

Arena Utilization

Community Services
Parks, Recreation & Culture

Core Service Review



What are we doing now?



City of Kawartha Lakes Arenas

What are we doing now?

Arenas

Single Pad

- Bobcaygeon Emily/Omemee
- Fenelon Falls Little Britain
- Manvers Oakwood
- Ops Woodville

Twin Pad

- Lindsay Recreation Complex

Natural Ice Surface

- Norland

What are we doing now?

Problem Statement

To minimize the gap between revenues and expenses, utilization, scheduling, and rate structure must be reviewed.

Project Goals

- Schedule for bookings, usage, maintenance, administration, and staffing – schedule to demand – minimize costs
- Confirmed rates to minimize the gap between revenues and expenses

Financial Implications

Current gap between revenues and expenses for in scope arenas is approximately \$100,000 per facility.

Recent Action

Council may recall that earlier this year (January 27, 2015), staff report PRC 2015-004 was endorsed by Council which increased ice rates by 10%. This was successful in raising the recovery rate cost for our ice pad operations and somewhat minimizing the gap between revenues and expenses. However, a significant gap still exists.

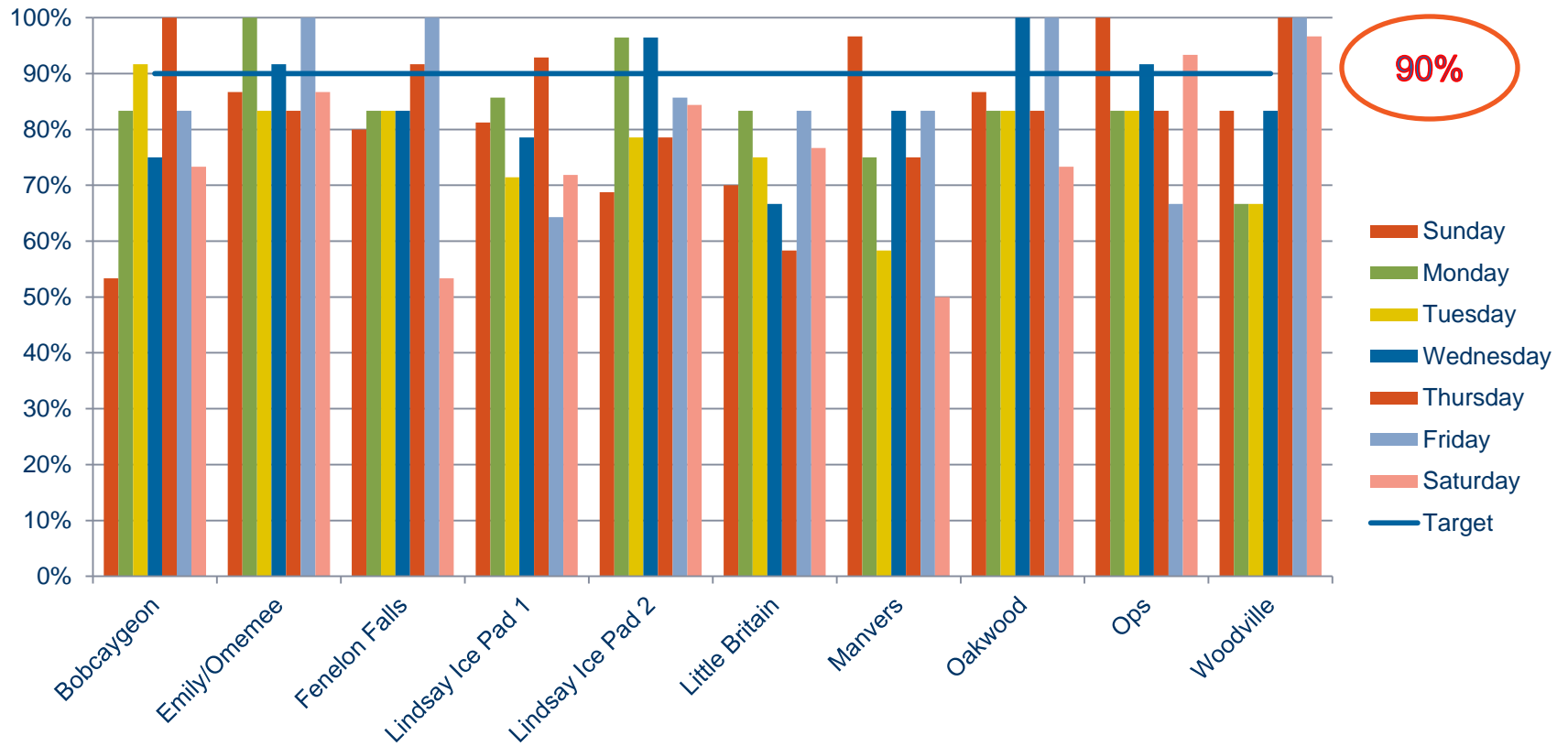
Project Metrics

Metric	Baseline (Median)
Prime Time Utilization Over All 10 Artificial Ice Surfaces	Bobcaygeon = 83% Emily/Omemee = 87% Fenelon Falls = 83% LRC – Ice Pad 1 = 79% LRC – Ice Pad 2 = 84% Little Britain = 75% Manvers = 75% Oakwood = 83% Ops = 83% Woodville = 83%
Industry Standard = 90%	

