

## Council – HOBBS REPORT FOR 2017

April 9, 2018

### **Overview/History**

Hobbs Ice Arena 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's Parks and Recreation programming. 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. Additional Revenue is generated through private ice rentals, public open skating and open hockey, vending commissions, advertising sales, and concession operations. Hobbs Ice Arena also hosts dry floor events which utilize the facility's 'dry' rink floors in the off season months.

### **Facility Events and Usage**

In 2017 Hobbs Ice Arena hosted a major figure skating competition, 3 figure skating testing sessions, 81 varsity level high school and college hockey games, 3 major youth hockey tournaments, two high school hockey tournaments and a regional USA Hockey tryout. The rest of the facility's ice usage comes from public open skating and open hockey, figure skating and hockey practice time, and private rentals. The meeting rooms at the facility are used for various Recreation Division programs, City staff orientations and trainings, user group meetings and events, and also for private rentals. Hobbs was also the host for 4 dry-floor events held in April and August/September. Open skating attendance for 2017 totaled 8,335 participants for all drop-in offerings. Overall, Hobbs Ice Arena had 7,868.5 reserved hours of use combined between its 3 ice sheets and meeting rooms. This is the largest total in the facility's history.

### **2017 Major Facility Projects**

Major facility projects in 2017 included adding a lighted facility name sign to the front of the building while also replacing the parking lot lighting in the front parking lot with new poles and LED fixtures. The lighting in the parking lot has been dramatically improved which is important during the low-light winter months when the facility is used most heavily. All asphalt surfaces in the front and back parking lots were also seal coated with a special coating to extend their lifespan an additional 5-10 years. Lastly, the locker room entry doors for the O'Brien Rink public locker rooms, which were still original to the facility, were completely replaced.

### **Preliminary Revenues/Expenses**

Revenues in 2017 totaled \$900,918 while operational expenses reached a total of \$748,787 leaving the operation with a net profit from operations of \$152,132. This is the 8th consecutive year the facility has shown a profit from operations. Of note are stabilized utility costs through various operational changes and the continuation of regular preventative maintenance for the facility's mechanical equipment. The advertising and sponsorship program has also been successful in recent years, bringing in roughly \$30,000 in advertising revenue each year with a core group of regular facility advertisers. Ice rental revenues have also been consistently strong due to the strength of the local fall/winter user groups. In addition, the concession stand operation had its highest revenue year ever with over \$91,000 in revenue. This noticeable concessions increase from recent years can be attributed to the additional events the facility hosted including the USA Hockey Girls Central District tryout in March and the ECA Stars holiday tournament in December. These types of events all bring patrons to the facility for long periods of time and while they are here, they will typically purchase food and snacks from the concession stand more so than during practice time or stand-alone youth hockey games.

### **Budgetary Performance and Debt Service**

While preliminary revenues exceeded operational expenses by \$152,132 Hobbs operations did fall short of the budgetary income projection of \$193,800. Revenues were under budget projections by \$47,382 or 4% of the overall projection. The revenue shortage comes almost entirely from lower than projected ice rental/usage and is equivalent to 270 hours of ice rental at the prime fall/winter ice rate of \$175 per hour. There are two main factors for this. First, starting in 2016 the summer use of the facility has decreased due to the availability of lower cost ice at the completely volunteer run Chippewa Falls ice arena. In the summer of 2017, ice rates at Hobbs were reduced in an effort to remain cost competitive with the facility in Chippewa Falls. As a result, the facility did see a slight increase in rented icetime from May-August of 2017 when compared with the same period in 2016.

