



# Toronto 2015 BUDGET

## OPERATING PROGRAM SUMMARY



## Arena Boards of Management

### 2015 OPERATING BUDGET OVERVIEW

The Arena Boards of Management are 8 Board-managed arenas that offer ice contracts, programming, and pleasure skating to the community. Some arenas also offer dry floor rentals in the summer. These services are complemented with snack bars, pro-shops, and meeting room rentals at some locations.

#### 2015 Budget Highlights

The total cost to deliver this service to Toronto residents in 2015 is \$8.400 million as shown below.

(in \$000's)	2014	2015	Change	
	Budget	Budget	\$	%
Gross Expenditures	8,167.6	8,400.4	232.8	2.9%
Gross Revenues	8,263.4	8,407.2	143.8	1.7%
<b>Net Expenditures</b>	<b>(95.8)</b>	<b>(6.8)</b>	<b>(89.0)</b>	<b>92.9%</b>

In 2015, the Arena Boards will increase its expenditures by \$0.233 million, driven by labour cost increases, inflationary adjustments, and non-labour expenditure adjustments. The Program will increase its revenue by \$0.144 million driven by increased user fee revenues and sundry revenues. As a result, the Arena Boards Program will have a budgeted net surplus at \$0.007 million in 2015.

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### Fast Facts

- 11 ice rinks, including 9 large rinks and 2 small rinks.
- 5 of 8 Arena Boards will offer year-round ice rentals.
- 5 of 8 Arena Boards offer meeting room rentals to the general public.
- All 8 arenas offer proshop and snack bar services.
- In 2014, all arenas operated at full capacity, delivering 24,022 prime-time and 20,531 non prime-time ice bookings.

### Trends

- Steady number of available ice hours for the next 3 years for all arenas. George Bell and Leaside Garden Arenas now operational with summer ice and second ice pad respectively thus adding additional hours since 2014.
- Declining growth in sundry revenue (proshop and snack shop) across all Arenas due to strong commercial competition.
- Prime-time usage rate has risen by 2.8% and non prime-time usage rate has risen by 4.3% in 2014.

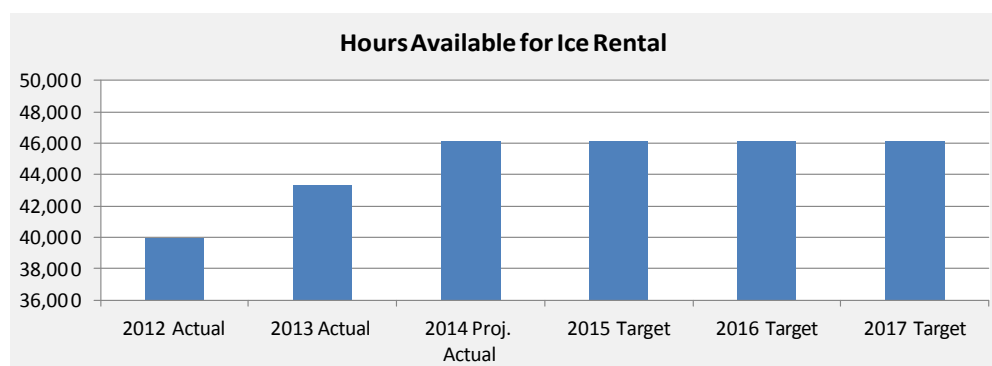
### Our Service Deliverables for 2015

The Arena Boards of Management are responsible for providing ice time, in-house programming, and accessory services to individual users, community groups, and private groups.

The 2015 Operating Budget will fund:

- A total of 46,121 hours of available ice time, comprising of 25,590 hours of prime time ice and 20,531 hours of daytime ice, to the community across the eight Arenas.
- Ongoing delivery of in-house programs such as house leagues, hockey schools, summer camps, and learn-to-skate programs.
- Provision of accessory services such as snack bar, vending machines, pro shop, skate sharpening, and meeting/banquet hall facility rentals.
- Full capacity operation of prime time ice for all Arena Boards.

### Key Performance Measure – Hours Available for Ice Rental

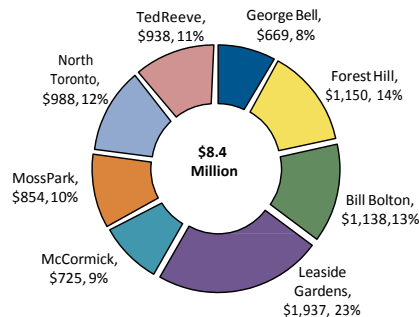


## 2015 Operating Budget Expenses & Funding

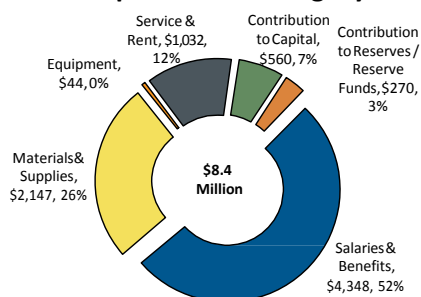
### Where the money goes:

#### 2015 Budget by Service

\$8.4 Million

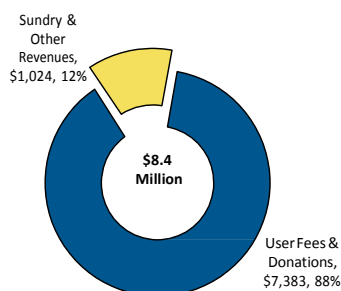


#### 2015 Budget by Expenditure Category



### Where the money comes from:

#### 2015 Budget by Funding Source



## Our Key Challenges & Priority Actions

### Revenue Decline at Leaside Gardens Arena

- ✓ In 2014, the Arena faced challenges overcoming disruptions caused by on-site constructions on its sundry revenues and banquet hall usage, and committing to its first full year of debt repayment obligations.
- ✓ The 2015 Operating Budget includes increased advertising and promotion expenses in order to support recovery of its revenues.

### George Bell Arena Summer Ice Service

- ✓ The Arena will actively promote the availability of its new summer ice service which first opened in 2014. Summer ice costs/revenues will be separately tracked.