Prime Time – time in demand by users – typically the more expensive time slots
Monday – Friday 5 – 11 pm and Saturday/Sunday 8 am – 11 pm

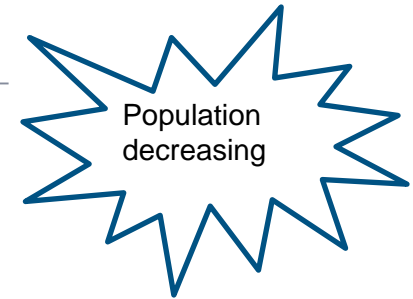
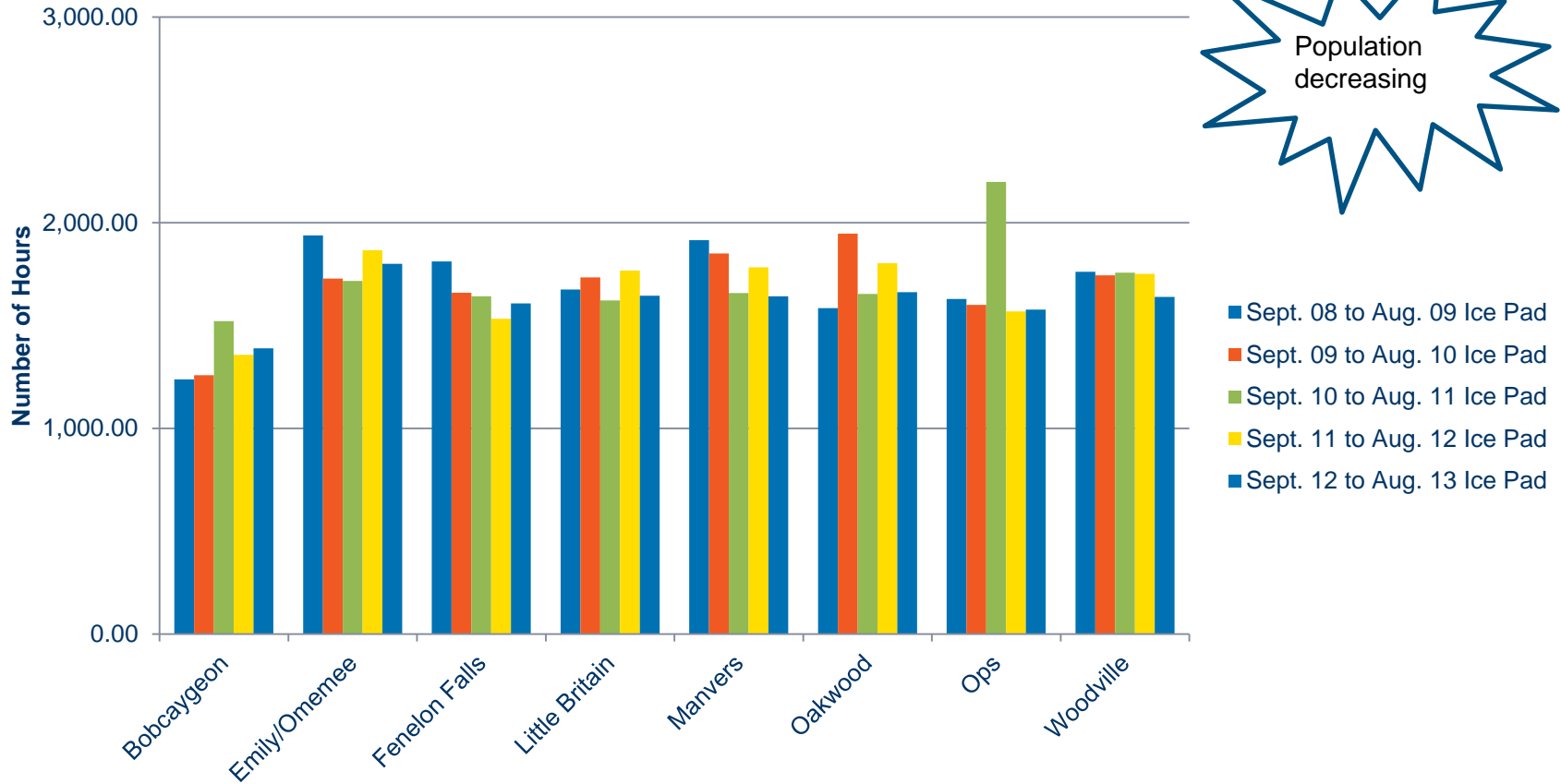
Variation within Prime Time: Location and Day of the Week

