



2019-2020 Arena Rates and Ice Allocation Policy Changes
Staff Presentation to Common Council
July 8, 2019



Factors Impacting Staff Recommendations

- Fiscal Sustainability
- Cost Escalation
- Transparency and Equality
- Efforts to Simplify the City's Rate Structure
- Supply and Demand
- Contributions to capital costs
- **Operating Budget Policy**
- **Public Benefit of Arenas**
- **Different User Types**
- **Ice Association Feedback**
- **Competition**

City's Operating Budget Policy

USER CHARGES AND FEES

1. The City will seek to balance the need for services and the ability to raise fees, charges, and taxes to support those services. User fees will be assessed relative to the cost of providing the services;
2. Service areas should assess the cost of activities supported by user fees on an annual basis to identify the impact of inflation and other cost increases;
3. Council may decide against full cost recovery in cases where greater public benefit is demonstrated;
4. Service areas should develop cost recovery policies that will be used as a basis for setting the charges or fees, as well as the service cost recovery goals based on quantitative targets (percentage recovery targets) and how the charges and fees will be levied and collected;

User Types

- Youth Recreational
 - i.e. Saint John Minor, Lancaster Minor, Saint John Speed Skating
- Youth General
 - i.e. hockey schools
- Adults
- Seniors

Ice Association Feedback

- Phase-in additional fees requested
- Ideas to replace need for higher fee increases
- Knowing fee increases sooner the better

Changes in Policy

- Eliminate Seniors Rate
- Eliminate Rate arrangements not approved by Council
- HST removed from advertised rates
- Users to continue to not contribute to Capital
- Replace Youth Ice Sports Subsidy with Youth Prime Rate
- New Youth Rate to also be used for school rentals and youth tournaments
- Eliminate High School Subsidy at LBR

Youth Ice Sports Subsidy

- Created in 2003 to control costs with increased rentals by youth associations
- \$173,000 in 2019
 - Approx. \$5000 offsets high school hockey at LBR
- Issues since implementation
 - No control over subsidy going to City residents
 - Difficult for associations to budget
 - City's level of investment in youth not fully understood
 - Other regional arenas advertise youth hourly rates

New Youth Prime Rate to Replace Youth Subsidy

- Controls on level of use now in place with Ice Allocation policy
- New approach to regional contributions
- New Youth Recreational Prime Rate Recommended
 - Would also be used for school rentals and youth tournaments
- Approx. \$5000 to offset high school hockey at LBR eliminated

Proposed 2019-2020 Rates

Categories	Approved 2018-2019 Hourly Rate	Recommended 2019-2020 Hourly Rate
Early Morning	\$76.56	\$79.00
Pre Prime	\$86.96	\$90.00
Prime Time	*\$84.77	\$115.00
-Youth Recreational	**\$90.48	
-Youth Tournament	***\$111.11	
-School Hockey		
Prime Time	\$179.96	\$186.00
Post Prime	\$148.15	\$153.00
Seniors	\$52.70	****N/A

*Previous Youth Tournament rate

**Previous School/Birthday

***Previous Effective Average Rate with Youth Ice Sports Subsidy

****Seniors rate is proposed to be eliminated. Previous rate was applicable Monday – Friday, 8 AM - 4 PM. Seniors can use Pre Prime Rate for same period of time.

