

Indoor Arenas Rates and Fees for 2022 to 2023

RECOMMENDATION

That the proposed 2022 and 2023 seasonal rates and fees for Indoor Arenas, effective October 1, 2022, to September 30, 2024, as included in the 2022/2023 Preliminary Business Plan and Budget, be approved

ISSUE

The current City Council approved rates end September 30, 2022; this report recommends proposed rates and fees for October 1, 2022 through September 30, 2024.

BACKGROUND

The Recreation and Community Development Department operates five indoor arenas (ACT, Archibald, Cosmo, Gordie Howe Kinsmen, and Lions), which consist of six ice surfaces. The arenas accommodate various local indoor ice activities, dry rental activities, leased space and special events.

In 2008, City Council approved that the annual contribution to the Civic Buildings Comprehensive Reserve (CBCM) be excluded from cost recovery calculations for indoor arenas. By excluding the CBCM costs from the rental rate calculation, it was possible to achieve market comparability on ice rental rates and obtain a cost recovery of 100% for the City's five indoor arenas. The recoverable costs associated with rental rates for indoor arenas include staffing, payroll, administration, preventative maintenance, utilities, building and equipment maintenance, fuel, and contribution to the Capital Reserve for Equipment Replacement

DISCUSSION/ANALYSIS

Current rental rates and budgeted volumes are projected to be insufficient to offset annual operating costs and contributions to the Capital Reserve for Equipment Replacement; therefore, Administration is recommending a \$10 per hour increase in both prime-time and non-prime-time rates for 2022, with no further increase for 2023.

Table 1, listed below, illustrates the approved rate for the 2021/2022 season through to September 30, 2022, and proposed rates for the 2022/2023 and 2023/2024 seasons, beginning October 1, 2022, and concluding September 30, 2024.

Table 1

Recommended Rates (excluding GST)	2021/2022 Season (Current)	2022/2023 Season	2023/2024 Season
Prime-Time	\$275	\$285	\$285
Non-Prime Time	\$170	\$180	\$180
Summer Ice (May 1- August 31)	\$170	\$180	\$180

Dry Arena Hourly Rental Rates

Administration has established a dry indoor rental rate that is used for arenas after the ice has been removed. The proposed dry arena hourly rental rate is outlined below in Table 2:

Table 2

Rental Rate (excluding GST)	2021 (Current)	2022 Proposed	2023 Proposed
Dry Hourly Rental Rate	\$72	\$75	\$75

Dry Daily Rental Rate

Several user groups, primarily lacrosse and ball hockey, rent the indoor arenas for the entire day after the ice is removed. As a result, a maximum per diem rental rate, equal to the average rental revenue per day, is achieved when an arena is booked for a consecutive nine-hour period. The proposed off-season arena daily rental rate is outlined below in Table 3:

Table 3

Rental Rate (excluding GST)	2021 (Current)	2022 Proposed	2023 Proposed
Dry Daily Rental Rate	\$648	\$675	\$675

Public Skating Rates

Public skating rates provide general admission into the indoor arenas during designated times throughout the season. Table 4, listed below, illustrates the approved rates for the 2021/2022 season, and proposed rates for the 2022/2023 and 2023/2024 seasons, beginning October 1, 2022, and concluding September 30, 2024.

Table 4

Public Skating Rates (including GST)	2021/2022	2022/2023	2023/2024
Adults	\$ 5.75	\$ 6.00	\$ 6.00
Youth	\$ 3.75	\$ 4.00	\$ 4.00
Family	\$11.50	\$12.00	\$12.00
5 and Under	No Charge	No Charge	No Charge

FINANCIAL IMPLICATIONS

Table 5, listed below, illustrates the 2021 to 2023 projected revenues and expenses by utilizing the recommended rates and resulting projected cost recovery. Using budgeted numbers for 2021 to 2023 revenues, projected annual increases for operating costs and annual contribution to the Capital Reserve for Equipment Replacement of \$62,500.

Table 5

	2021 COVID Adjusted Budget	2022 Projected	2023 Projected
Revenues (net of public skating)	\$ 2,298,600	\$ 2,351,100	\$ 2,402,300
Operating Expenses*	\$ 2,259,300	\$ 2,234,900	\$ 2,261,100
Comprehensive Building Maintenance Reserve Contribution*	\$ 392,700	\$ 392,700	\$ 392,700

*Operating Expenses do not include Comprehensive Building Maintenance Reserve.

Based on volume projections, the proposed rates identified in this report are sufficient to maintain indoor arena operations through to September 30, 2024, and obtain a cost recovery of 100%, or greater of the operating expenses less the reserve contributions. The rates proposed continue to support indoor arenas as affordable and accessible.

OTHER IMPLICATIONS

There are no legal, social, policy or environmental implications identified.

Business Line: Recreation and Culture