



SUBJECT: Ice inventory management

TO: Environment, Infrastructure & Community Services Cttee.

FROM: Recreation, Community and Culture

Report Number: RCC-17-23

Wards Affected: all

Date to Committee: October 5, 2023

Date to Council: October 17, 2023

Recommendation:

Authorize the Director of Recreation, Community and Culture to execute ice allocation agreements to the satisfaction of the Executive Director of Legal Services and Corporation Counsel as outlined in recreation, community and culture department report RCC-17-23.

PURPOSE:

Present an overview of the options that were explored to manage the inventory of ice and outline a recommended option for ice management beyond August 31, 2025.

Vision to Focus Alignment:

- Increase economic prosperity and community responsive city growth
- Building more citizen engagement, community health and culture

Background and Discussion:

The City of Burlington has had long standing groups who have rented city space over the past 25-50 plus years. Over this period, the relationship has grown with these groups, the community, and city to form a collaborative effort to provide recreational opportunities for the community. This relationship evolved further when a collective of independent ice users began working closely with City staff in late 2005 to show that there was an immediate need for an additional ice pad in the inventory. When further assessed, this proved to be the case, that there was an immediate need for one ice pad and that growth was anticipated to utilize an additional pad in the foreseeable future.

Given the cost of construction, it was determined that building two pads in a single construction phase was the most economical and logical (PR 17-09 Appendix A). As a result, the relationship between the City of Burlington and the collective ice user group became formal in 2009 to secure a debenture for the cost of construction. This helped to accelerate and pay for the building of two additional pads at the Appleby Ice Centre. It also paired with principles in the 2009 Council-adopted Parks, Recreation and Cultural Assets Master Plan. This plan sought to be strategic when introducing new assets by renovating facilities that have reached their lifespan and building multi-ice pad facilities when existing single-ice pads are up for major renewal, due to operating efficiencies and enhanced programming associated with these types of facilities (PR-12-11).

With the debenture, each of the committed ice users agreed to purchase a negotiated number of hours per season. These numbers were based on a Business Plan developed in conjunction with City staff that took effect in September 2010 (PR 17-09). This provided the City of Burlington with a committed revenue stream and utilization to support loan payments for the addition of Rink 3 and 4 at Appleby Ice Centre. When the agreements were first signed in 2010 Golden Horseshoe Hockey League was part of the agreement, servicing recreational hockey for adults aged 19-35. This organization was a for profit entity and proved to be unsuccessful in the community and they ceased operation as a result and left the ice commitments. When this happened, their ice was redistributed to ice users who were in the original agreement and brought in the addition of the Burlington Cougars.

The current list of groups with debenture agreements referred to as “Group of 7” are as follows:

- Burlington Lions Optimist Minor Hockey Association (BLOMHA)
- Burlington City Rep (Eagles)
- Burlington Girls Hockey Club
- Ringette Association Burlington
- Burlington Skating Centre/Synchro
- Burlington Oldtimer’s (Men’s and Women’s)
- Burlington Cougars (2014)

The debenture agreement ensured that the ice users could make their payments by adding an hourly arena surcharge for every hour of ice that is sold to all rentals. As well as committing the dedicated ice user group to purchase so many hours from the City, the City in turn offered them those hours of ice each year. In the event that an ice user could not purchase all their required ice, they were invoiced to pay the difference whether they used the ice or not. This resulted in a guaranteed minimum revenue stream for the sale of ice.

The debenture arrangement is set to retire as of August 31, 2025. Thus, ending the contractual arrangement between the City and the committed ice user groups to purchase a specified number of hours of ice. It also ends the hourly arena surcharge applied to every hour of ice that was purchased inclusive of all ice rentals. This relationship has proven to be a great benefit to the City as a guaranteed revenue source but also for the relationship formed with these groups and each other providing stability in the community.