All rates shown are exclusive of HST

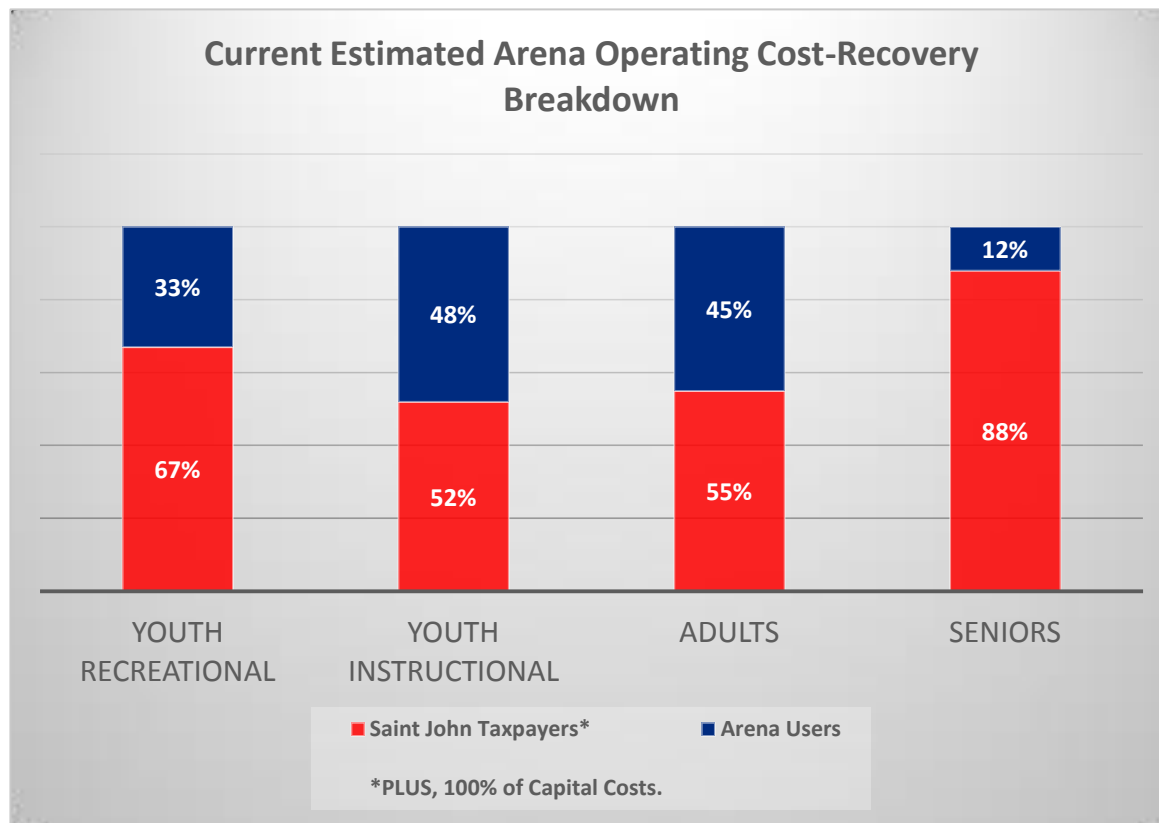
Early Morning applicable Monday – Friday until 8 AM

