new scoreboards and a new snow melt coil for the Akervik & Hughes rinks. In the O'Brien Rink, polyaspartic flooring was installed in the club room area and the press box was also remodeled to increase capacity, upgrade amenities, and eliminate sight line issues. Lastly, as recommended in the facility evaluation, discharge duct work was installed on the main condenser towers to prolong their life until replacement in 2018.

Preliminary Revenues/Expenses

Revenues in 2016 totaled \$826,992 while operational expenses reached a total of \$681,998 leaving the operation with a net profit from operations of \$144,994. This is the 7th consecutive year the facility has shown a profit from operations. Of note are stabilized utility costs through various operational changes and the adoption of a regular preventative maintenance program as well as consistently strong ice revenues due to the strength of the local fall/winter user groups and the best energy usage performance since the major renovation in 2009. In addition, the concessions operation had its 2nd ever year clearing \$80,000 in sales revenue.

Budgetary Performance and Debt Service

While preliminary revenues exceeded operational expenses by \$144,994 Hobbs operations did fall short of the budgetary income projection of \$216,200. Revenues were under budget projections by \$67,608 or 7% of the overall projection. There are two main contributors to this revenue shortfall. First, the vending & concessions operations at Hobbs brought in less revenue than projected although the concession stand operation did still recover 133% of its expenses.

Another contributing factor to the revenue shortfall was a decrease in ice use during the summer. The ice arena in Chippewa falls had ice available during the summer of 2016. This is the second 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.

2016 expenses came in at \$3,598 more than the original projection, less than 1% over the budgeted amount. Continued energy efficiency measures and preventative maintenance to the facility's major mechanical equipment are paying off significantly. Proper ice maintenance causes significant savings from the ice refrigeration equipment not having to work as hard to maintain the temperature of ice that is kept thinner than in the past. Also, 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 2016 General Fund investment for debt service will increase from the projected \$90,800 to \$155,056. 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. While efforts to attract an NAHL team to the facility were ongoing during 2015, discussions with the league have shown that locker amenities need to be upgraded and more weekend icetime needs to be available before Hobbs can be seriously considered for a team. Attracting an NAHL team to the Eau Claire market is desired, but not at the expense of icetime to the local major user groups. That said, it would be prudent to address the locker room amenities in the facility should more icetime become available in the future. This is planned to be addressed in 2017/2018.

Another area of focus for increasing usage at the facility is during the summer months. The availability of icetime at the facility in Chippewa Falls has caused some smaller summer groups to leave Hobbs for lower cost icetime. Because of this, ice rates for the summer months are being decreased in an effort to stay competitive within the market and gain back groups that chose to skate elsewhere in 2015 and 2016. People want to skate at Hobbs, but the cost has to be factored into their decisions.

For September 2017 - August 2018, there are no planned rate increases at Hobbs Ice Center. The 6% rate increase in 2013 along with improved preventative maintenance practices and decreased energy usage have helped to stabilize the financial situation at the facility. However, rental rates will continue to be analyzed to ensure strong financial performance at the facility.

Major projects for 2017 include architectural & mechanical design work for facility upgrades based on the results of the 2016 facility evaluation. A lighted facility entrance sign will be installed on the front face of the facility, parking lot lighting will be replaced with new LED fixtures and the parking lot surface will be chip sealed and repainted. Lastly, retractable bleachers will be installed in the O'Brien Rink.

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 Eau Claire Parks, Recreation, and Forestry. The results of that study have shown a tremendous amount of impact on the Eau Claire economy directly resulting from events such as the Eau Claire Youth Hockey tournaments and the Eau Claire Figure Skating Club competitions. The study's results also show the significant value that facilities like Hobbs have for the City as a whole. As an example, the study concluded that the 2014 Michael Hughes youth hockey tournament had an overall impact of approximately \$565,000 to the Eau Claire economy. Hobbs hosts three major youth hockey tournaments each year as well as a major figure skating competition, all of which bring large numbers of people to Eau Claire who stay in hotels, eat in restaurants, and go shopping while they are here. Because of the impact from these kinds of events, 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 overall community benefit into account.