## 2015 Operating Budget Highlights

- The 2015 Operating Budget of \$8.400 gross and (\$0.007) million net will provide funding to:
  - ✓ Program specific expenditures such as purchases for snack bar and proshop, and zamboni contributions.
  - ✓ Administration and operation expenditures including permanent staffing costs, utilities, accounting fees, and office expenses.
  - ✓ Repairs and maintenance expenditures including ice refrigeration and resurfacer costs, and facility repairs.

## Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2015 Operating Budget for Arena Boards of Management of \$8.400 million gross, (\$0.007) million net for the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
George Bell Arena	669.2	0.0
William H. Bolton Arena	1,138.5	(0.8)
Larry Grossman Forest Hill Memorial Arena	1,150.4	(1.2)
Leaside Memorial Community Gardens Arena	1,936.9	(3.5)
McCormick Playground Arena	725.2	(0.2)
Moss Park Arena	854.3	(0.1)
North Toronto Memorial Arena	988.4	(0.9)
Ted Reeve Arena	937.6	(0.0)
<b>Total Program Budget</b>	<b><u>8,400.4</u></b>	<b><u>(6.8)</u></b>

2. City Council approve the 2015 Service Levels for the Arena Boards of Management as outlined on page 7 of this report, and associated staff complement of 66.6 positions;
3. City Council approve the 2015 market rate user fee changes for Arena Boards of Management identified in Appendix 7 for inclusion in the Municipal Code Chapter 441 "Fees and Charges"- and
4. City Council approve the 2015 new user fees for Leaside Garden and George Bell Arena Boards of Management as identified in Appendix 7b (New User Fees) for addition to the Municipal Code Chapter 441, User Fees and Charges.

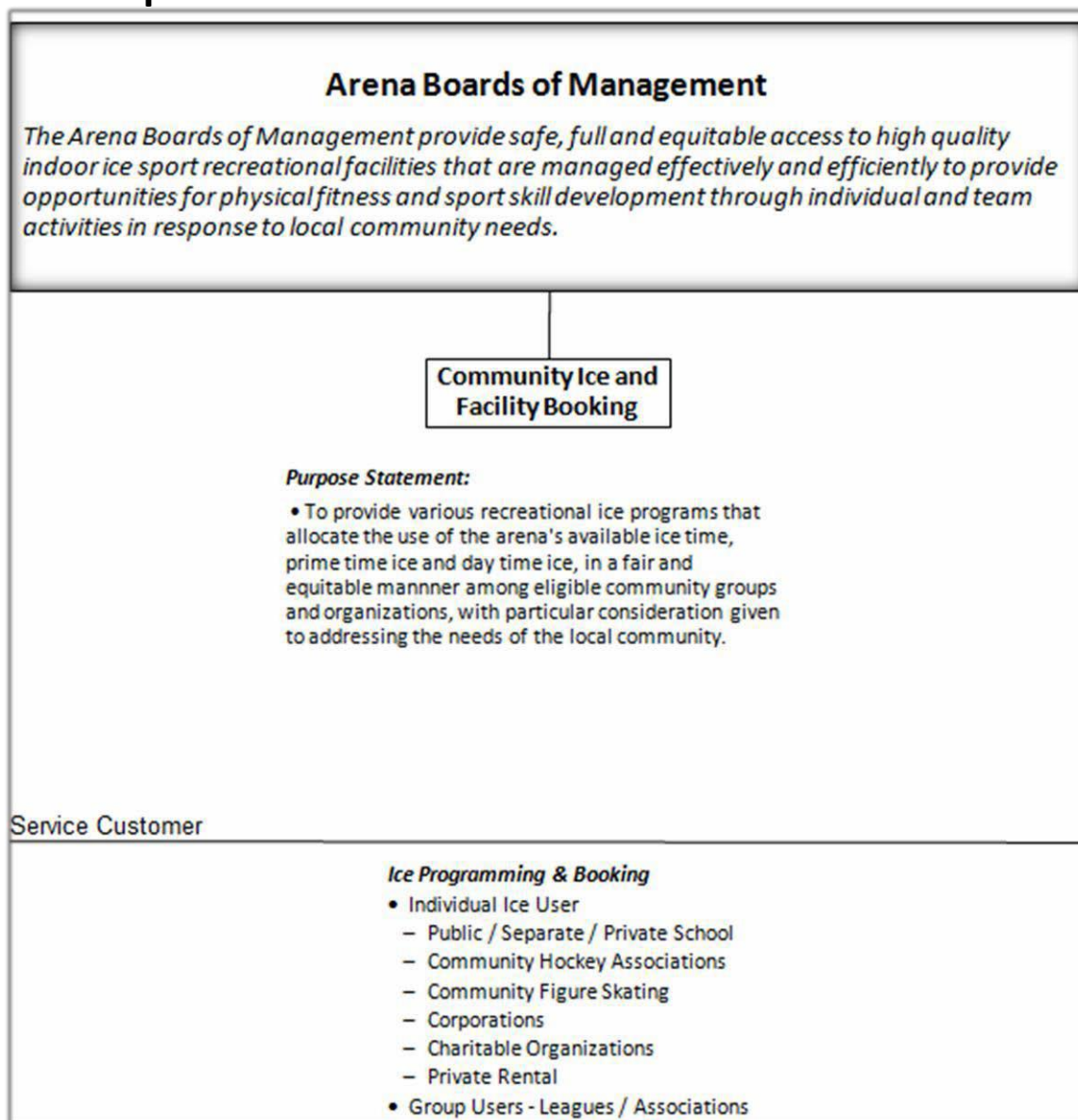


## **Part I:**

2015 – 2017

Service Overview and  
Plan

## Program Map



## 2015 Service Deliverables

The 2015 Operating Budget of \$8.400 million gross and (\$0.007) million net for Arena Boards of Management will fund:

- A total of 46,121 hours of available ice time, comprising of 25,590 hours of prime time ice and 20,531 hours of daytime ice, to the community across the eight Arena Boards.
- Ongoing delivery of in-house programs such as house leagues, hockey schools, summer camps, and learn-to-skate programs.
- Provision of accessory services such as snack bar, vending machines, pro shop, skate sharpening, and meeting/banquet hall facility rentals.
- Full capacity operation of prime time ice for all Arena Boards.