Current Allocation Process

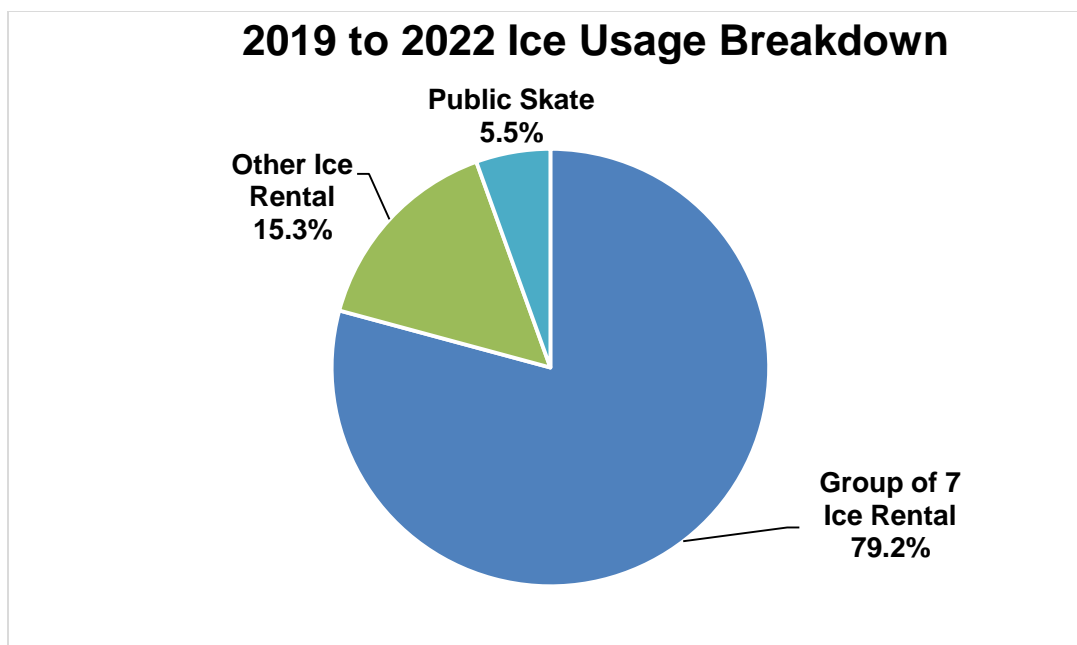
Over the years this arrangement has afforded the ice user group and the City some security in knowing that they had a set number of hours that could not be removed. Any unused ice would then be open for other groups and the community to permit.

In this model, ice is allocated based on the 2020 Council-approved Framework for Recreation principles as well as the recently approved Recreation Facility Space Allocation Policy (RCC-13-23). It distributes ice for:

- Recreational skating that is open to the community, of all ages and abilities,
- Then to those who are open to the community for select ages and abilities; primarily the Group of 7 ice users based on the 2009 agreement (PR 17-09) to ensure those total hours are satisfied,
- Then to other open community groups,
- Followed by closed rentals,
- Ad hoc rentals and non-resident, non-recreation rentals.

With these allocation principles in place, we can see that ice is very well utilized and overall the Group of 7 usage is a significant portion:

Figure 1:



Strategy/process/risk

The background presented above has led staff to assess the options for how best to manage the ice inventory beyond the debenture arrangement set to expire August 31, 2025.

Options Considered

Option 1: Request for Proposal – where all users bid on becoming a Preferred Program Provider based on chosen categories (example: house leagues, rep, learn to skate).

Pros	Cons
<ul style="list-style-type: none"> Anyone serving the community could bid, potentially opening availability for a user who serves a part of the community we are unaware of. 	<ul style="list-style-type: none"> RFP process might deter non-profit groups as too expensive and not having resourcing labour to complete. Current known and established community user may not win a bid creating community concern and frustration. These organizations have been operating in some cases for 50 plus years. They are a contributor to the community through many initiatives such as the Gift of Giving Back and Food Bank Drives.

	<ul style="list-style-type: none"> • Provincial Sport Organizations limit the number of leagues within a geographical area, it is highly unlikely and unfeasible for another bid to be received from another organization we do not already work with. • Someone who is not sanctioned may apply.
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Option 2: Allocate to all Program Providers – allocate all space to all groups who fit the Framework of Recreation at same time.

Pros	Cons
<ul style="list-style-type: none"> • All groups would have equal opportunity for space. • Open recreational skating (public skate) would benefit as the desired times would go into the allocation mix first based on the Framework for Recreation principles. 	<ul style="list-style-type: none"> • With the current demand for peak ice time, the allocated hours would not meet the needs of the ice user. • Limited ice inventory to support competing groups. • Not able to provide variety and could see lots of duplication or saturation of one type of play. • Escalate complaints and conflicts from community. • Limited ability to address emerging/ new growth programs. • Inability to meet sanctioned organizations requested hours to satisfy their provincial sport requirements.