In addition, the overall number of youth hockey players has also been a contributing factor toward a lower amount of overall rented ice use. Prior to 2016, the numbers of youth hockey players in the youngest levels of the sport had been decreasing. This contributed to a shrinking 'base' of players to support all the different summer hockey groups, and in turn ice use, at the facility. This issue has been addressed with significantly increased grass roots fundraising efforts by the Eau Claire Youth Hockey Association. In 2017, there were over 80 youth hockey players in the mini-mite level, ages 4-5 years old. That is significantly increased from 2015 when the lowest number of 4-5 year old hockey players was only 37 and in 2016 when there were 44 players. As time goes on, this increase in the base of hockey players in Eau Claire will result in more ice use both during the hockey season and in the off-season months. For the long term, ECYH has received commitments from private donors such that the cost of registration and equipment is free for all players aged 7 and younger. This should serve to continue the renewed growth of youth hockey at the youngest levels now and into the future which will ultimately result in increases in ice use from all hockey related groups and in turn more ice rental revenue at the facility. The recent success of the Eau Claire high school and college hockey teams should also contribute to increased interest.

As the facility navigates through the ebbs and flows of user group size a continued focus on attracting outside events and tournaments will remain. In the summer months the majority of the available ice time at the facility is on weekends, making the growth potential to host tournaments and camps quite high. While locker room upgrades are still necessary to attract higher level play, weekend time for off-season tournaments is readily available and weekend summer use is being pursued.

On the expense side of the operating budget, 2017 Hobbs operating expenses came in at \$5,713 less than projected. Continued energy efficiency measures and ongoing preventative maintenance to the facility's major mechanical equipment are paying off significantly. Ice rinks use large amounts of electricity and natural gas to keep the ice frozen and keep the air at the correct temperature and humidity so making sure the related mechanical systems are working well is key. Proper ice maintenance also 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. Ice temperature and rink air humidity and temperature are constantly monitored for ideal conditions and this also contributes to less work by the ice refrigeration and air handling equipment. The cost of electricity has increased over the last year, so it will be important to continue maintaining the ice and mechanical equipment to high standards as any deferred maintenance will reduce the efficiency of the building's systems.

As a result of the shortfall in budgeted income from operations, the 2017 General Fund investment for debt service will increase from the projected \$106,100 to \$146,027. An appropriation adjustment for Hobbs will be included with the quarterly adjustments. Future year debt service amounts will remain at approximately \$310,000.

### **Future**

The future for Hobbs Ice Arena 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, especially with the rebound of the youngest ages of youth hockey players. 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 fall/winter 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. There is also the potential to explore renovating the Akervik Rink to the level of NAHL facilities, which would immediately solve the weekend icetime issue as the Akervik Rink is currently not used on Friday/Saturday nights for any varsity level games during the hockey season. Right now, the O'Brien Rink is used for all varsity level hockey games as it is the only rink at the facility with amenities sufficient for those levels of play.

As previously mentioned 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 have been 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 2018 - August 2019, there are no planned icetime rate increases at Hobbs Ice Arena. 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.

There are several significant projects at the facility in 2018. First, the evaporative condensers for the main refrigeration system will be replaced. These units are essential to the refrigeration process and once replacement is complete the facility should see further increased energy efficiency. Another major project for the facility is the design of the replacement rink floor in the Akervik Rink. Inadequate roof drainage off of the adjacent O'Brien Rink combined with lack of subfloor heat underneath the Akervik Rink has caused heaving of the concrete floor which if not addressed will lead to failure of that rink and a complete loss of the ice in one of the two full size sheets at Hobbs. Design work will be completed in 2018 with the actual replacement being done in the spring/summer of 2019. This work should be completed without any interruption to the normal ice schedule at the facility. Lastly, a concept level design for a future mechanical and locker room addition will be completed in 2018. Addition of an interior ice resurfacer garage between the O'Brien and Akervik Rinks is planned along with additional locker rooms for the existing high school hockey teams, a locker room space for a future NAHL team, and other improvements within the Akervik Rink. The intention is to work with the current user groups of the facility to take input on what is desired for additional space and use that input in the concept design. In future years, formal design work will be completed leading up to the eventual addition work.

### **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 economic impact from these kinds of events, it is clear that Hobbs is a benefit to more than just the facility's user groups.