Hobbs Ice Center Total Reserved Hours

UWEC MEN & WOMEN	2013	2014	2015	2016
January	85.75	83	75.75	82
February	55.25	56.5	69	74.5
March	32	12.75	6	4
April	10	9	10.5	16
May	4	9	10.5	8
June	4			
July	4			
August				
September	13	19	16	18
October	50.75	49	58.5	60.5
November	62.75	68	85.75	88.5
December	42.75	55.25	61.75	63.25
TOTAL HOURS RESERVED	364.25	361.5	393.75	414.75

EAU CLAIRE AREA SCHOOL DISTRICT	2013	2014	2015	2016
January	109.25	90	108.75	119.5
February	58.5	87.25	100.5	104.5
March	3	6.5	3	
April	21.25	9	2	5
May	12	6.5	8	5
June	7.5	14	8	13.25
July	4.5	17.75	15.5	31.75
August	4	11	5	8
September	13	10	4	7
October	14	14	26	16
November	108.75	90.75	107.25	154.75
December	110.25	118.25	129.75	159
TOTAL HOURS RESERVED	466	475	517.75	623.75

EAU CLAIRE YOUTH HOCKEY	2013	2014	2015	2016
January	210.25	203	250.5	284.25
February	152.5	208.5	196.25	183.5
March	11	67	106.25	76.5
April			10	
May				
June				
July				10
August				
September				2
October	48	36	40	48.5
November	101	97.5	104.75	102
December	150.25	150.25	136.75	175.5
TOTAL HOURS RESERVED	673	762.25	844.5	882.25

EAU CLAIRE FIGURE SKATING CLUB	2013	2014	2015	2016
January	57	53.75	59.75	53.75
February	55.75	54	48.75	48
March	134.5	182.75	179.75	165.75
April	89.5	74.5	71.75	65.75
May	54.25	62	48.5	41.75
June	39.25	58	58.75	55.75
July	53.25	58.75	49.5	35.25
August	55.25	68.25	60	68.75
September	53.25	62.5	45.5	44.5
October	57.25	61.75	53.75	55.25
November	65	101	92.75	87.5
December	55.75	56.25	45.5	41.5
TOTAL HOURS RESERVED	770	893.5	814.25	763.5

F1/BUCKS SUMMER HOCKEY	2013	2014	2015	2016
March	10	10	0	
April	59.75	51	11.5	
May	53	32	43.5	9
June	68	45.75	38	54
July	52	39.5	42.25	42
August	43.5	28	44.25	21.5
September	48	53	48	41
October	66.5	44	48.5	46
November	6	3	4.5	0
TOTAL HOURS RESERVED	406.75	306.25	280.5	213.5

PARKS AND RECREATION	2013	2014	2015	2016
January	177.75	167	148.25	187.5
February	155.5	154	143.25	175.5
March	115.25	121	124.25	165.75
April	52	65.5	81	82
May	60	56	68	70
June	58	76	72	81
July	74	95.5	76	64
August	74	90	76.75	63.5
September	116.5	131	75	79.5
October	134	116.5	110.5	115
November	138.5	158.75	178.75	128
December	150.5	169	212	164.25
TOTAL HOURS RESERVED	1306	1400.25	1365.75	1376

Individual Renters Combined Total 962.5

Combined Facility Total 5236.25

Hobbs Municipal Ice Center Reserved Hours

	2012	2013	2014	2015	2016
O'Brien Rink	1765	1695	1879	2046	1909.5
Akervik Rink	1718	1878	2177	1907	1807
Hughes Rink	1309	1388	1569	1511	1519.75
Conference Room	374	502	605	558	643.5
Meeting/Party Room	176	233	110	316	279.75
Club Viewing Room	416	288	419	711	583
Mezzanine Spaces	0	0	30	30	0
Lobby	0	0	0	15	27
Parking Lot	0	26	20	27	0
Fitness Room	220	248	225	425	362
	5978	6258	7034	7546	7131.5

Hobbs Municipal Ice Center Reserved Days

	2012	2013	2014	2015	2016
Dry Floor Space	18	54	45	24	18
Conference Room	129	146	172	169	161
Meeting/Party Room	42	43	73	64	58
Club Viewing Room	101	75	135	142	130
	290	318	425	399	367