Option 3: Enter into new Agreements with the current Group of 7 ice users and issue an Expression of Interest for any new providers to close program gaps.

Pros	Cons
<ul style="list-style-type: none"> • This service model provides City staff the opportunity to re-assess the distribution of ice. • While honouring long standing relationships, it allows the City to address program duplications and 	<ul style="list-style-type: none"> • Other rentals may be displaced as a result. • City will be criticized for only working with existing groups and not opening up

<p>provide a landscape to meet additional community needs such as community skates to maximize inventory.</p> <ul style="list-style-type: none">• It provides the ability to manage growth from new and emerging programs as the Burlington demographics evolve and grow.• It also provides consistency to the ice users but also the community as they know their allocation blocks for the committed period and can plan accordingly.	<p>to a competitive bid process, creating a monopoly in the market.</p>
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Given the long history with these established organizations renting city facilities for 25-50 years, staff recommend option 3 – entering into new agreements with the Group of 7 ice users referred to above. The agreements would be 3-years with two 1-year extension options. This is a great win for the community and honours our long-standing strategic relationships. It will allow staff to continue to have regular tactical meetings with this group on a bi-annual basis to consult on recreation trends and ice landscape from a community lens. This relationship has helped City staff have a pulse in the community but also align with the program providers to offer a full landscape of programs. Not to mention the Group of 7 organizations are trusted community entities facilitating many different campaigns that give back to the community as well as free and try-it opportunities. In addition to aligning with the provincially approved sport organizations affiliations program and governance.

As part of the recommended option, staff will implement an expression of interest for any new providers based on program gaps researched by staff. These gaps include recreational hockey for adults aged 19-35 as well as inclusion programs. Providers will need to show a commitment to ice usage and align with the Framework for Recreation principles and Recreation Facility Space Allocation Policy. This will allow the opportunity for any groups who the City may not know about to come forward and express their interest.

Financial Matters:

Total Financial Impact

Through the debenture and the ice commitment agreements, the City was able to secure a committed revenue stream where the Group of 7 attributed most of the

revenue. This is seen in figure 1 of the ice usage and translates to the same proportion of the arena revenue.

Revenues have been consistent and predictable apart from the COVID impacted year. Without a commitment to a set number of purchased hours revenues will be less predictable. Thus, opening the opportunity for revenue swings and challenges with managing renters' expectations.

Source of Funding

Ice rates and fees will be the source of funding. The updated rates and fees without debenture surcharge will be presented in a follow up RCC report this year. A percentage of the user fees and admissions will go to capital improvements instead of a debt surcharge and the rest will go to revenue.

Other Resource Impacts

Legal department workload impacts to draft and execute the legal agreements. In addition to RCC staff time in engaging the community, as well as liaising, organizing, and executing the agreements.

Climate Implications:

Arenas are a significant contributor to greenhouse gas emissions. Operationally, staff are working toward limiting this climate impact and emissions by integrating electric Zamboni's and improving infrastructure when facilities require upgrades. Additionally, as arenas go up for capital renewal they are being built as close to carbon neutral as possible. A prime example is the current building of Skyway arena. City facilities are also an important component of preparing climate resiliency where they can provide necessary refuge during severe weather events.

Engagement Matters:

The Group of 7 ice users with ice commitments have been engaged about the options. In addition, to other groups who are open to the community outside of the agreements and closed seasonal bulk renters. We know that some of the closed seasonal bulk renters will not be pleased as their traditional space may be displaced. However, based on the Recreation Facility Space Allocation Policy (RCC-13-23) passed by Council, those groups fall lower on the priority list as they are not open to the community. To ensure a comprehensive view of the ice user landscape in Burlington is explored, a request for expression of interest (RFEI) will be sought. Users looking to rent ice will be

able to submit an expression of interest with criteria based on the Recreation Framework principles and desired program mix.

Conclusion:

The recommended option of entering into new agreements with the Group of 7 ice users provides staff with the ability to manage ice rentals through the Framework for Recreation lens and apply the method of the Recreation Facility Space Allocation Policy (RCC-13-23). Establishing strategic relationships with long-standing partners provides us with the ability to allocate ice to meet financial targets and the interests of the residents. It ensures a variety of activities for the community to access while continuing to maximize the ice and provide a mechanism to address emerging needs as Burlington grows.

Respectfully submitted,

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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.