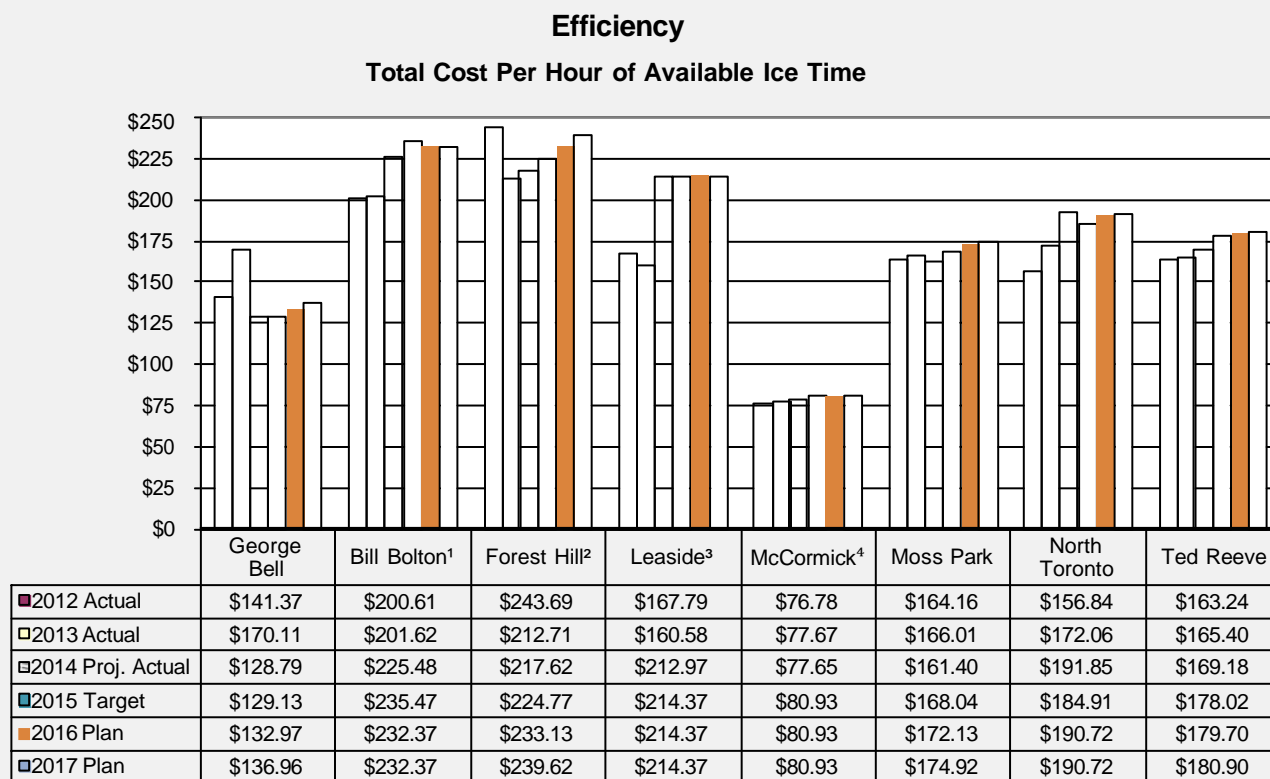
### 2015 Service Levels Arena Boards of Management

Activity	Sub-Activity/Type	Service Level
		2015
Ice Booking	Prime Time	100% Utilization
	Non Prime time	60% Utilization (on average)
Facility Rental	Banquet hall / Meeting / Board Rooms	76% Utilization / Occupancy
	Arena Floor	100% On Demand
	Indoor Swimming Pool	100% Utilization / Occupancy
Concession / Vending	Snack Bar	66% staffed and open - 100% on demand
	Pro Shop	100% on demand
Directly Run (Programmed)	Recreational Skate / Shinny	100% of programmes are evaluated to respond to Community needs
	Camps	100% of programmes are evaluated to respond to Community needs
	Hockey Schools	100% of programmes are evaluated to respond to Community needs
	Summer / Winter Hockey Leagues	100% of programmes are evaluated to respond to Community needs
	Learn to Skate	100% of programmes are evaluated to respond to Community needs
Indirectly 3rd party Coordinated(Booking)		To maintain annual contracts for 3rd party groups

The 2015 Service Levels are unchanged from the approved 2014 Service Levels.

## Service Performance

### Efficiency Measure – Total Cost Per Hour of Available Ice Time



<sup>1</sup> Bill Bolton Arena, which is located in a residential setting, is not able to operate ice in the late night. This results in fewer hours and higher cost per hour calculations.

<sup>2</sup> Forest Hill Arena has one large and one small ice pad, but only the large pad operates year-round and is used to calculate hours of available ice, leading to larger cost per hour calculations.

<sup>3</sup> Leaside Arena began its first full-year of operations on the second ice rink in 2014, thus leading to higher cost per hour in the future years.