In 2017, the facility hosted two additional major events which brought people to Eau Claire. Most notably, the USA Hockey Girls Central District tryout brought over 300 girls hockey players from Wisconsin, Illinois, Iowa, Kansas, Nebraska, and Missouri during the ECASD spring break week. This type of event during the local user groups' off-season does not interfere with existing user groups, increases ice use and revenue for the facility, and also positively impacts the overall economy of Eau Claire. Hosting additional events like this will continue to be the focus for increasing facility use and planning facility upgrades now and into the future.

Hobbs Ice Arena Total Icetime Reserved Hours

UWEC MEN & WOMEN	2013	2014	2015	2016	2017
January	85.75	83	75.75	82	88
February	55.25	56.5	69	74.5	75.75
March	32	12.75	6	4	15
April	10	9	10.5	16	15
May	4	9	10.5	8	8
June	4				
July	4				
August					
September	13	19	16	18	15
October	50.75	49	58.5	60.5	59.75
November	62.75	68	85.75	88.5	84.5
December	42.75	55.25	61.75	63.25	48.25
<b>TOTAL HOURS RESERVED</b>	<b>364.25</b>	<b>361.5</b>	<b>393.75</b>	<b>414.75</b>	<b>409.25</b>

EAU CLAIRE AREA SCHOOL DISTRICT	2013	2014	2015	2016	2017
January	109.25	90	108.75	119.5	137.75
February	58.5	87.25	100.5	104.5	92.25
March	3	6.5	3		
April	21.25	9	2	5	4
May	12	6.5	8	5	4
June	7.5	14	8	13.25	19
July	4.5	17.75	15.5	31.75	40.5
August	4	11	5	8	12.25
September	13	10	4	7	11
October	14	14	26	16	21
November	108.75	90.75	107.25	154.75	123.75
December	110.25	118.25	129.75	159	131.25
<b>TOTAL HOURS RESERVED</b>	<b>466</b>	<b>475</b>	<b>517.75</b>	<b>623.75</b>	<b>596.75</b>

EAU CLAIRE YOUTH HOCKEY	2013	2014	2015	2016	2017
January	210.25	203	250.5	284.25	244.25
February	152.5	208.5	196.25	183.5	210.5
March	11	67	106.25	76.5	54.25
April			10		5
May					
June					
July				10	
August					
September				2	
October	48	36	40	48.5	57.75
November	101	97.5	104.75	102	131.75
December	150.25	150.25	136.75	175.5	197
<b>TOTAL HOURS RESERVED</b>	<b>673</b>	<b>762.25</b>	<b>844.5</b>	<b>882.25</b>	<b>900.5</b>

EAU CLAIRE FIGURE SKATING CLUB	2013	2014	2015	2016	2017
January	57	53.75	59.75	53.75	53
February	55.75	54	48.75	48	47.25
March	134.5	182.75	179.75	165.75	99
April	89.5	74.5	71.75	65.75	62.75
May	54.25	62	48.5	41.75	41.25
June	39.25	58	58.75	55.75	62
July	53.25	58.75	49.5	35.25	44.75
August	55.25	68.25	60	68.75	63.75
September	53.25	62.5	45.5	44.5	45.75
October	57.25	61.75	53.75	55.25	55
November	65	101	92.75	87.5	67.25
December	55.75	56.25	45.5	41.5	48.5
<b>TOTAL HOURS RESERVED</b>	<b>770</b>	<b>893.5</b>	<b>814.25</b>	<b>763.5</b>	<b>690.25</b>

F1/BUCKS SUMMER HOCKEY	2013	2014	2015	2016	2017
January					
February					
March	10	10			
April	59.75	51	11.5		5.75
May	53	32	43.5	9	17.75
June	68	45.75	38	54	40
July	52	39.5	42.25	42	41
August	43.5	28	44.25	21.5	17
September	48	53	48	41	36
October	66.5	44	48.5	46	27
November	6	3	4.5		
December					
<b>TOTAL HOURS RESERVED</b>	<b>406.75</b>	<b>306.25</b>	<b>280.5</b>	<b>213.5</b>	<b>184.5</b>

