



DATE: 5/6/2022
TO: PRPD Board of Directors (BOD)
FROM: Kristi Sweeney, Assistant District Manager
Lorrennis Leeds, Administrative Assistant II & Ice Rink Manager
SUBJECT: 2023-2024 Ice Rink Considerations

Summary

The Paradise Ice Rink has been an iconic recreational activity that drew participants from inside and outside the District for nine seasons since 2012 (except for COVID year 2020 - 2021). While sponsorship has been up for the last few years, the net loss associated with the program continues to be a significant concern. Staff sought out synthetic and real ice rink quotes to keep the Paradise tradition alive. Staff seek direction on the options presented based on current information. Depending on the mechanism and funding source, the item may return to the BOD for consideration.

Recommendation: Direction toward the purchase of a synthetic Ice Rink (Alternative 4) with the selection based on multiple criteria as outlined in the report.

1. Background

The district provided a recreational holiday activity for nearly a decade through the rental agreement with Magic Ice. For two years post Camp Fire (seasons 2019/2020 and 2021/2022) Magic Ice honored the original contract rental agreement price only raising costs for transportation in FY2021/2022. However, in 2022 Magic Ice was sold to new owners and the rental agreement for the 2022/2023 fiscal year increased by 59% over FY 2021/2022 prices.

The ice rink offers a unique winter season recreational activity hosted by the District that is challenging to replace. Staff have considered alternatives to the ice rink that would attract the same number of participants, spectators, field trips, and sponsors as the ice rink but have not come up with a viable alternative. The ice rink program offers residents a sense of pride, tradition and normalcy, which is incredibly important to the physical, mental and emotional health of the people the District serves. This program also aligns well with District goals of being a destination park and recreation district. The ice rink provides entertainment and recreation for thousands of participants each season and provides employment for approximately 30 staff, for many of whom, is their first job.

The District understands it must be a good steward of public funds and make appropriate decisions in regard to providing the recreational opportunities that are the core mission of the District, while balancing careful financial management. To that end, the District has explored several options that may make the ice rink a more financially sustainable program for residents and visitors to enjoy.

2. Fiscal Impact

Staff initiated additional events this year in conjunction with the ice rink, which were very popular with residents. Though income from these events is not included in the cost analysis for the ice rink program, they generated a total of \$5,781.

Staff have completed an After-Action meeting and prepared a year-end report (Attachment A) to discuss Ice Rink set up options. The items discussed include:

- Last season employed 31 seasonal staff, with 12 rehires who were excited for the opportunity and sad to leave when the season ended. We had 43 sponsors for the season, which resulted in \$58,960.42 in donations, as well as \$15,505.86 in-kind donations.
- Approximately, 4,428 skaters and 2,757 spectators participated in the last season.
- Gross revenue for the season (including donations) was \$120,517 with the total expenses to be \$293,251. The net loss for the season is \$ 172,734, with the estimated cost of \$20,000 to run the chiller.

Cost Analysis of the Ice Skating Rink										
Actual Data from each year.										
	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2021-2022	FY 2022-2023	Average
Income										2013-2018, 2022
Admission	\$ 183,803	\$ 123,231	\$ 115,591	\$ 81,580	39,962.96	\$ 32,307	\$ 67,207	\$ 67,443	\$ 52,317	\$ 88,891
Rentals	\$ 4,527	\$ 5,095	\$ 5,344	\$ 3,876	\$ 5,375		\$ 4,975	\$ 7,780	\$ 8,690	\$ 5,282
Donations	\$ 62,806	\$ 20,640	\$ 21,601	\$ 20,300	12,420	\$ 8,920	\$ 56,766	\$ 63,313	\$ 58,960	\$ 36,192
Concessions	\$ 17,636	\$ 19,619	\$ 17,942	\$ 16,261	1,117	\$ 500	\$ 450	\$ -	\$ 550	\$ 8,230
Total	\$ 268,772	\$ 168,585	\$ 160,478	\$ 122,017	\$ 58,875	\$ 41,727	\$ 129,398	\$ 138,536	\$ 120,517	\$ 138,595
Expenses (Estimated)										
Chiller/Rink Rental	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 90,510	\$ 143,915	\$ 92,158
Concession/Rink supplies	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 1,063	\$ 1,800	\$ 2,698	\$ 4,448	\$ 3,453	\$ 8,162
Electricity	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 14,833	\$ 6,400	\$ 12,000	\$ 20,000	\$ 20,000	\$ 17,026
Maintenance Supplies	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 3,926	\$ 1,237	\$ 4,274	\$ 8,149	\$ 5,366	\$ 4,773
Marketing	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,000	\$ 700	\$ 3,084	\$ 5,136	\$ 5,215	\$ 4,015
Payroll	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$26,829.69	\$ 16,497	\$ 74,053	\$ 128,544	\$ 113,085	\$ 51,001
Travel						\$ 655	\$ 2,486	\$ 2,163	\$ 2,218	\$ 1,880
Sub Total	\$ 155,000	\$ 155,000	\$ 155,000	\$ 155,000	\$ 133,652	\$ 112,290	\$ 183,595	\$ 258,950	\$ 293,251	\$ 179,015
Total	\$ 113,772	\$ 13,585	\$ 5,478	\$ (32,983)	\$ (74,777)	\$ (70,563)	\$ (54,197)	\$ (120,413)	\$ (172,734)	\$ (40,421)

