

## CITY COUNCIL – HOBBS REPORT FOR 2014

March 9, 2015

### **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 third 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 Eau Claire/Altoona girls co-op hockey program, the Regis/McDonnell boys co-op hockey program, the Northwest Wisconsin Bucks AAA 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 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**

2014 was once again a very busy year for Hobbs Ice Center, playing host to 73 varsity level college and high school games in addition to the many, many hours of figure skating practice time, youth hockey games and practices, and open skating offerings. The highlights of the 2014 event season included the WIAC Conference Championship Game for the UWEC Men's Hockey team and the WIAA Boys Section 2 Championship Game between Eau Claire Memorial and Regis/McDonnell/Bloomer. Both of those games had standing room only crowds of 1,600 spectators. The Eau Claire Figure Skating Club also held three competitions in 2014, attracting over 1000 participants in total. The Eau Claire Youth Hockey Association hosted three youth hockey tournaments in 2014, each bringing at least 24 teams to the facility. Further, in 2014 Hobbs Ice Center hosted several dry floor events including a bridal fair, two consignment sales, a cooking and food trade show, and a volunteer expo. One new dry floor event took place in 2014 as the Center Ice Club hosted a beer and wine tasting fundraiser for the UWEC hockey teams. In total, an estimated 700,000 participants and visitors attended Hobbs Ice Center in 2014.

### **2014 Major Facility Projects**

Major facility projects in 2014 included the replacement of one of four refrigeration compressors for the O'Brien/Akervik Rink refrigeration system, remodeling of the O'Brien Rink locker rooms, and the addition of two ADA accessible bathrooms adjacent to the 2<sup>nd</sup> floor Club Viewing Room. Skate traffic rubber was also replaced in several areas of the facility.

### **Preliminary Revenues/Expenses**

Revenues in 2014 totaled \$824,541 while operational expenses reached a total of \$661,772 leaving the operation with a net profit from operations of \$162,769. This is the 5th consecutive year the facility has shown a profit from operations and is also the highest operational profit in the facility's history. Hobbs continues to show a positive trend in revenue generation as the major users of our facility continue to thrive and the demand for icetime remains high. Another financial highlight this year was the second consecutive major increase in yearly revenue from open skating. Increases in open skating and open hockey offerings saw the total open skating attendance for 2014 clear 8,800 participants. This is over 2,000 more than the 2013 attendance. The significant increase in attendance also contributed to the highest open skating revenue in the facility's history at \$39,050 for 2014.

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

While actual revenues exceeded operational expenses by \$162,769 Hobbs operations did fall short of the budgetary income projection of \$243,600. Revenues were under budget projections by \$63,259 or 7% of the overall projection. There are three main contributors to this revenue shortfall. First, advertising sales for the facility have proven to be a challenge. One common theme amongst potential advertisers is a lack of understanding of the exposure that Hobbs receives. The existing advertising plan is being re-worked to further highlight the high traffic level and event exposure of the facility. There is also an effort to conduct more targeted marketing of the advertising opportunities at Hobbs. Another contributing factor to the revenue shortfall was a significant decrease in the amount of Bucks AAA summer ice use. The group saw a decrease in participant numbers in 2014 which led to a decrease in their ice use. Lastly, the vending & concessions operations at Hobbs brought in less revenue than projected although the concessions operation did still recover 136% of its expenses.

2014 expenses came in at \$17,572 more than the original projection, 2% over the budgeted amount. This is almost exclusively from overages in natural gas costs due to the extreme winter early in the year. Highlights on the expense side of the 2014 operating budget include significant decreases in electricity costs and no major unplanned expenses related to mechanical equipment in 2014. While a milder summer does have some positive effect on electricity usage, improvements to overall preventative maintenance on the facility's refrigeration equipment have contributed significantly to both the decreased electrical usage and the decrease in emergency repairs and replacements of refrigeration system parts.

As a result of the shortfall in budgeted income from operations, the 2014 General Fund subsidy for debt service will increase from the projected \$60,300 to \$141,127. 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 is strong. The newly announced UWEC athletic complex that will be located across the front parking lot from Hobbs has brought even more enthusiasm to the facility

amongst our user groups and the current thought is that the two facilities will complement each other once the UWEC facility is completed.

Icetime scheduling procedures continue to be modified to allow for more use of the facility, especially during 'non-prime' times of the day. There are also steps being taken to improve the way games and events are scheduled at the facility, thus creating further practice time availability. There has also been some discussion with a group looking to start an NAHL Junior A team in Eau Claire but that discussion has slowed as it has been determined that there is a need for updated locker room and office facilities necessary to house a Junior A level team.

For September 2015 - August 2016, there are no planned rate increases at Hobbs Ice Center. The 6% rate increase in 2013 along with improved preventative maintenance and utility usage should serve to stabilize revenues and expenses at the facility in 2015. However, rental rates will continue to be analyzed to ensure strong financial performance at the facility.