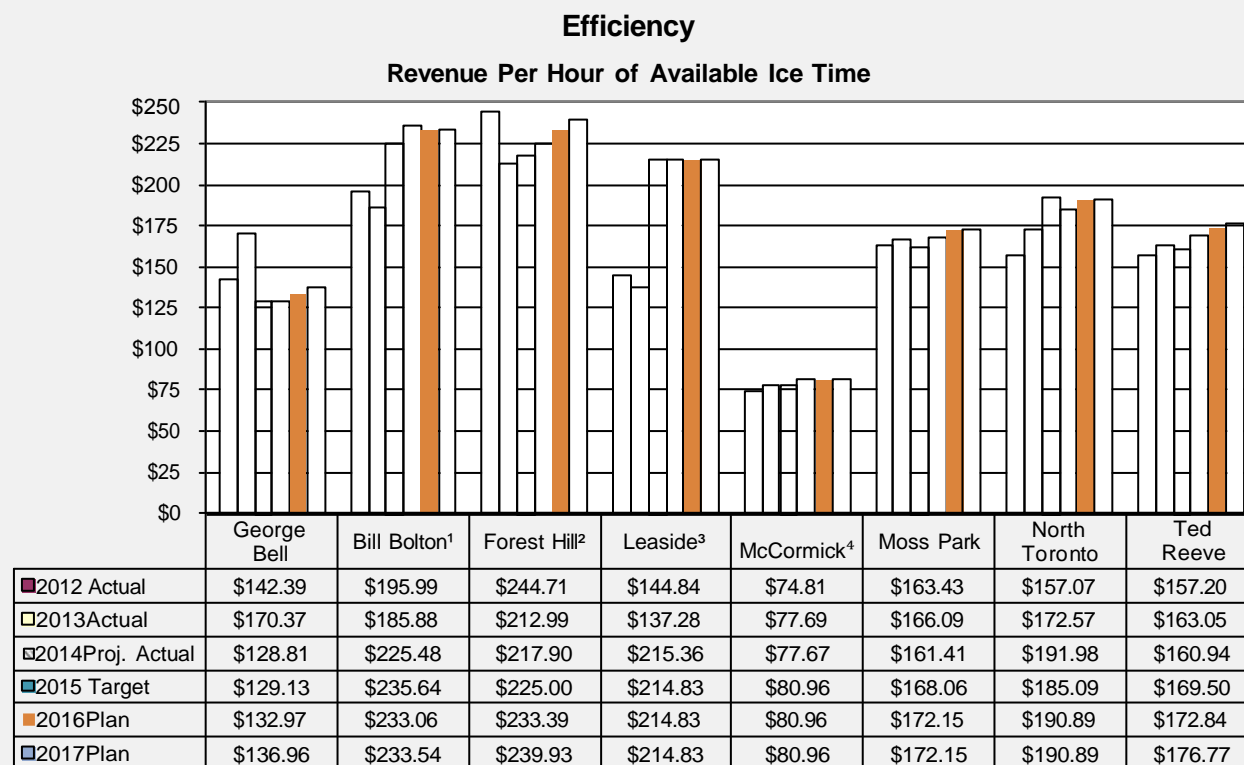
<sup>4</sup> McCormick Arena has one large and one small ice pad, both of which operate year-round and are used to calculate hours of available ice, leading to significantly lower cost per hour calculations

- The efficiency measure “Total Cost Per Hour of Available Ice Time” is derived from the total operating costs of an arena divided by the hours of ice time available to be booked.
- The cost per hour of ice time generally increases every year due to inflation and labour cost increases. Other fluctuations can be caused by arena closures for renovations, emergency shutdown due to emergency repairs, or quantity and dollar values of small repairs and maintenance projects undertaken by an Arena Board.
- George Bell Arena began its summer ice operations in 2014, resulting in increased available ice hours and a decreased cost per hour projection in years from 2015 to 2017.



- The 2015 Operating Budget and 2016 and 2017 Plan for Bill Bolton Arena include one-time provision of consultant fees, WSIB Premium and adjusted expenditures to reflect actual. As a result, the cost per hour is higher.

### Efficiency Measure – Revenue Per Hour of Available Ice Time



<sup>1</sup> Bill Bolton Arena, which is located in a residential setting, is not able to operate ice in the late night. This results in fewer hours and higher revenue per hour calculations.

<sup>2</sup> Forest Hill Arena has one large and one small ice pad, but only the large pad operates year-round and is used to calculate hours of available ice, leading to larger revenue per hour calculations

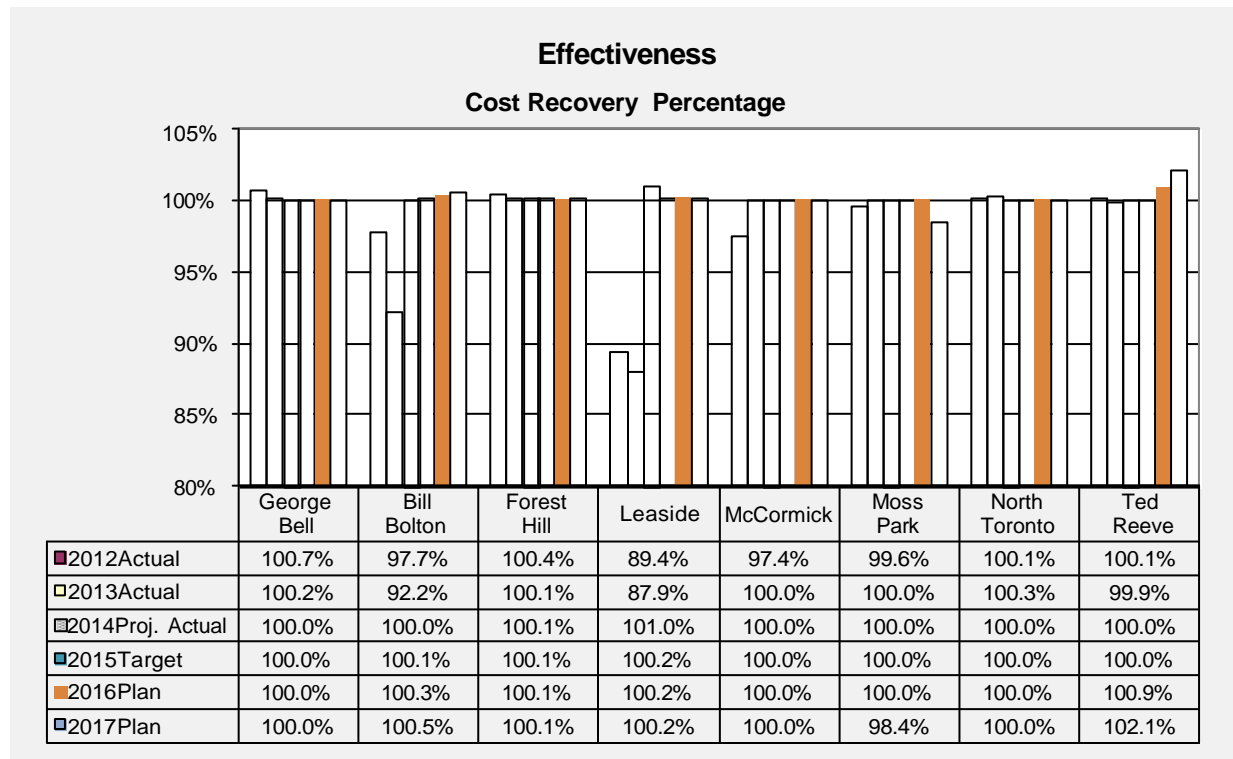
<sup>3</sup> Leaside Arena began its first full-year of operations on the second ice rink in 2014, thus leading to higher revenue per hour in the future years.