Pre Prime applicable Monday – Friday, 8 AM - 4 PM

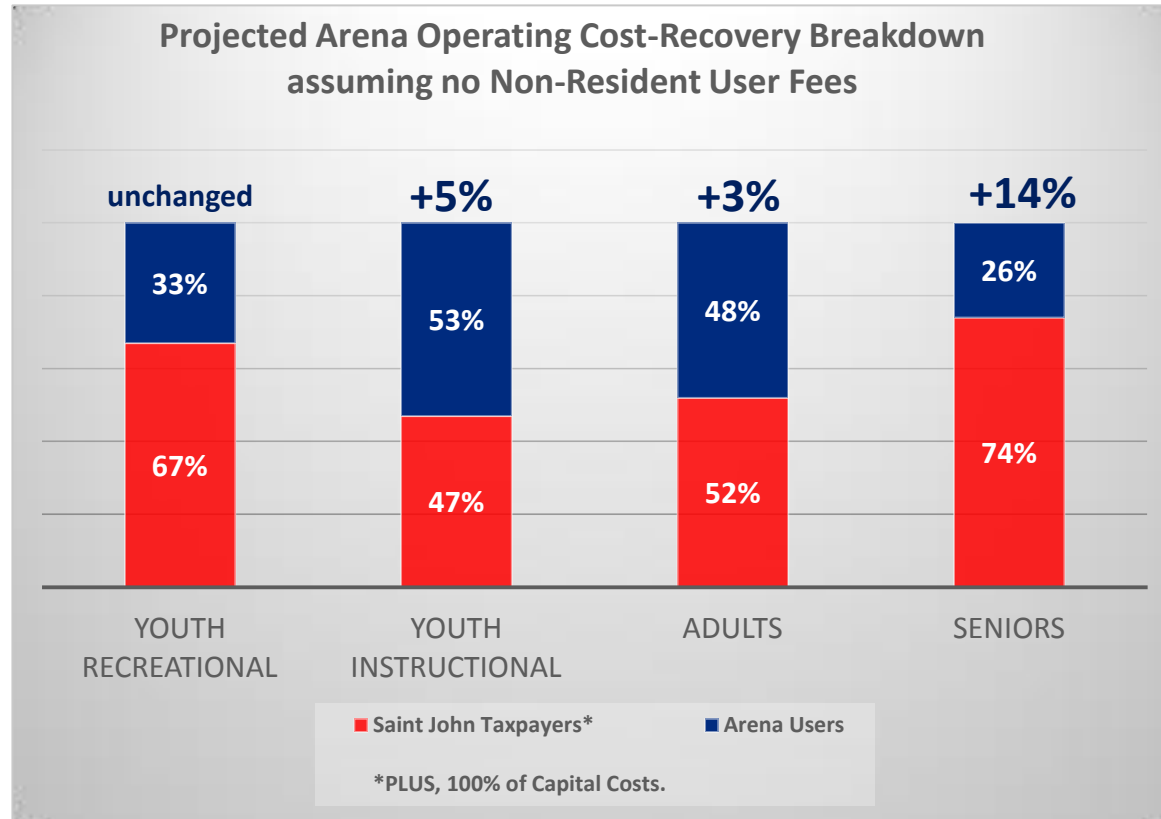
Prime Time applicable Monday – Friday starting at 4 PM, and all day Saturdays, Sundays, Christmas Break, March Break, Statutory Holidays until 10 PM