Note: No revenue or expenses were counted in the COVID cancelled 2020-2021 season

Figure 1. Cost Analysis of the Ice-Skating Rink

a. Options for 2023 (and beyond)

Alternative 1- Rent Real Ice Package (Chiller, Ice Rink, and Accessories (essentially Status quo))

- Use Magic Ice:
 - Magic Ice proposed a rental option (5-season lease agreement), beginning 2023-2024 according to the following schedule:
 - \$144,900 (season 1)
 - \$149,381 (season 2)
 - \$152,430 (season 3)
 - \$155,541 (season 4)
 - \$158,715 (season 5)
 - **Pros:** Continues a ten-year Paradise Tradition that the community engages in; uses familiar set-up and equipment; maintains good quality ice.
 - **Cons:** Overall cost and the rental escalation of up to \$7,000 each season for the agreement term; high energy use and costs.

Alternative 2- Purchase Real Ice Package (Chiller, Ice Rink, and Accessories, Open a Request For Proposals (RFP) for a New Lease Agreement with All Ice Rink Rental Companies

- The to buy option from Magic Ice to purchase the used ice rink package from has expired (for \$88 K but may be re-negotiated).
- Staff initiated quotes for new real ice rink packages (including same-sized rink, dasher boards, chiller, skates, etc.) but has not received responses. Will likely require an RFP for either “full” set up of system or purchase pieces “a la carte” (i.e. buy/lease Chiller, antifreeze, coils, Zamboni, ice skates, blades, dasher boards, etc.)
- Cost: unknown, likely greater than or comparable to rental estimates.
- **Pros:** Continues a ten-year Paradise Tradition that the community engages in; uses familiar set-up and equipment; maintains good quality ice; purchase will allow for cheaper annual costs if amortized.
- **Cons:** Staff time for the RFP (draft, disseminate, review proposals, recommend, and develop agreement for BOD approval) - likely require two months at minimum with no guarantee of a cheaper price than Magic Ice’s proposal; high energy use and costs; Storage space for equipment.

Alternative 3 – Rent Synthetic Ice Rink Package or Alternative 4 – Purchase Synthetic Ice Rink Package

- Staff consider these options under one umbrella as further cost exploration may result in a certain strategy or decision tree on it (i.e., if purchase costs are less than 3 times the rental costs, then a purchase will be the

best strategy). As outlined above, there are other rental vs purchase pros (purchase: annual costs reduced over time; more flexibility for season (or even outside of season); reduced uncertainty for future years, rental: reduced initial costs; no storage issues; replacement costs) and cons (purchase: storage; replacement over time; rental: higher costs over time):

- Cost comparisons (staff can review details at the meeting or committee):
 - Purchase from
 - In line from Glice, Inc. (Attachment C) - \$191,269 (order must be placed by 7/15/2023 to meet expected installation date of 11/10/2023.)
 - PolyGlide Ice (Attachment D) - \$91,563 taxes not reflected in quote.
 - Lease from Glice, Inc for 60 days (Attachment E) Cost: \$59,774
- **Pros:** Reduced energy use and costs (no chiller required), which also reduces noise; anticipated less time for set up; reduced labor to maintain and prepare the synthetic rink; the District could extend the season; may be easier for the average skater to use (maintains first time experience for users); overall aesthetics are similar to current set-up. Cost analysis may result in maintaining current pricing. Cost savings may be invested in other budget areas, programs (even into the event itself for decorations or activities), or infrastructure.
- **Cons:** Ice quality and experience, some residents and visitors may choose not to participate in the ice rink because the surface is synthetic (however, most visitors is a first-time experience).

Alternative 5 – No Ice Rink

- No ice rink this season and beyond. Even with the absence of an ice rink, the community has been clear about the importance and participation in wintertime events. District will likely develop a substitute event.
- Cost: depends on what if any alternative activity is developed to replace the ice rink.
- **Pros:** Potentially reduced maintenance costs.
- **Cons:** Community loss of a signature annual event; loss of resident and visitor engagement.

Staff also discussed options of future locations, but clearly in the short term, TARC is likely the best option (notably because the infrastructure is in place for events).

3. Recommendation

Staff wanted to encourage a full discussion of this item based on our current (imperfect knowledge). Based on the current information, Staff recommends BOD direction to develop the costs and vendors as per our purchasing policy toward the purchase of a synthetic Ice Rink (Alternative 4) with the selection based on the responsiveness to District needs, quality of product, aesthetics, customer service, completeness, environmental sustainability, in addition to cost.

If the BOD opts to send this to the Finance Committee for further consideration; Staff recommends an expedited process.

Attachments:

- A. 2022-2023 Ice Rink Report
- B. Updated Magic Ice/Everything Ice Proposal
- C. Purchase agreement from Glice, Inc. & Product Catalog 2020
- D. Purchase agreement from PolyGlide Ice
- E. Rental agreement from Glice, Inc

[https://paradisepd.sharepoint.com/sites/BODMeeting/Shared
MEETING/2022.Ice.Rink.Considerations.Staff.Report_22.0525.docx](https://paradisepd.sharepoint.com/sites/BODMeeting/Shared%20Documents/MEETING/2022.Ice.Rink.Considerations.Staff.Report_22.0525.docx)
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