<sup>4</sup> McCormick Arena has one large and one small ice pad, both of which operate year-round and are used to calculate hours of available ice, leading to significantly lower revenue per hour calculations

- The efficiency measure “Revenue Per Hour of Available Ice Time” is derived from the total revenue of an arena divided by the hours of ice time available for booking. Fluctuations in revenues could be due to arena closures for renovations, variable sales revenues from ancillary operations, and one-time revenues from film shoots.
- Since the first year of summer ice operations in 2014, George Bell Arena was able to increase available hours of ice thus leading to lower revenue per hours calculations. Revenue per hour is expected to increase in the future years as available ice is marketed to the community and filled at improved levels.

- Leaside Gardens Arena has begun its first year of operations of the second ice pad in 2014. With the additional revenue, the revenue per available ice hours has increased in 2014 and it will further increase as the usage rate is projected to improve significantly in years from 2015 to 2017.

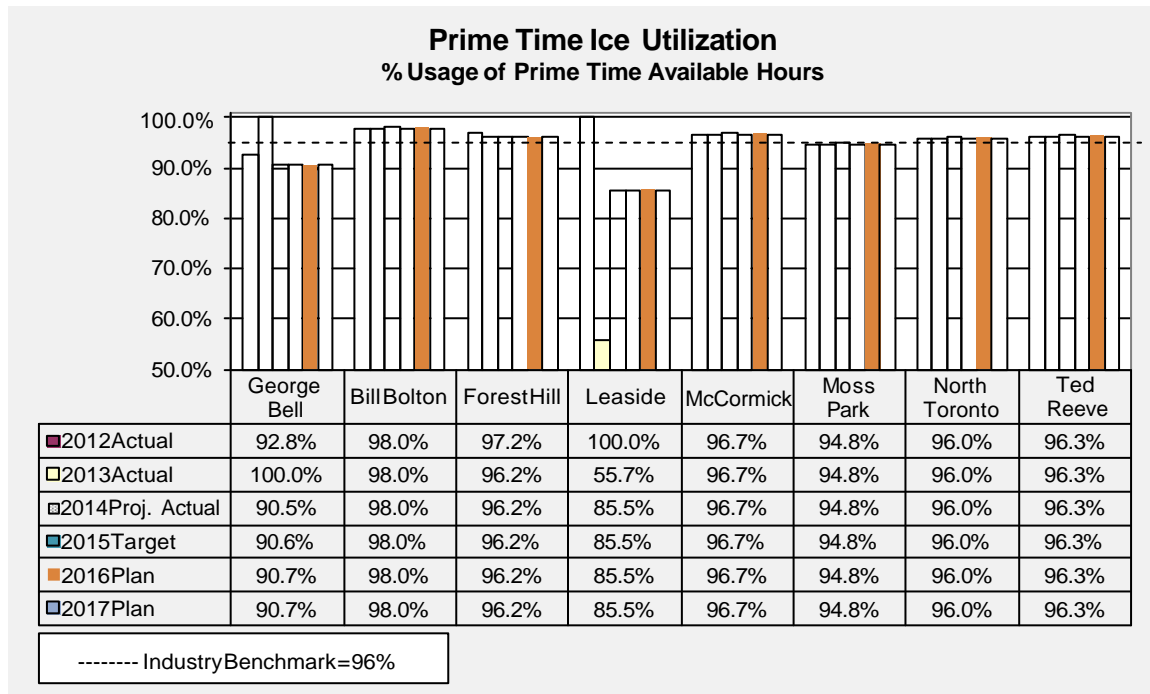
### Effectiveness Measure – Cost Recovery Percentage



- A key mandate of the Arena Boards is to manage and operate the arenas (a City-owned asset) effectively and efficiently at no cost to the City. The goal is to generate sufficient revenue to fund operations.
- The effectiveness measure "Cost Recovery Percentage" is derived from the total revenue of an arena divided by its total expenditure, and indicates how each arena is performing and whether it is meeting its mandate. Arenas that break even or generate net surpluses require no operating budget support; net operating surpluses become part of the City's general revenues. Arenas that incur net operating deficits require funding from the City.
- Fluctuations can be caused by unanticipated demand changes for ice rentals or in-house programs, revenues from accessory operations (changes in snack bar/vending and pro shop sales and facility space rental revenue), advertising, one-time revenues, and the quantity and dollar value of repairs and maintenance projects.
- Bill Bolton Arena did not achieve cost recovery in 2012-2013 due to a backlog of maintenance and repair needs. Bill Bolton Arena expects its cost recovery rate to stabilize at 100% and above in years 2014 to 2017.