Post Prime applicable every day starting at 10 PM

Cost Recovery in 2018-2019 season

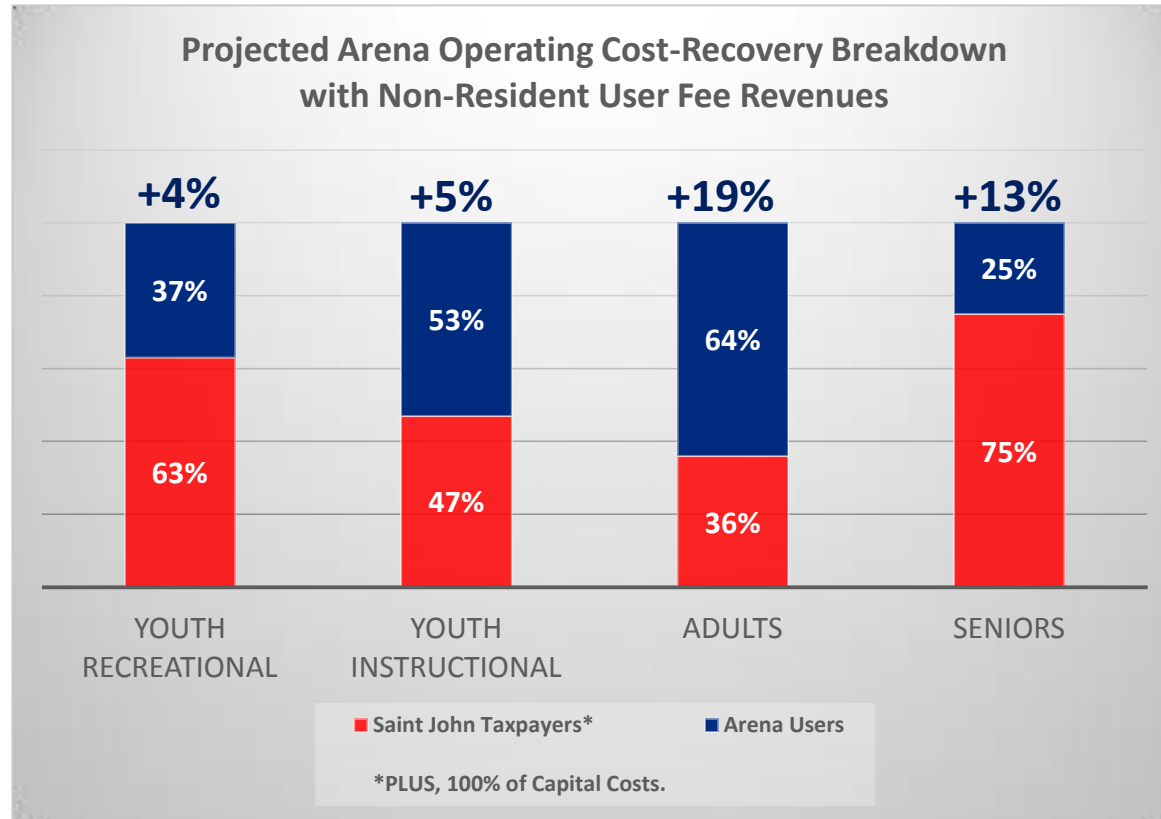


New Cost Recovery with Proposed Rate and Policy Changes



- Assumes no change in hours rented
- Assumes 3% annual increase in costs

New Cost Recovery with Proposed Rate and Policy Changes and Non-Resident User Fees



- Assumes no change in hours rented
- Assumes 3% annual increase in costs
- Assumes 25% reduction in non-resident users

Regional and Atlantic Canada Rate Comparison

Arena	Youth Prime Rate	Adult Prime Rate
Rothsday Arena	\$108.70	\$152.17
Quispamsis Memorial	\$113.04	\$165.22
Rothsday Netherwood		\$165.22
Grand Bay-Westfield	\$117.39	\$170.43
QPlex		\$187.82
Saint John's four arenas	\$115.00	\$186.00
Fredericton		\$188.00
LBR		\$191.30
Halifax		\$200.00 or \$240.00
Moncton		\$252.17 or \$276.52

- Saint John's rates are for 2019-2020
- Most other rates shown are from 2018-2019
- All rates exclusive of HST

Changes to Ice Allocation Policy

- Max hours provided to youth reduced to match historical use
 - Control costs with elimination of Youth Subsidy
- No cancellations permitted after end of September
 - Suggested by Iced Associations
- Penalty to associations for unpaid Non-Resident User Fees
 - Notification period before penalties applied
- Physical and Sexual Abuse Insurance coverage required by youth organizations

Financial Implications

- \$174,000 net increase in revenues estimated over 2018-2019
 - \$92,000 net increase in revenues (compared to 2018-2019 season) estimated from recommended rate and policy changes
 - \$ 30,000 of net increase is expected from preventing ability to cancel
 - \$116,000 decrease in General Fund Revenue budgets for 4 arenas
 - \$173,000 eliminated from Operating Budget (Youth Ice Sports Subsidy)
 - \$ 35,000 on average under-budget for revenues
 - \$82,000 additional net revenues from Non-Resident User Fees estimated
 - \$139,000 revised gross revenues in a new Revenue budget line
 - Lower estimated implementation cost budgeted in Operating Budget

Staff Recommendations

1. Approve rental policy changes
2. Approve continued additional investment in youth recreational
 - Subsidy rolled into new Youth Recreational Prime Rate
3. Approve recommended 2019-2020 rates
4. Approve revised Ice Allocation Policy