Hobbs Municipal Ice Center

Hobbs Municipal Ice Center Operating Budget

	2016 Preliminary	2015	2014	2013	2012	2011	2010	2009*	2008	2007	2006
Revenues	\$826,992	\$834,412	\$825,857	\$762,821	\$778,563	\$713,159	\$652,249	\$558,867	\$514,447	\$482,171	\$477,225
Expenses	\$681,998	\$674,597	\$658,224	\$681,838	\$633,740	\$631,533	\$619,833	\$566,137	\$545,895	\$524,059	\$556,105
Net	\$144,994	\$159,815	\$167,633	\$80,983	\$144,823	\$81,626	\$32,416	(\$7,270)	(\$31,448)	(\$41,888)	(\$78,880)

* 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	2015-2016 ADOPTED FEES (09-01-15 to 08-31-16)	2016-2017 ADOPTED FEES (09-01-16 to 08-31-17)	2017-2018 ADOPTED FEES (09-01-2017 to 08-31-18)
Hobbs-1	Hobbs Ice Rental - F/W Prime Time - O'Brien & Akervik Rinks - Per Hour. Weekdays 1pm to 12am, AND all weekends. September 1 through April 30.	2014	\$175.00	\$175.00	\$175.00
Hobbs-2	Hobbs Ice Rental - F/W Prime Time - Hughes Studio Rink - Per hour weekdays 1pm to 12am, AND all weekends. September 1 through April 30.	2014	\$143.00	\$143.00	\$148.00
Hobbs-3	Hobbs Ice Rental - F/W Non Prime Time - All Rinks - Per hour weekdays 12am to 1pm, September 1 through April 30.	2014	\$143.00	\$143.00	\$115.00
Hobbs-4	Hobbs Ice Rental - Summer Ice - O'Brien & Akervik - Per hour May 1 through August 31	N/A	N/A	N/A	\$148.00
Hobbs-5	Hobbs Ice Rental - Summer Ice - Hughes - Per hour May 1 through August 31	N/A	N/A	N/A	\$126.00
Hobbs-6	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-7	Hobbs Hourly - Dry Floor.	2014	\$125.00	\$125.00	\$125.00
Hobbs-8	Hobbs Hockey Event - O'Brien Rink - Varsity Single Game	2014	\$775.00	\$775.00	\$775.00
Hobbs-9	Hobbs Hockey Event - O'Brien Rink - JV/Varsity Game Combined	2014	\$975.00	\$975.00	\$975.00
Hobbs-10	Hobbs Hockey Event - Akervik Rink - Varsity Single Game	2014	\$575.00	\$575.00	\$575.00
Hobbs-11	Hobbs Hockey Event - Akervik Rink - JV/Varsity Game DH.	2014	\$775.00	\$775.00	\$775.00
Hobbs-12	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-13	Hobbs Event - Food (Excludes Birthday Parties) - Per Event.	2010	\$100.00	\$100.00	\$100.00
Hobbs-14	Hobbs Drop In Program	2013	\$6.00	\$6.00	\$4.00
Hobbs-15	Hobbs Skate Rental - Skates are ONLY available to use during Open Skate Sessions at the Hobbs Municipal Ice Center.	2014	\$3.00	\$3.00	\$4.00
Hobbs-16	Hobbs Ice Resurface Charge (New Fee Effective September 1, 2014)	2014	\$42.50	\$42.50	\$42.50
Hobbs-17	Hobbs Locker Room - Cleaning Fee	2015	\$50.00	\$50.00	\$50.00
Hobbs-18	Hobbs Room Rental - Mezzanine (5 spaces available A, B, C, E, F) - No Cost.	2010	\$0.00	\$0.00	\$0.00
Hobbs-19	Hobbs Room Rental - Meeting/Party Room/Conference Room - Per Hour.	2014	\$30.00	\$30.00	\$30.00
Hobbs-20	Hobbs Room Rental - Club Viewing Room - Per Hour / Per Day	2014	\$50.00 / Hour \$250.00 / Day	\$75.00 / Hour \$600.00 / Day	\$75.00 / Hour \$600.00 / Day
Hobbs-21	Hobbs Room Rental - Club Viewing Room - Per Varsity Game	2016	N/A	\$100 / Game	\$100 / Game
Hobbs-22	Hobbs Room Rental - Kitchen (includes food fee)	2016	N/A	\$150	\$150
Hobbs-23	Hobbs Room Rental - Audio/Video	2016	N/A	\$30	\$30