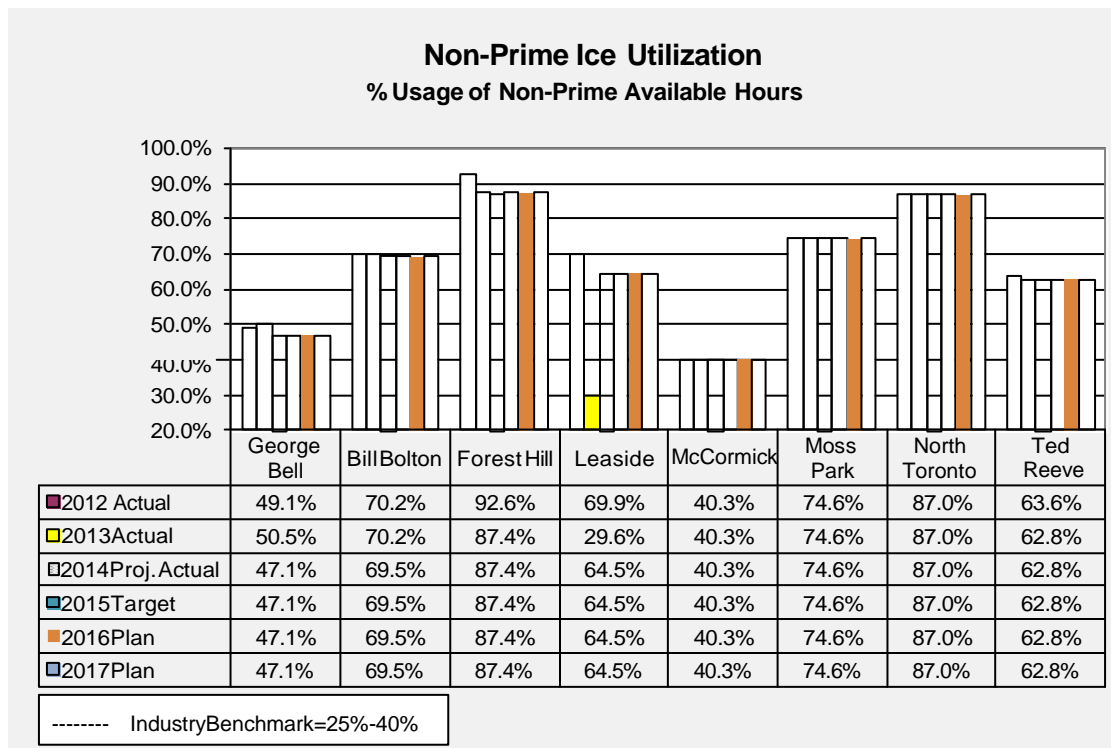
- Leaside Arena did not achieve full cost recovery in 2012 due to an unexpected refrigeration repair expense and lost revenues due to construction of the new ice pad and in 2013 due to the construction.
- All eight Arena Boards expect to break even or produce a small net surplus in 2014, at 100% or higher cost recovery percentages. The 2015 Operating Budget for the Arena Boards indicates that they will reach break-even net budget or generate a net surplus for the year.

### Utilization Measure – % Usage of Prime Time Available hours



- Prime Time Ice Utilization reflects the percentage of available prime time hours that is booked and used. The industry benchmark for prime time ice utilization is 96% booked for a standard ice season.
- This measure varies from year to year based on market demand. Six arenas expect to surpass the industry benchmark of 96% for prime time ice utilization in 2015.
- In 2013, Leaside Gardens Arena experienced a lower utilization rate as a result of construction of the second ice pad. Leaside Gardens Arena anticipates prime ice time utilization rate to recover in 2015 and after. However, the rates will perform below the industry benchmark as the Arena lost ice booking and banquet hall rental revenues due to construction and must rebuilt its usage levels.
- In 2014, five of eight arenas will offer year-round ice operations (George Bell, William H. Bolton, Forest Hill, McCormick, and Moss Park). Their prime time ice utilizations reflect the total of the standard Fall/Winter Ice Season plus the Spring and Summer ice seasons' prime time hours sold versus availability.
- In 2014 and thereafter, George Bell Arena's prime time ice utilization rate will decline as a result of new summer ice being filled at lower levels. George Bell Arena reported that summer ice is generally more difficult to fill than winter ice.

## Utilization Measure – % Usage of Non-Prime Time Available hours



- Non-prime time ice time is generally defined as daytime and late night ice times during weekdays (Mondays to Fridays 7:00 a.m. to 4:00 p.m. and 11:00pm to 1:00am).
- The industry benchmark for non-prime ice utilization ranges from 25% to 40% average rental for the standard ice season for a good arena.
- All eight arenas have been meeting or surpassing the industry benchmark of 25-40% for non-prime time ice utilization, and expect to continue to do so in the near future.
- McCormick Arena's 40% utilization of non-prime ice time represents a composite figure for the two ice surfaces combined, one large and one small ice rink, and meets the industry benchmark. The small rink is difficult to rent out at the best of times, and during the day there is little demand for the small ice surface except for shinny and practices.
- Leaside Arena's non-prime ice utilization rate dropped significantly in 2013 to 29.6% due to the addition of the second ice pad and the disruption caused by the construction. Leaside Arena expects to return to its normal utilization rate levels in 2014 and thereon.
- All eight Arena Boards actively market daytime ice to the local community.

