

## Indoor Arena Rates – 2021/2022

### Recommendation

That the rates for indoor arenas for 2021, effective October 1, 2021 to September 30, 2022, as included in the proposed 2020 and 2021 Operating Budget, be approved.

### Issue

The Administration is requesting approval that the Arena rental rates remain at the approved 2020 rate for the period of October 1, 2021 to September 30, 2022.

### Background

The City of Saskatoon (City) operates five indoor arenas (ACT, Archibald, Cosmo, Gordie Howe Kinsmen and Lions), that consist of six ice surfaces. The arenas accommodate various local indoor ice activities, dry rental activities, lease space and special events.

In 2008, City Council approved that the annual contribution to the Building Reserve be excluded from cost recovery calculations for indoor arenas. By excluding the Building Reserve 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 the rental rates for indoor arenas include staffing and payroll, administration, preventative maintenance, utilities, building and equipment maintenance, fuel and contribution to the Capital Reserve for Equipment Replacement.

### Discussion/Analysis

The current rental rates and budgeted volumes are projected to be sufficient to offset annual operating costs and contributions to the Capital Reserve for Equipment Replacement; therefore, the Administration is not recommending an increase in rates.

### Indoor Arena Ice Rental Rates for October 1, 2021 to September 30, 2022

Table 1 illustrates the approved 2019 through to September 30, 2021 ice rental rates and the proposed 2021 to 2022 rates, beginning October 1, 2021, and concluding September 30, 2022.

**Table 1**

<b>Ice Rental Rates (excluding GST)</b>	<b>2019/2020 Season Approved</b>	<b>2020/2021 Season Approved</b>	<b>2021/2022 Season Proposed</b>
Prime-Time	\$275.00	\$275.00	\$275.00
Non-Prime Time	\$170.00	\$170.00	\$170.00
Summer Ice (May 1- August 31)	\$170.00	\$170.00	\$170.00

### Dry Arena Hourly Rental Rates

The 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 in Table 2.

**Table 2**

<b>Rental Rate (excluding GST)</b>	<b>2019 Approved</b>	<b>2020 Approved</b>	<b>2021 Proposed</b>
Dry Hourly Rental Rate	\$72.00	\$72.00	\$72.00

### 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 in Table 3.

**Table 3**

<b>Rental Rate (excluding GST)</b>	<b>2019 Approved</b>	<b>2020 Approved</b>	<b>2021 Proposed</b>
Dry Daily Rental Rate	\$648.00	\$648.00	\$648.00

### Public Skating Rates

Public skating rates provide general admission into the indoor arenas during designated times throughout the season. Effective September 2019, access to public skating using a Leisure Card has now been included as a way to cover admission.

The current and proposed public skating admission rates, for the indoor arenas to September 30, 2022, are outlined in Table 4.

**Table 4**

<b>Public Skating Rates (including GST)</b>	<b>2019/2020 Season Approved</b>	<b>2020/2021 Season Approved</b>	<b>2021/2022 Season Proposed</b>
Adults	\$ 5.75	\$ 5.75	\$ 5.75
Youth	\$ 3.75	\$ 3.75	\$ 3.75
Family	\$11.50	\$11.50	\$11.50
5 and Under	No Charge	No Charge	No Charge

### **Implications**

Table 5 illustrates the 2019 to 2021 projected revenues and expenses by utilizing the recommended rates and resulting projected cost recovery. Using the budgeted numbers for 2019 to 2021 revenues, projected annual increases for operating costs and annual contribution to the Capital Reserve for Equipment Replacement of \$62,500.

**Table 5**

	<b>2019 Budget</b>	<b>2020 Projected</b>	<b>2021 Projected</b>
Revenues (net of public skating)	\$(2,297,500)	\$(2,293,600)	\$(2,298,600)
Operating Expenses*	\$2,139,300	\$2,204,500	\$2,259,300
Recovery Rate (Projected)	107.4%	104.0%	101.7%
Comprehensive Building Maintenance Reserve Contribution*	\$392,700	\$392,700	\$392,700

\*Operating Expenses do not include Building Reserve contributions.

Based on volume projections, the proposed rates identified in this report are sufficient to maintain indoor arena operations through to September 30, 2022, and obtain a cost recovery of 100%, or greater, of the operating expenses, less the Building Reserve contributions. The rates proposed continue to support indoor arenas as affordable and accessible and have been included in the preparation of the 2020-2021 Operating Budget.

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