Prime Time Utilization
90% Target



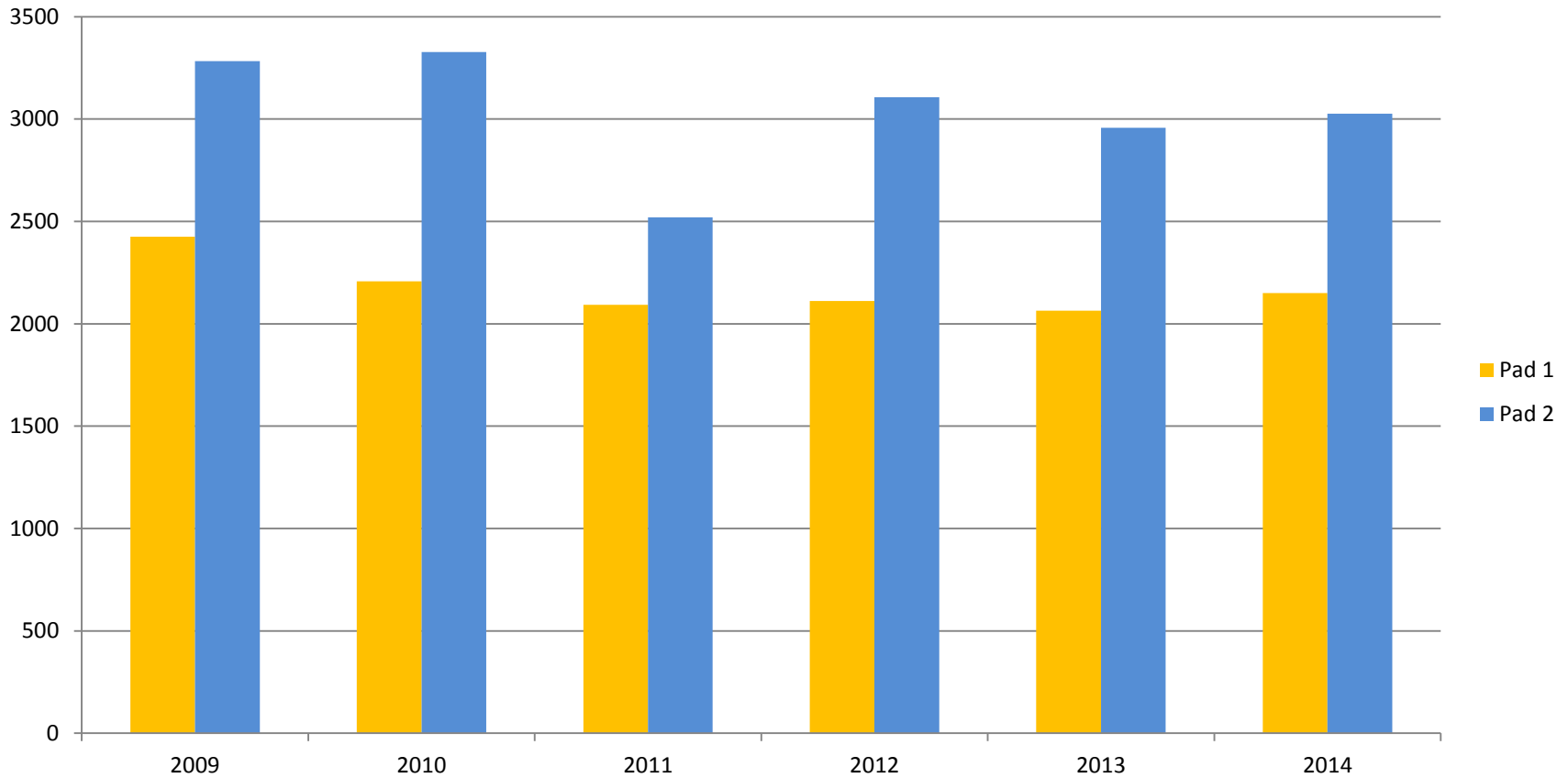
Historic Demand

Ice Pad Hours Booked Over Time



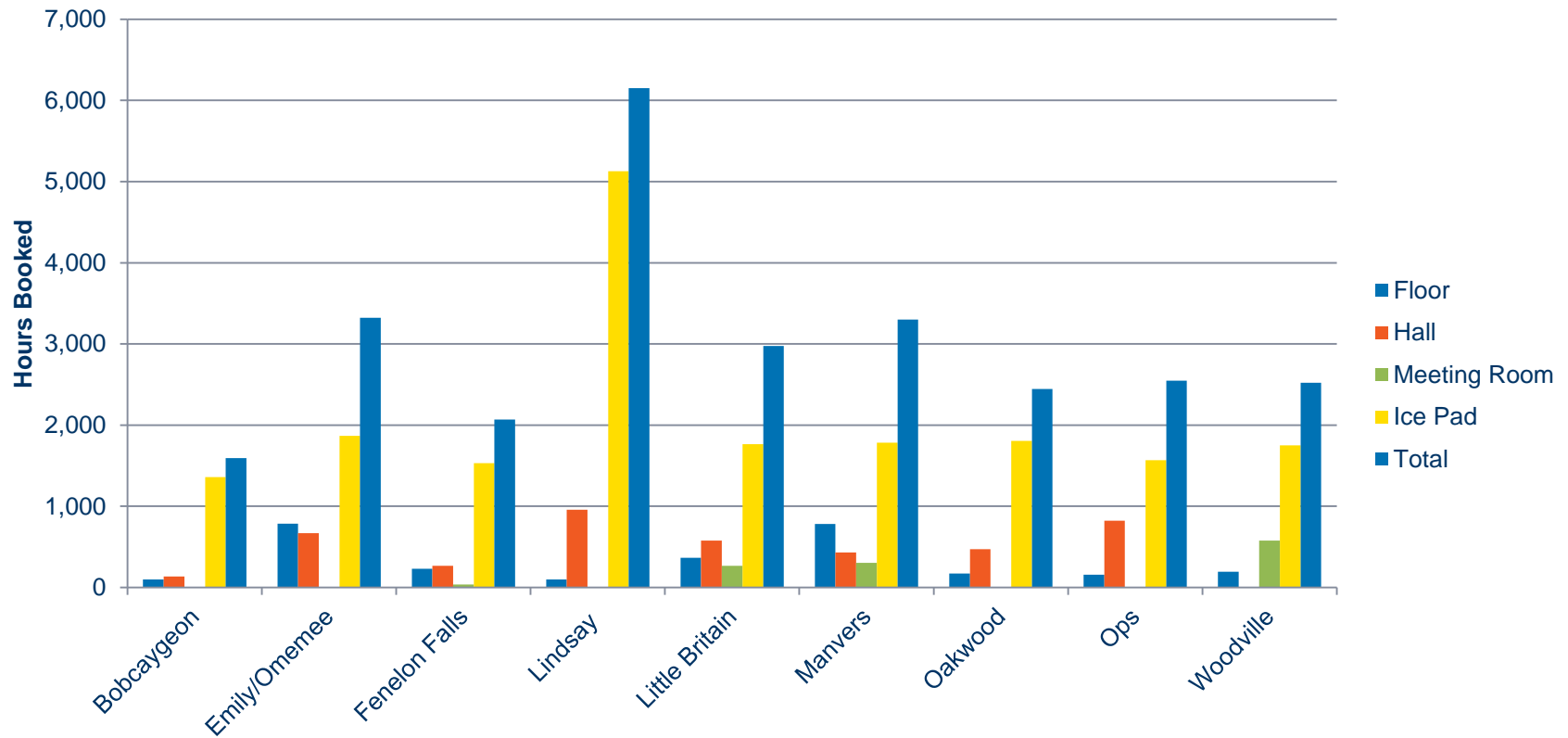
Historic Demand

Ice Pad Hours Booked Over Time - Lindsay Recreation Complex



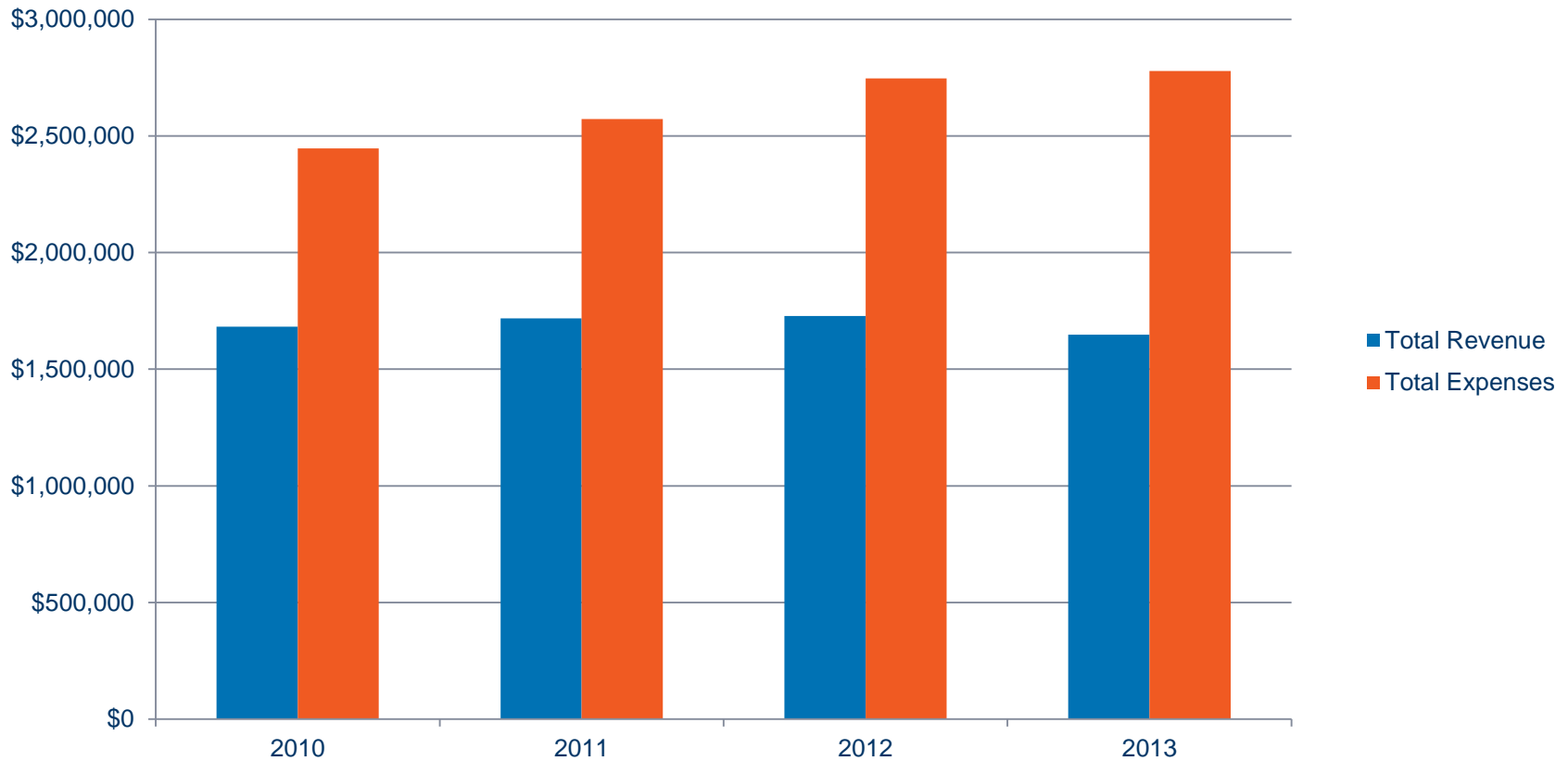
Utilization with Other Arena Features

Example of Hours Booked September to August



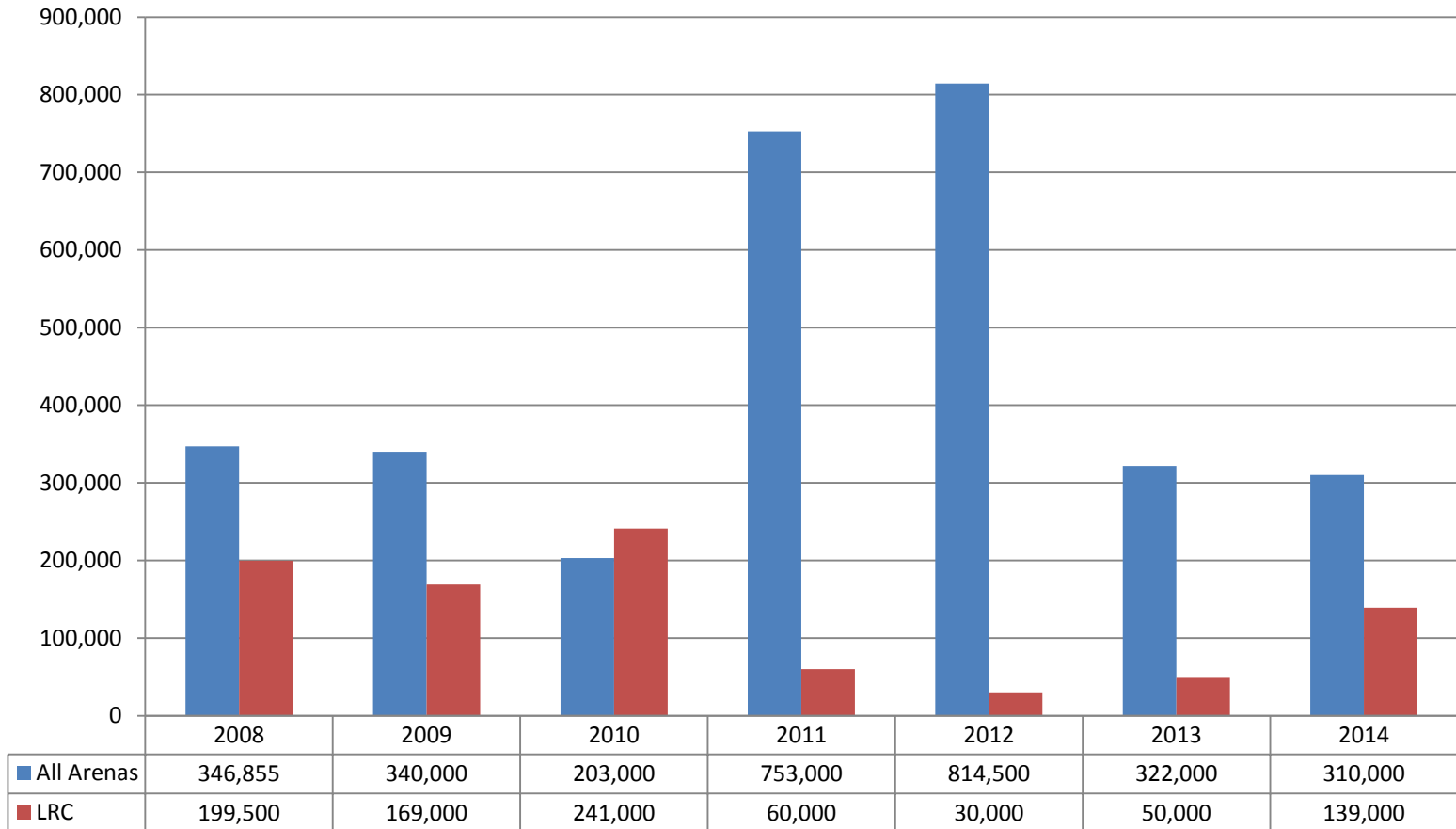
What is it costing us?

Operating Costs Total Revenue versus Expenses



Approved Capital Budgets 2008-2014

Approved Capital Budgets 2008-2014



What is it costing us?

Other financial impacts – soft costs

- As per City budgeting practices Administrative costs at the Departmental level are not included in data.
- Arena operations provide an economic impact for their local communities and a source of employment.

Assumptions made in analysis

- All arenas are utilized