**Table 1**  
**2015 Operating Budget and Plan by Service**

(In \$000s)	2014		2015 Operating Budget			2015 vs. 2014		Incremental Change 2016 and 2017 Plan			
	Approved Budget	Actual	2015 Base	2015 New/Enhanced	2015 Budget	Budget Approved Changes		2016		2017	
	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
<b>Gross Expenditures</b>											
George Bell Arena	699.6	669.0	669.2		669.2	(30.4)	(4.4%)	19.9	3.0%	20.7	3.0%
William H. Bolton Arena	1,090.2	1,090.1	1,138.5		1,138.5	48.3	4.4%	(15.0)	(1.3%)		
Larry Grossman Forest Hill Memorial Arena	1,113.8	1,132.5	1,150.4		1,150.4	36.6	3.3%	42.8	3.7%	33.2	2.8%
Leaside Memorial Community Gardens	1,900.6	1,835.0	1,936.9		1,936.9	36.3	1.9%				
McCormick Playground Arena	695.7	713.3	725.2		725.2	29.4	4.2%				
Moss Park Arena	820.5	786.4	854.3		854.3	33.8	4.1%	20.8	2.4%	14.2	1.6%
North Toronto Memorial Arena	953.9	909.1	988.4		988.4	34.5	3.6%	32.6	3.3%		
Ted Reeve Arena	893.3	925.5	937.6		937.6	44.3	5.0%	15.3	1.6%	9.6	1.0%
<b>Total Gross Expenditures</b>	<b>8,167.6</b>	<b>8,005.5</b>	<b>8,400.4</b>		<b>8,400.4</b>	<b>(74.7)</b>	<b>(0.9%)</b>	<b>4.6</b>	<b>0.1%</b>	<b>11.1</b>	<b>0.1%</b>
<b>Revenue</b>											
George Bell Arena	699.6	669.4	669.2		669.2	(30.5)	(4.4%)	19.9	3.0%	20.7	3.0%
William H. Bolton Arena	1,105.2	1,010.6	1,139.3		1,139.3	34.1	3.1%	(12.5)	(1.1%)	2.4	0.2%
Larry Grossman Forest Hill Memorial Arena	1,115.2	1,134.9	1,151.6		1,151.6	36.4	3.3%	42.9	3.7%	33.5	2.8%
Leaside Memorial Community Gardens	1,978.8	1,755.5	1,940.4		1,940.4	(38.4)	(1.9%)				
McCormick Playground Arena	695.9	706.2	725.4		725.4	29.4	4.2%				
Moss Park Arena	820.6	787.2	854.4		854.4	33.8	4.1%	20.8	2.4%		
North Toronto Memorial Arena	954.5	909.2	989.3		989.3	34.8	3.6%	32.6	3.3%		
Ted Reeve Arena	893.5	926.0	937.6		937.6	44.1	4.9%	23.5	2.5%	22.0	2.3%
<b>Total Revenue</b>	<b>8,263.4</b>	<b>7,899.0</b>	<b>8,407.2</b>		<b>8,407.2</b>	<b>(74.6)</b>	<b>(0.9%)</b>	<b>(3.6)</b>	<b>(0.0%)</b>	<b>(1.3)</b>	<b>(0.0%)</b>
<b>Net Expenditures</b>											
George Bell Arena	(0.0)	(0.4)	0.0		0.0	0.0	(100.1%)	(0.0)			
William H. Bolton Arena	(15.0)	79.5	(0.8)		(0.8)	14.2	(94.4%)	(2.5)	294.6%	(2.4)	73.6%
Larry Grossman Forest Hill Memorial Arena	(1.4)	(2.5)	(1.2)		(1.2)	0.2	(15.1%)	(0.1)	10.9%	(0.3)	20.6%
Leaside Memorial Community Gardens	(78.3)	79.5	(3.5)		(3.5)	74.8	(95.5%)				
McCormick Playground Arena	(0.2)	7.1	(0.2)		(0.2)	0.0	(0.0%)				
Moss Park Arena	(0.1)	(0.8)	(0.1)		(0.1)	(0.0)	26.0%	0.0	(5.2%)	14.2	100.7%
North Toronto Memorial Arena	(0.6)	(0.1)	(0.9)		(0.9)	(0.3)	47.5%	0.1	(6.4%)		
Ted Reeve Arena	(0.2)	(0.5)	(0.0)		(0.0)	0.2	(86.7%)	(8.2)		(12.4)	99.7%
<b>Total Net Expenditures</b>	<b>(95.8)</b>	<b>106.4</b>	<b>(6.8)</b>		<b>(6.8)</b>	<b>89.1</b>	<b>(92.9%)</b>	<b>8.2</b>	<b>(121.0%)</b>	<b>12.4</b>	<b>220.2%</b>
<b>Approved Positions</b>	<b>67.4</b>	<b>67.4</b>	<b>66.6</b>		<b>66.6</b>	<b>(0.8)</b>	<b>(1.2%)</b>				

The Arena Boards of Management 2015 Total Operating Budget is \$8.400 million gross and (\$0.007) million net. The Net Budget decreased by \$0.089 million or 92.9% due to the following:

- Leaside Gardens Arena is facing challenges around the aftermath of construction which negatively affected the banquet hall rentals and sundry revenue at the Arena. The total revenue is expected to decline by \$0.038 million while total expenditures are expected to increase by \$0.036 million in 2015.
- Bill Bolton Arena is planning for a one-time expense to engage a consultant in 2015 to perform a general facility review to identify any major issues with the Arena's operation. A total of \$0.015 million is allocated for consultant fees.
- Leaside Gardens and McCormick Arenas are maintaining their budget the same as the 2015 level in the 2016 and 2017 Plan years.

Approval of the 2015 Operating Budget will result in Arena Boards of Management reducing its total staff complement by 0.83 positions from 67.4 to 66.57, as highlighted in the table below:

**Table 2**  
**2015 Total Staff Complement**

Changes	2015 Budget	Plan	
	Total	2016	2017
<b>2014 Approved Complement</b>	67.4	66.6	66.6
In-year Adjustments			
<b>Adjusted 2014 Staff Complement</b>	67.4	66.6	66.6
<b>Change in Staff Complement</b>			
Prior Year Impact			
Operating Impacts of Completed Capital Project			
Capital Project Delivery			
Base Changes	(0.8)		
Service Changes			
New / Enhanced Service Priorities			
<b>Total</b>	<b>66.6</b>	<b>66.6</b>	<b>66.6</b>
<b>Position Change Over Prior Year</b>	<b>(0.8)</b>		
<b>% Change Over Prior Year</b>	<b>(1.23%)</b>		

The Program's total staff complement will decrease by 1.23% or 0.83 complement primarily as a result of the following changes:

- George Bell Arena has reduced its 2015 Total Staff complement by 0.83. The Arena expects less activity in its snack shop area and will require less staff to operate.