PARKS AND RECREATION	2013	2014	2015	2016	2017
January	177.75	167	148.25	187.5	126.75
February	155.5	154	143.25	175.5	118
March	115.25	121	124.25	165.75	143
April	52	65.5	81	82	84
May	60	56	68	70	63.5
June	58	76	72	81	88
July	74	95.5	76	64	70.5
August	74	90	76.75	63.5	86.5
September	116.5	131	75	79.5	64
October	134	116.5	110.5	115	109.5
November	138.5	158.75	178.75	128	122
December	150.5	169	212	164.25	139
<b>TOTAL HOURS RESERVED</b>	<b>1306</b>	<b>1400.25</b>	<b>1365.75</b>	<b>1376</b>	<b>1214.75</b>

**Individual Renters Combined Total** 1351.75

**Combined Facility Total** 5347.75

Hobbs Municipal Ice Arena Reserved Hours by Space

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>O'Brien Rink</b>	1695	1879	2046	1909.5	2265.25
<b>Akervik Rink</b>	1878	2177	1907	1807	1947.25
<b>Hughes Rink</b>	1388	1569	1511	1519.75	1331.25
<b>Conference Room</b>	502	605	558	643.5	585
<b>Meeting/Party Room</b>	233	110	316	279.75	354.5
<b>Club Viewing Room</b>	288	419	711	583	890.5
<b>Mezzanine Spaces</b>	0	30	30	0	0
<b>Lobby</b>	0	0	15	27	19.5
<b>Parking Lot</b>	26	20	27	0	0
<b>Fitness Room</b>	248	225	425	362	475.25
	6258	7034	7546	7131.5	7868.5

Hobbs Municipal Ice Center Reserved Days by Space

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Dry Floor Space</b>	54	45	24	18	23
<b>Conference Room</b>	146	172	169	161	190
<b>Meeting/Party Room</b>	43	73	64	58	54
<b>Club Viewing Room</b>	75	135	142	130	177
	318	425	399	367	444



# Hobbs Municipal Ice Arena - Ten Year Financial History

## Hobbs Municipal Ice Center Operating Budget

	<b>2017 Preliminary</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009*</b>	<b>2008</b>	<b>2007</b>
Revenues	\$900,918.00	\$826,992	\$834,412	\$825,857	\$762,821	\$778,563	\$713,159	\$652,249	\$558,867	\$514,447	\$482,171
Expenses	\$748,787.00	\$681,998	\$674,597	\$658,224	\$681,838	\$633,740	\$631,533	\$619,833	\$566,137	\$545,895	\$524,059
<b>Net</b>	<b>\$152,131</b>	<b>\$144,994</b>	<b>\$159,815</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>

\* 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	2016-2017 ADOPTED FEES (09-01-16 to 08-31-17)	2017-2018 ADOPTED FEES (09-01-2017 to 08-31-18)	2018-2019 ADOPTED FEES (09-01-2018 to 08-31-19)
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.	2017	\$143.00	\$148.00	\$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.	2017	\$143.00	\$115.00	\$115.00
Hobbs-4	Hobbs Ice Rental - Summer Ice - O'Brien & Akervik - Per hour May 1 through August 31	2017	N/A	\$148.00	\$148.00
Hobbs-5	Hobbs Ice Rental - Summer Ice - Hughes - Per hour May 1 through August 31	2017	N/A	\$126.00	\$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	2017	\$6.00	\$4.00	\$4.00
Hobbs-15	Hobbs Skate Rental - Skates are ONLY available to use during Open Skate Sessions at the Hobbs Municipal Ice Center.	2017	\$3.00	\$4.00	\$4.00
Hobbs-16	Hobbs Ice Resurface Charge	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	\$75.00 / Hour \$600.00 / 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	\$100 / Game	\$100 / Game	\$100 / Game
Hobbs-22	Hobbs Room Rental - Kitchen (includes food fee)	2016	\$150	\$150	\$150
Hobbs-23	Hobbs Room Rental - Audio/Video	2016	\$30	\$30	\$30