- Some times are still available during Prime and Non Prime
- There is a gap between revenues and expenses (65% recovery rate)
- Utilization review of arenas was completed to see if there is a difference in utilization by day of the week, by location, by time slot, and over time to confirm the demand versus the supply
- A review of rates and definition of time slots to confirm benchmark was completed
- CLASS provides consistent reporting

Arena Feasibility Study

In 2007/8 the City completed an Arena Feasibility Study. This document has been used to develop Policy, review rates/fees, and build capital budget requirements. It also built a business plan for the provision of Arena Services moving forward for the City of Kawartha Lakes. This study provided options on the number of ice pads to be operated.

The purpose of the arena assessment was:

To determine the need for ice surfaces now and in the future. This assessment considered population growth and change; the current supply and use of ice surfaces; any unmet demand for ice; and the possible demand for ice originating outside of the City.

A review of Prime Time ice usage has been/was completed. In 2007/8 the usage represented a need for 7.4 ice pads based on total ice usage and available Prime Time Ice. Currently, a total of 7.6 ice surfaces is required to accommodate current needs.

Some users may be unwilling to use hours that they have requested at arenas at less desirable times or locations, therefore it is reasonable to assume that current demand may not translate (remain the same) with a reduction in arena locations.

Arena Feasibility Study con't

- It is recognized that arenas play a variety of recreational and social roles in the communities where they are located and even if ice is not used to capacity, facilities may be retained to meet other community needs or support other social community objectives.
- The Feasibility study reviewed the following questions;
 - Is it possible to increase the use of Kawartha Lakes arenas by attracting more residents or non-residents? Is there a potential for non-resident tournaments to be hosted in Kawartha Lakes? Is it possible to operate the existing arenas in a more cost-effective manner?
- And determined;
 - Analysis indicates existing ice surfaces are under-utilized and there is limited unmet demand in the local or regional market. Kawartha Lakes would be at a significant disadvantage relative to other municipalities if competing for major tournaments and any success in this regard would displace local prime time users with little impact therefore on achieving greater overall use of arenas. Current arenas are operated in a very efficient manner and there is no indication that they could be operated at less cost.