Major projects for 2015 include upgrades to the Akervik Rink dasher board system and the completion of the 2<sup>nd</sup> floor Club Viewing Room. In 2013 a need was also determined for the replacement of the ice rink floor in the Akervik Rink. This project will also incorporate updates to the Akervik Rink building space as well as the main ice refrigeration system for Hobbs Ice Center. A deficiency study for the facility is planned for 2016. Design work based on the study results will serve as a basis for the future year Akervik Rink project.

### **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	2011	2012	2013	2014
January	35	43	51.5	47.25
February	22	35.5	36	34.25
March		1	23	9.75
April		8		5
May		3	4	5
June			4	
July		4	4	
August		1	5.75	
September		9	7	9
October	24.25	38.5	30	29
November	31.25	40.25	32.25	41
December	22	26	22.25	31
<b>TOTAL HOURS RESERVED</b>	<b>134.5</b>	<b>209.25</b>	<b>219.75</b>	<b>211.25</b>

MEMORIAL HIGH SCHOOL	2011	2012	2013	2014
January	37.25	51.75	53.75	37.5
February	33.25	39	30.25	47
March	2.5		3	6.5
April			11.25	5
May		6	3	6.5
June		5	4.5	4
July		6	4.5	7.75
August		4	4	5
September		4	4	4
October		9	5	4
November	62.5	60.75	66	55.5
December	35	45.5	54.75	50
<b>TOTAL HOURS RESERVED</b>	<b>170.5</b>	<b>231</b>	<b>244</b>	<b>232.75</b>

UWEC WOMEN	2011	2012	2013	2014
January	31.25	35	34.25	35.75
February	18.75	23.75	19.25	22.25
March		2	9	3
April		6	10	4
May		3		4
June				
July				
August				
September		9	6	10
October	13.75	25.25	20.75	20
November	19.25	31.5	30.5	27
December	17.75	22.5	20.5	24.25
<b>TOTAL HOURS RESERVED</b>	<b>100.75</b>	<b>158</b>	<b>150.25</b>	<b>150.25</b>

NORTH HIGH SCHOOL	2011	2012	2013	2014
January	21	25.75	28	27
February	11.25	13.75	15	25.75
March				
April		2	6	4
May		3	5	
June		4	3	
July	4	2		4.5
August				6
September		4	5	6
October		7	5	8
November	20.5	32.25	19.75	18.5
December	16.25	27	28.5	37.25
<b>TOTAL HOURS RESERVED</b>	<b>73</b>	<b>120.75</b>	<b>115.25</b>	<b>137</b>

UWEC SUMMER HOCKEY	2011	2012	2013	2014
June	13.5	31	23.5	25
July	52	31	25	6
August			3	
<b>TOTAL HOURS RESERVED</b>	<b>65.5</b>	<b>62</b>	<b>51.5</b>	<b>31</b>

EAU CLAIRE / ALTOONA STARS	2011	2012	2013	2014
January	22.25	32.25	27.5	25.5
February	19.25	23	13.25	
March				
April			4	
May			4	
June				10
July				10
August				
September			4	
October			4	2
November	19.75	25.5	23	16.75
December	36	32.25	27	31
<b>TOTAL HOURS RESERVED</b>	<b>97.25</b>	<b>113</b>	<b>106.75</b>	<b>95.25</b>

F1/BUCKS SUMMER HOCKEY	2011	2012	2013	2014
March	12	10.5	10	10
April	44	56.5	59.75	51
May	49	52	53	32
June	42.5	60	68	45.75
July	44	63	52	39.5
August	30.75	57.25	43.5	28
September		47	48	53
October		61.25	66.5	44
November		3	6	3
<b>TOTAL HOURS RESERVED</b>	<b>222.25</b>	<b>410.5</b>	<b>406.75</b>	<b>306.25</b>

REGIS / MCDONNELL	2011	2012	2013	2014
January	9.5	20.25	16	18.75
February	14	14.25	14	22
March		2		
April		3	2	
May		5	3	2
June		1		4
July				4
August		3	3	3
September		4		
October			6	3
November	20.5	17.75	14.5	13
December	11.5	18	18	24.25
<b>TOTAL HOURS RESERVED</b>	<b>55.5</b>	<b>88.25</b>	<b>76.5</b>	<b>94</b>

EAU CLAIRE YOUTH HOCKEY	2011	2012	2013	2014
January	172.5	152.25	210.25	203
February	190.5	188.75	152.5	208.5
March	55	37.5	11	67
April	2			
May				
June				
July				
August				
September				
October	39	31.75	48	36
November	89.75	77	101	97.5
December	122.5	131.5	150.25	150.25
<b>TOTAL HOURS RESERVED</b>	<b>671.25</b>	<b>618.75</b>	<b>673</b>	<b>762.25</b>

PARKS AND RECREATION	2011	2012	2013	2014
January		131	177.75	167
February		169.5	155.5	154
March		110.5	115.25	121
April		50	52	65.5
May		50	60	56
June		63	58	76
July		63	74	95.5
August		69	74	90
September			116.5	131
October	33	11.5	134	116.5
November	170.5	102.5	138.5	158.75
December	208.25	129.75	150.5	169
<b>TOTAL HOURS RESERVED</b>	<b>411.75</b>	<b>949.75</b>	<b>1306</b>	<b>1400.25</b>

