



**Village of Rycroft
Request for Decision
Council Meeting Date: September 6, 2023**

TOPIC: Arena Operation models.

RECOMMENDED ACTION: That Council review the options below and provide direction.

BACKGROUND: At the August 15 Arena Board Meeting that all of Council attended, it was noted that the arena does not have the funds to operate the arena for the upcoming year. In reviewing ideas, Council asked that we ask our current summer student hire if he would be interested in staying on with the Village and act as the arena custodian for the upcoming season. In discussing with him, he has other plans and would not be available.

Village of Rycroft arena

For the 2022/23 operating season, revenues totaled ~\$59,000 (with grants and donations ~\$40K, Ice usage rentals ~13K, and ~6K Board Sponsorship) and Expenses were ~\$92,700 (~\$52K utilities, ~\$27K wages, and ~\$11K repairs, maintenance, accounting). At the end of May 2023, the Arena Board had ~\$9,000 in the bank). The Village pays for arena insurance, water, and telephone, plus some building repairs, ice removal/annual ice pad cleaning. Rycroft Minor Hockey had one team last season (under 6, Initiation) that booked 2 hours/week. There was another team from Grande Prairie that used 1 hour a week. Other bookings were random rentals.

The following information was collected on other arena operations as below.

Town of Sexsmith arena

The Ag Society runs the arena and the Town gives them a grant of ~\$120K, plus other contributions like insurance for a total cost to the Town of ~\$150K per year. They have 1 full time Manager (40 hours/week); and 3 part time workers (25 hours/week) who are employees of the Ag Society. They have ice rentals 7 days/week. Stone Mountain Mechanical services their Ice Plant. They have 1 person with certified Arena Operator Level 2

Town of Spirit River arena

Has an agreement with the Spirit River Ag Society. The Town pays all taxes; water, sewer, and waste mgmt costs; insurance cost; all grounds maintenance costs – snow removal, grass and weed control. The Town gives them an annual \$20,000 grant. SHC gives another \$4,800. The Ag Society pays for gas, electric, and telephone bills.

The arena operates with 1 employee that is paid ~\$7,500/month, depending on hours worked. He is an employee of the AG Society, so they do payroll deductions. He does all the cleaning, maintenance, etc. of the washrooms, foyer, stands, etc. It is up to him to find and pay another worker if he needs time off or is sick.

They operate 7 days a week. A typical week's usership will look like

Monday 4.5 billable hours

Tuesday 5.5 hrs which includes 1.5 hrs of shinny (try to get sponsors for free shinny)

Wednesday 3.5hrs

Thursday 5.25 hrs (1.5 shinny)

Fridays are hit and miss some Fridays there is nothing and others 2.5 hr hockey game

Saturdays anywhere from 2 to 8+hrs

Sundays Public skating is 1.5 hrs always (they haven't been charging for), + we could have some wide-open Sundays and some jam packed with 3 games.

Cimco Refrigeration services the Ice Plant.

Schools gets charged \$40/hour for ice rental.

Minor Hockey looks after all the bookings at the arena.

Town of Fairview arena

The Town runs the arena with 2023 operating budget expenses of \$368K, and revenues of \$188K (51% recovery rate).

The arena operates with 4 full time employees, when they can find people. The employees do move to Parks and Recreation for the summer months.

They operate 7 days a week between the hours of 8 am to last rental, usually 10:30-12 am close.

Stone Mountain Mechanical services the Ice Plant.

Schools use and gets charged for rentals at \$42/hour.

Ice making starts August 25, plan to be ready in a week.

They have 2 workers with certified Arena Operator Level 1, and another with Level 2.

Another topic of discussion was the contribution of the MD of Spirit River (MDSR) to the operation. This year the MDSR gave a \$4,000 operating grant to the arena. Out of 364 users in 2020, 128 lived in the MD (35%). According to our Intermunicipal collaboration Framework agreement that was signed in 2020, two relevant sections to this topic are:

4.1 The Parties agree that the full Councils will meet at least one time annually to review accomplishments and future plans.

6.5 As the Parties recognize that section 708.28 of the MGA states that parties are to ensure municipalities contribute funding to services that benefit their residents.

Council could make a motion to give direction for Administration to request a meeting with the MDSR to review the cost sharing agreement.

FINANCIAL IMPLICATIONS: The cost of running the arena will depend on the option selected.

POLICY AND/OR LEGISLATIVE IMPLICATIONS: *RYCROFT ARENA BOARD BYLAW 235-21 Section 4 Role of the Board* states that management of the arena is an Arena Board function. Also, the worker should have training as an Arena Operator through the Alberta Association of Recreation Facilities.

ALTERNATIVE OPTIONS:

- Close the arena for the year. PROS: there is little usage and costs will be saved. CONS: loss of service to the region
- Get the Arena Board to confirm what they need to continue as they were operating and pay for all costs to run the operation.
- Advertise for seasonal employee arena workers and add them to the staff complement to run the arena. We would need at least 2 to cover any unforeseen time off PROS: arena service would continue. CONS: this is an unbudgeted item for 2023 so there will be extra costs: 2 workers @ 30 hours/week for ~10 weeks @\$25/hour = \$15,000. Then budget the same for 2024 is 2 workers @ 30 hours/week for ~25 weeks @\$25/hour = \$37,500. We could hire 1 worker and have the other Public Works Staff as back up, and if the worker was unavailable, there may be some overtime costs.
- Advertise for a contractor to run the arena for the season. We would pay a lump sum and they would look after all labour management. The previous custodian was paid \$5,000/month by the Arena Board.

ATTACHMENTS: None.

Peter Thomas

Chief Administrative Officer

Aug 30, 2023

Date