Future Capital Infrastructure Needs

Cost estimates below are from 2007/8 Arena Feasibility Study. Some projects have been completed (Bobcaygeon specifically) and Fenelon Falls is no longer valid as this was for the Old Arena. Therefore the total is \$11,566,000.

Location	Periodic Reviews (~6x over 20yrs)	Year 1-5	Year 5-10	Year 10-20	TOTALS
Bobcaygeon Community Centre	15,000	1,592,000	680,000	1,520,000	3,807,000
Emily/Omemee Community Centre	15,000	527,000	830,000	505,000	1,877,000
Fenelon Falls Community Centre	15,000	602,000	420,000	1,045,000	2,082,000
Little Britain Community Centre	40,000	610,000	825,000	245,000	1,720,000
Manvers Community Centre	30,000	507,000	910,000	435,000	1,882,000
Oakwood Community Centre	15,000	85,000	1,265,000	130,000	1,495,000
Ops Community Centre	15,000	282,000	1,200,000	130,000	1,627,000
Woodville/Eldon Community Centre	15,000	285,000	1,085,000	130,000	1,515,000
Lindsay Recreation Centre	10,000	375,000	945,000	120,000	1,450,000
TOTALS	170,000	4,865,000	8,160,000	4,260,000	17,455,000

Ameresco Study

City of Kawartha Lakes Energy Efficient Study		
Facility Name	Cost of Energy Measures	Cost of Renewable Measures
Little Britain	\$766,823	\$1,285,680
Oakwood	\$588,912	\$1,511,400
Woodville	\$795,971	\$1,178,760
Ops	\$328,368	\$1,577,400
Emily-Omemee	\$289,097	\$1,363,560
Manvers	\$414,565	\$1,117,380
Totals	\$3,183,737	\$8,034,180
Combined Total		\$11,217,917

Capital Infrastructure Replacement Costs

Replacement Facility Costs - FCI

Name	Size	Replacement Cost	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Hall	85,784	\$ 11,028,846	10.81%	18.41%	18.41%	21.20%	21.72%	23.42%	24.78%	28.60%	32.38%
Emily/Omemee Community Centre	303,239	\$ 9,112,758	37.00%	37.00%	38.11%	38.83%	45.19%	46.58%	46.58%	50.81%	50.81%
Fire Hall	30,000	\$ 8,328,000	7.45%	11.65%	16.02%	16.02%	16.02%	20.59%	20.59%	20.64%	20.64%
Lindsay Recreation Complex	324,317	\$ 25,888,817	17.78%	17.78%	18.09%	18.38%	18.38%	18.38%	20.46%	25.47%	25.88%
Lindsay Service Centre	48,316	\$ 6,300,114	16.27%	18.74%	18.92%	32.40%	36.97%	36.97%	37.77%	37.77%	37.77%
Lindsay Victoria Park Armoury	105,606	\$ 9,945,283	15.31%	19.00%	19.00%	19.00%	20.08%	21.22%	21.77%	21.77%	27.18%
Little Britain Community Centre	393,689	\$ 12,943,730	23.73%	23.73%	29.67%	29.67%	29.67%	29.67%	30.36%	38.50%	39.76%
Manvers Community Centre	149,550	\$ 9,747,798	27.13%	27.13%	27.13%	32.72%	32.72%	32.72%	32.72%	35.38%	42.43%
Oakwood Community Centre	142,765	\$ 9,800,324	20.33%	20.33%	22.83%	22.83%	22.83%	22.83%	24.93%	33.82%	34.25%
Ops Community Centre	298,970	\$ 9,552,755	35.86%	35.86%	35.86%	42.34%	50.43%	51.73%	51.73%	59.50%	59.50%
Police Station	30,000	\$ 4,197,200	17.94%	17.94%	20.18%	20.18%	32.71%	40.12%	40.12%	40.70%	40.70%
Woodville Community Centre	155,200	\$ 8,566,872	27.45%	27.45%	33.09%	33.09%	33.09%	33.09%	38.31%	45.27%	45.84%
Totals:	2,067,436	\$ 125,412,498									
Average FCI Across All Studied Facilities			21.19%	22.55%	24.26%	26.23%	28.09%	29.08%	30.30%	34.81%	36.41%

The total value of replacement costs for the City arena facilities within this study is \$85,613,055.