\*2012-2014 Totals Includes All Open Skate, Open Hockey, & ECPR Hockey Use\*

EAU CLAIRE FIGURE SKATING CLUB	2011	2012	2013	2014
January	54.75	60	57	53.75
February	44.5	55.75	55.75	54
March	126.5	254.5	134.5	182.75
April	98.5	139	89.5	74.5
May	46.5	56.5	54.25	62
June	38	56.5	39.25	58
July	37	55.75	53.25	58.75
August	44.75	61.25	55.25	68.25
September	48.5	56.5	53.25	62.5
October	68.25	61.25	57.25	61.75
November	76.25	85.5	65	101
December	57.5	66	55.75	56.25
<b>TOTAL HOURS RESERVED</b>	<b>741</b>	<b>1008.5</b>	<b>770</b>	<b>893.5</b>

Individual Renters Combined Total	2013	2014
	<b>238.5</b>	<b>287.25</b>

Combined Facility Total	2013	2014
	<b>4119.75</b>	<b>4601</b>



# Hobbs Municipal Ice Center

## Hobbs Municipal Ice Center Operating Budget

	2014	2013	2012	2011	2010	2009*	2008	2007	2006	2005	2004
Revenues	\$824,541	\$781,571	\$778,563	\$713,159	\$652,249	\$558,867	\$514,447	\$482,171	\$477,225	\$448,870	\$412,327
Expenses	\$661,772	\$688,273	\$633,740	\$631,533	\$619,833	\$566,137	\$545,895	\$524,059	\$556,105	\$479,126	\$446,184
<b>Net</b>	<b>\$162,769</b>	<b>\$93,298</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>	<b>(\$33,857)</b>

\* Renovation in 2009

\* Consolidated Operation Savings - not applicable in 2009

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

# Hobbs Municipal Ice Center Fees

2014-2015 Season (Effective 9/1/14 through 8/31/15)

<b>Hobbs Ice Rental-Prime Time-O'Brien &amp; Akervik Rinks-Per Hour</b> Weekdays 12:00pm to 12:00am, AND all Weekend and Summer Hours.	\$175.00
<b>Hobbs Ice Rental-Non Prime Time-O'Brien &amp; Akervik Rinks-Per Hour</b> Weekdays 12:00am to 7:00am, EXCEPT June 1 through August 31	\$143.00
<b>Hobbs Ice Rental-Non Prime Time-O'Brien &amp; Akervik Rinks-Per Hour</b> Weekdays 7:00am to 12:00pm, EXCEPT June 1 through August 31	\$159.00
<b>Hobbs Ice Rental-Prime Time-Hughes Rink-Per Hour</b> Weekdays 12:00pm to 12:00am, AND all Weekend and Summer Hours.	\$143.00
<b>Hobbs Ice Rental-Non Prime Time-Hughes Rink-Per Hour</b> Weekdays 12:00am to 12:00pm, EXCEPT June 1 through August 31	\$122.00
<b>Hobbs Hockey Event-O'Brien Rink, High School Varsity or UW-EC Single Game.</b>	\$775.00
<b>Hobbs Hockey Event-O'Brien Rink, High School JV &amp; Varsity Game Combined.</b>	\$975.00
<b>Hobbs Hockey Event-Akervik Rink, High School Varsity or UW-EC Single Game.</b>	\$575.00
<b>Hobbs Hockey Event-Akervik Rink, High School JV &amp; Varsity Game Combined.</b>	\$775.00
<b>Hobbs Ice Resurface Charge</b>	\$42.50
<b>Hobbs Drop In Programs - Youth &amp; Adult. (open skate, open hockey, open brromball, etc...)</b>	\$6.00
<b>Hobbs Drop In Special - Youth &amp; Adult. (lunchbreak open skate, events)</b>	\$3.00
<b>Hobbs Skate Rental - Skates are ONLY availabe to use during Open Skate Sessions at the Hobbs Ice Center</b>	\$3.00
<b>Hobbs Room Rental-Mezzanine (5 spaces available A,B,C,E,F)</b>	No Charge
<b>Hobbs Room Rental-Meeting/Party Room-Per Hour</b>	\$30.00
<b>Hobbs Room Rental-Conference Room-Per Hour</b>	\$30.00
<b>Hobbs Room Rental-Club Viewing Room-Per Hour</b>	\$50.00
<b>Hobbs Event- Dry Floor Special Event- Daily Rental per Rink, plus any additional custodial overtime related to the event.</b>	\$1,000.00
<b>Hobbs Hourly-Dry Floor</b>	\$125.00
<b>Hobbs Event-Food (Excludes Birthday Parties)-Per Event</b>	\$100.00
<b>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.</b>	\$125.00 (Up to 12) \$8.00 for each add'l