

**PARKS AND RECREATION COMMISSION
STAFF REPORT**

MEETING DATE: October 4, 2016

AGENDA ITEM NUMBER: 3C

APPLICANT: Steven P. Brunner

REQUEST: **For Possible Action:** Review, discussion and possible recommendation to the Board of Supervisors regarding the ice skating rink operations.

GENERAL DISCUSSION: The seasonal ice rink is a fairly popular and enduring aspect of holiday season in Carson City. However, it has also become an expenditure of public funds and difficult to operate and maintain with limited staff and financial resources. Since taking it over in 2009 from the City's Office of Business Development (OBD), Parks, Recreation and Open Space Department has become responsible for providing all equipment, services, and personnel necessary for the setup, maintenance and removal of the ice rink, as well as the personnel needed for its management and daily operations. Now going into its eighth season with no financial plan to replace aging equipment that is beyond repair, the operation is at a critical juncture and is not sustainable.

Since its inception, the ice rink has cost tax payers over \$600k. While the operational component of the ice rink covers its direct costs, the indirect costs (labor/equipment for set-up and break down) and infrastructure preservation (replacement of aging equipment) makes the overall operation not financially sustainable (Exhibit A). The ice rink consists of used equipment purchased 5 years ago for the 2010-2011 winter season. Now showing its age, much of this equipment is already or soon becoming unserviceable and potentially unsafe to use (Exhibit B). Therefore, with the ice rink operations already budgeted in the 2016-2017 budget, there is no additional funding to replace worn or unsafe equipment or supplement the additional labor needed for pre and post-season activities.

Understanding how important this ice rink is to the community, the staff has researched alternative courses of action to include, but not limited to:

- 1) Outsourcing of equipment rental to include set-up and removal of the ice rink which would cost over 100k annually. This would include all the equipment needed with the exception of the Air Cooled Chiller.
- 2) Requesting additional funds from the Redevelopment Authority to purchase replacement equipment based on highest priorities, which currently are dasher boards and coils.
- 3) Pursuing grants, donations, sponsorships and other sources of alternative funding.
- 4) Execute this season's ice rink, with a shorter season to address staffing concerns with current equipment and pursue a budget increase in next budget session. (previous supplemental requests have been denied)

5) Cease this year's ice rink operations and direct staff to conduct an analysis of future operations.

Staff is seeking direction from the Parks and Recreation Commission on the future of the ice rink operation including infrastructure replacement, dates of operation, financial sustainability and matters related thereto.

RECOMMENDED ACTION: I move to recommend to the Board of Supervisors to seek additional sources of funding to replace the dasher boards and coils costing approximately \$100k and if unsuccessful, cease ice rink operations until a sustainable plan is developed and implemented.

Arlington Ice Rink Budget / Cost-Recovery Report

2008-2009 First year operated by Office of Business Development (OBD)

- Budgeted \$357,210 from General Fund
 - Revenue \$58,225
 - Expenditures \$364,517 (Included multiple One Time Capital expenses)
 - **\$-306,292** Difference
 - **15.97%** Cost Recovery

2009-2010 Parks & Rec assumed responsibility for construction and operation of Ice Rink

- Budgeted \$185,092 from General Fund
 - Subsidized \$135,000 from Redevelopment Authority (Professional Services Fund)
 - Revenue \$58,225
 - Expenditures \$184,998 (Included cost of \$119,900 to rent Ice Rink) *
 - Skaters 8222
 - **\$-126,773** Difference *
 - **31.47%** Cost Recovery *

2010-2011 Purchased used Ice Rink Equipment for \$134,750

- Budgeted \$239,135 from General Fund
 - Revenue \$74,570
 - Expenditures \$237,753 *
 - Skaters 9598
 - **\$-163,183** Difference *
 - **31.36%** Cost Recovery *

2011-2012

- Budgeted \$95,590 from the General Fund
 - Revenue \$82,672
 - Expenditures \$85,522 *
 - Skaters 9,665
 - **\$-2,850** Difference *
 - **96.66%** Cost Recovery *

2012-2013

- Budgeted \$96,641 from the General Fund
 - Revenue \$72,822
 - Expenditures \$74,735 *
 - Skaters 8,986
 - **\$-1,913** Difference *
 - **97.44%** Cost Recovery *

2013-2014

- Budgeted \$94,381 from the General Fund
 - Revenue \$78,433
 - Expenditures \$81,354 *
 - Skaters 9,240
 - **\$-2,921** Difference*
 - **96.40%** Cost Recovery*

2014-2015

- Budgeted \$94,381 from the General Fund
 - Revenue \$ 78,071
 - 9,267 Skaters @ \$52,297
 - Concessions / Skate Rentals \$21,143
 - Advertisements \$4,400
 - Operations / Part-Time Staff Expenditures \$ 69,108 (Charged to ice rink account)*
 - Ice Rink Set-up/Tear-down Expenditures 115.5 man hours, equipment, and material @ \$14,876 (All Costs Absorbed)**
 - Total Expenditures \$83,984
 - **-\$5,913** Difference **
 - **92.95%** Cost Recovery **