Options

- The four options presented differ in only the total number of ice surfaces in Kawartha Lakes. In all options, there will be a need to invest in capital conservation and in some options existing arenas might be renovated, replaced or closed. However, implications for specific arenas are not being presented for direction on the preferred option for the number of ice surfaces is being sought at this time.
- A – Status Quo – Ten ice surfaces are retained. This option over-supplies ice time now and beyond 2026.
- B – Nine Ice Surfaces – This option eliminates one ice surface to provide nine. While this will over supply in the short term, it is the number required to meet the needs of the population growth to 2026.
- C – Eight Ice Surfaces – This option eliminates two ice surfaces to provide a total of eight in the short term. In this option it would be necessary to add one new ice surface by 2026 to meet the needs of an expanded population.
- D – Eight Ice Surfaces, Twin Pad – This option provides a total of eight ice surfaces by the end of 2026. As current arena facilities begin to fail (or reach life expectancy) further investment into that facility would cease. To meet the demand, twin pad facilities would be constructed replacing the current single pad facility. Twin pad facilities (two ice surfaces) would be constructed in the former South East and South West areas.

Option A – Status Quo

- A – Status Quo – Ten ice surfaces are retained. This option over-supplies ice time now and beyond 2026.

Option A - Benefits

- Maintain current community service level
- Minimal community disruption
- High level of service provision
- Minimal impact on current users

Option A - Risks

- Assumed more ice pad provision than required
- Significant future infrastructure repair needs
- Ongoing operational funding requirements
- Significant future infrastructure needs due to aging facilities

Option A - Costs

- Current operational model of \$100,000/ice pad annual deficit.
- Infrastructure repair costs of approximately \$11,000,000 to \$17,000,000 over the next 15 years.
- Need for significant infrastructure funding as existing facilities reach the end of their life-cycle and require replacement.

Option B – 9 Ice Surfaces

- B - Nine Ice Surfaces – This options eliminates one ice surface to provide nine. While this will over supply in the short term, it is the number required to meet the needs of the population growth to 2026.

Option B - Benefits

- Reduces operational surplus gap
- Reduces future capital infrastructure needs
- Closer to service provision level required

Option B - Risks

- Issue of which facility to be impacted will cause stress, anxiety, controversy
- Potential for NIMBY decision making process
- Operational and infrastructure needs not fully addressed
- Significant future infrastructure needs due to aging facilities

Option B - Costs

- Current operational model of \$100,000/ice pad annual deficit
- Infrastructure repair costs of approximately \$11,000,000 to \$15,000,000 over the next 15 years.
- Need for significant infrastructure funding as existing facilities reach the end of their life-cycle and require replacement.

Option C – 8 Ice Surfaces

- C – Eight Ice Surfaces – This option eliminates two ice surfaces to provide a total of eight in the short term. In this option it would be necessary to add one new ice surface by 2026 to meet the needs of an expanded population.

Option C - Benefits

- Maximum Service Provision efficiency
- Total ice surfaces matches need
- Reduces operational surplus gap
- Reduces future capital infrastructure needs

Option C - Risks

- Issue of which facilities to be impacted will cause stress, anxiety, controversy
- Potential for NIMBY decision making process
- Significant future infrastructure needs due to aging facilities
- Need for significant infrastructure funding as existing facilities reach the end of their life-cycle and require replacement.

Option C - Costs

- Current operational model of \$100,000/ice pad annual deficit
- Infrastructure repair costs of approximately \$8,000,000 to \$13,000,000 over the next 15 years.
- Need for significant infrastructure funding as existing facilities reach the end of their life-cycle and require replacement.

Option D – Eight Ice Surfaces, Twin Pad

- D – Eight Ice Surfaces, Twin Pad – This option provides a total of eight ice surfaces by the end of 2026. As current arena facilities begin to fail (or reach life expectancy) further investment into that facility would cease. To meet the demand, twin pad facilities would be constructed replacing the current single pad facility. Twin pad facilities (two ice surfaces) would be constructed in the former South East and South West areas.

Option D - Benefits

- Maximum Service Provision efficiency
- Total ice surfaces matches need
- Reduces operational surplus gap
- Reduces future capital infrastructure repair needs
- Provides maximum enhancement of future service provisions and has long term planning

Option D - Risks

- Community attachment to existing facilities may cause stress
- Significant future infrastructure needs due to aging facilities to construct new twin pad arenas
- However, long term capital needs are lessened once new facilities are constructed

Option D - Costs

- Annual operational deficit would be significantly reduced – operation of twin pad arenas are more efficient (20-30%)
- Infrastructure repair costs would be significantly reduced/removed
- One-time capital infrastructure investment for development of new twin pad arenas (\$11-12 Million per facility) would need to be absorbed

Conclusion

- Next Steps
- Continue to finalize true future Capital Infrastructure need costs
- Continue to investigate benefit/risks of various Options
- Host public consultation (as part of our annual ice user group meetings (Q3))
- Report back to Council with recommendations (to be included with information on other Services, ie Community Halls, Libraries, etc.)