2015-2016 (Most accurate cost analysis including total set-up & tear-down costs by all involved)

- Budgeted \$77,000 from the General Fund
 - Revenue \$72,899
 - 8,427 Skaters @ \$47,935
 - Concessions / Skate Rentals \$19,756
 - Advertisements \$5,472
 - Operations / Part-Time Staff Expenditures \$64,334 (Charged to ice rink account)
 - Ice Rink Set-up/Tear-down Expenditures 1,238 total man hours, equipment, and material @ \$45,946 (All Costs Absorbed)
 - Total Expenditures \$110,280
 - **-\$37,381** Difference
 - **66.10%** Cost Recovery

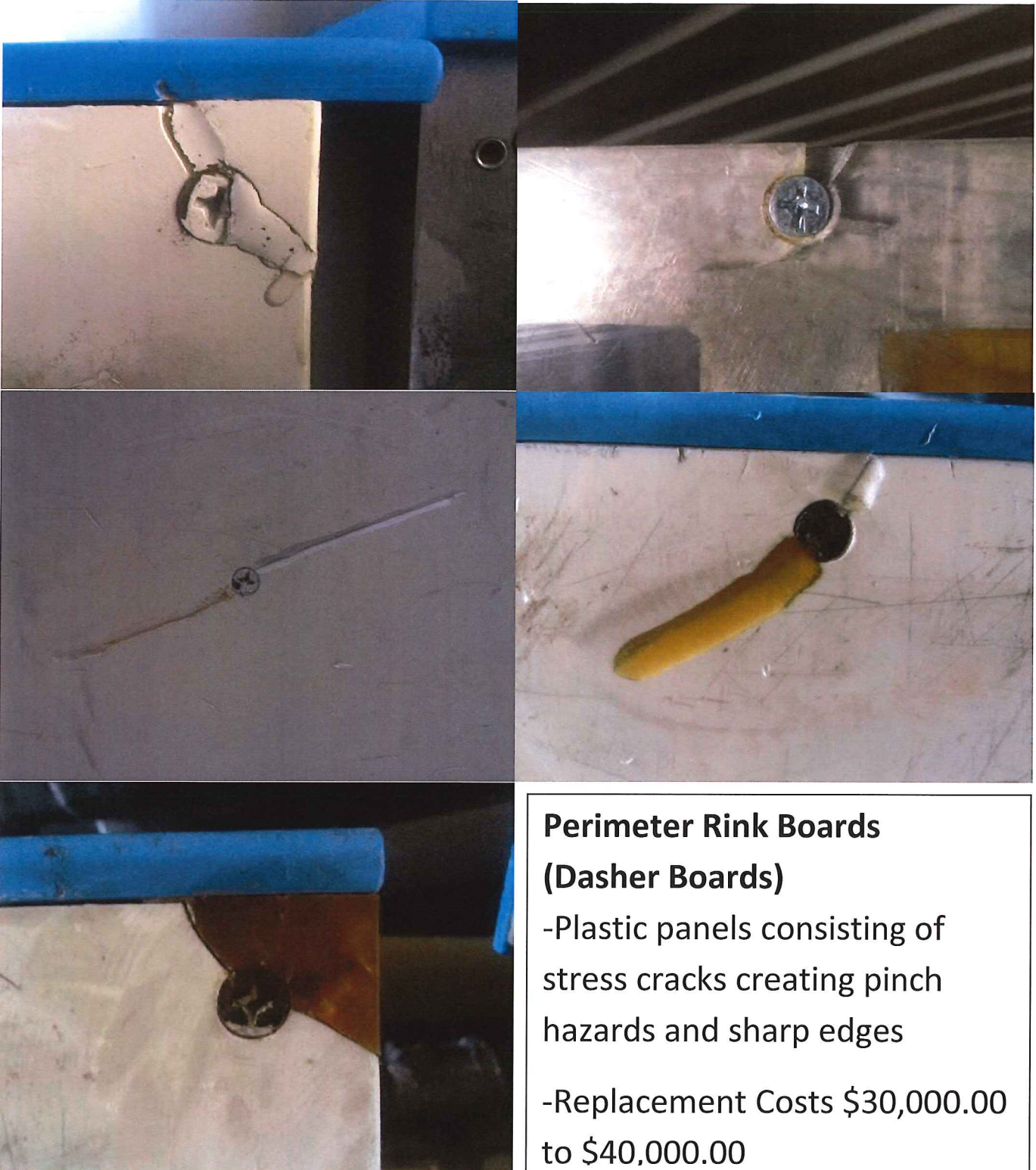
2016-2017 (Upcoming Season)

- Budgeted \$77,118 from the General Fund
 - Estimated Revenue \$73,956 (Average over last 7 years)
 - Estimated Expenditures \$110,280 (Based on last year's total costs)
 - Projected loss of **-\$36,324**
 - **67.06%** Cost Recovery

* Doesn't account for Set-up & Tear-down costs, only the Operations & Recreation's part-time staff

** Only accounts for Public Work's man-hours, equipment, and materials and not Parks & Facilities.

Exhibit B



Perimeter Rink Boards (Dasher Boards)

-Plastic panels consisting of stress cracks creating pinch hazards and sharp edges

-Replacement Costs \$30,000.00 to \$40,000.00

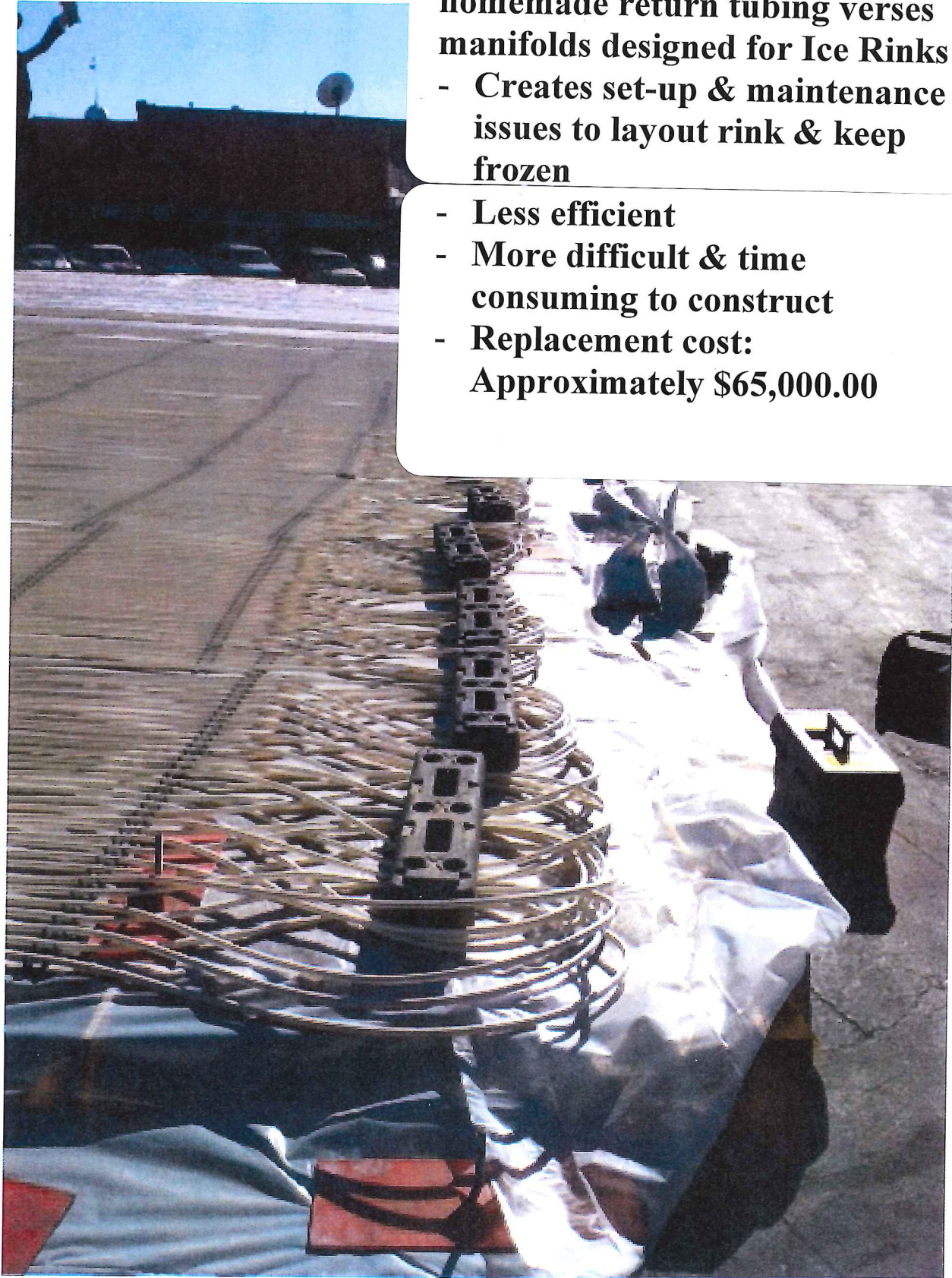
**Current Glycol tubes with
homemade return tubing verses
manifolds designed for Ice Rinks**

- **Creates set-up & maintenance
issues to layout rink & keep
frozen**

- **Less efficient**

- **More difficult & time
consuming to construct**

- **Replacement cost:
Approximately \$65,000.00**





**Correct Glycol tubes and return
branch manifolds designed for
Ice Rinks**
- More efficient, less time
consuming and easier to install



Air Cooled Chiller

- Purchased used and showing its age
- Maintenance issues to keep running
- No longer cost effective
- Replacement Cost \$86,000