The 2015 Operating Budget includes base expenditure pressures of \$0.233 million net, primarily attributable to salary and non-salary inflationary increases which have been partially offset by \$0.144 million net in base revenue adjustments as detailed below:

**Table 3**  
**Key Cost Drivers**

(In \$000s)	Total 2015 Base Budget
<b>Gross Expenditure Changes</b>	
<b>Prior Year Impacts</b>	
N/A	
<b>Operating Impacts of Capital</b>	
N/A	
<b>Economic Factors</b>	
Inflationary Adjustments	36.9
<b>COLA and Progression Pay</b>	
Salaries, Benefits, COLA and Other Adjustments	152.7
<b>Other Base Changes</b>	
Expenditure Adjustments	22.4
Bill Bolton - HR Contingency, Water, Snackbar, Zamboni Adj.	20.8
<b>Total Gross Expenditure Changes</b>	<b>232.8</b>
<b>Revenue Changes</b>	
Base Revenue Rate Changes	150.9
Sundry Revenue Adjustments	(7.1)
<b>Total Revenue Changes</b>	<b>143.8</b>
<b>Net Expenditure Changes</b>	<b>89.0</b>

Key cost drivers for Arena Boards of Management are as follows:

- All 8 Arenas are expecting to increase labour costs by the cost of living adjustment rate of 2.25% in accordance with the City's guideline.
  - In addition, Bill Bolton Arena is adjusting staff compensation rates to the market levels in an effort to strengthen employee retention.
- Bill Bolton Arena is increasing its expenditures by \$0.015 million for a one-time consultant cost, a one-time adjustment to its contribution to vehicles reserve – ice resurfacer, and water charges based on higher usage.

**Table 6**  
**2016 and 2017 Plan by Program**

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
<b>Anticipated Impacts:</b>										
Economic Factors	35.3		35.3	2.0%		26.8		26.8	0.9%	
Non-Union Progression Pay, COLA and Fringe Benefits	73.1		73.1	1.7%		59.8		59.8	1.4%	
Other Expenditure Adjustments	8.0		8.0			(9.0)		(9.0)		
User Fee Revenues		105.7	(105.7)	1.4%			72.5	(72.5)	1.0%	
Sundry Revenues		21.5	(21.5)	2.1%			6.0	(6.0)	0.6%	
<b>Sub-Total</b>	116.4	127.1	(10.7)			77.6	78.5	(0.8)		
<b>Total Incremental Impact</b>	116.4	127.1	(10.7)			77.6	78.5	(0.8)		

Approval of the 2015 Base Budget for the Arena Boards of Management will result in a 2016 incremental net surplus of \$0.011 million and a 2017 incremental net surplus of \$0.001 million to maintain the 2014 service levels and \$8.168 million respectively.

Future year incremental costs are primarily attributable to the following:

#### **Anticipated Impacts**

- Inflationary cost increases to utilities, snack bar supplies and telephone expenses are projected to be \$0.035 million in 2016 and \$0.027 million in 2017.
- Every year, each Arena Board will review the performance of its non-unionized staff and budget for salary increases for cost-of-living adjustments and progression pay at no more than the City's increases for management/non-union staff. The non-union salary increases for the Arena Boards are estimated to be \$0.073 million in 2016 and \$0.060 million in 2017.
- User fee increases of \$0.106 million and \$0.073 million are planned for 2016 and 2017 respectively based on an approximate average 3.7% increase for all 8 arenas. These reflect the newly adjusted market-based user fee rates being recommended in 2015.
- Sundry revenue is expected to increase by \$0.022 million in 2016, and \$0.006 in 2017 mostly driven by higher planned activity levels with snack bar and proshop sales at most of the Arenas.





## **Part III:**

### Issues for Discussion

## Issues for Discussion

### Issues Impacting the 2015 Budget

#### *Leaside Arena Expansion Project: First Full Year of Operations*

- Leaside Arena's new ice pad became operational in October 2013, one month later than planned due to construction delays. Despite the delay, the Arena was able to continue regular ice operations at the start of the ice season in September by renting the Angela James Arena from Parks, Forestry, and Recreation (PF&R).
- The Loan Agreement between the City, Infrastructure Ontario, and the Board of Management of Leaside Arena requires that interim payments, including payroll costs to the City, be kept up to date. For the loan to remain in good standing, it is necessary that the Arena settles its financial obligations on a timely basis, including making timely repayments to the City for the one-time rental of the Angela James Arena, ongoing payroll payments, and debt repayment instalments.
- As of 2014, all required loan payments have been made.
- Actual revenues and expenditures to operate the new ice pad will be reported through the City's quarterly variance reporting process.
- Leaside Arena's 2015 Operating Budget, 2016 Plan and 2017 Plan project net surpluses of \$0.004 million in each year demonstrating the Arena's ability to commit to the loan repayments while adhering to The Loan Agreement between the City, Infrastructure Ontario and the Board of Management of Leaside Arena.

#### *George Bell Arena's New Summer Ice Service*

- George Bell Arena has been experiencing lower than budgeted revenue levels in recent years. This was the result of the departure of a major client in September 2012, whose ice time the Arena Board was only able to replace at lower rates, as well as a decreasing trend in demand for snack bar services. In order to operate at no net cost to the City, the Arena Board had been postponing non-urgent maintenance and repair work for several years.
- On June 11, 2013, City Council approved a \$0.100 million loan to George Bell Arena for the purpose of installing a high-capacity dehumidifier such that the Arena Board could operate ice in hot and humid summer weather and generate a new revenue stream from summer ice operations. See report titled "George Bell Arena Board Expanded Service" (EX32.15). The loan principle and interest was amortized over five years beginning with repayment in 2014.
- The 2015 Operating Budget and 2016 and 2017 Plans for George Bell Arena include loan repayments due to the City while meeting the net expenditure target of zero.

*Core Service Review – Status Update*

- At the Special City Council Meeting of September 26 and 27, 2011, City Council adopted the following recommendation emanating from the Core Service Review (EX10.1):
  - ✓ 8(o). Arenas (Directly Operated and Board Operated): Consider examining the existing business and governance models currently in place at all arenas (internally operated arenas and all 8 arena boards)."
- Council on November 13, 2013, considered an Ombudsman's report titled "Skating on Thin Ice: an Investigation into Governance at an Arena Board" (CC41.4) with a directive given to the City Manager to adopt the recommendations contained in the Ombudsman's Report:
  - ✓ Recommendation 4 - the City Manager to examine various governance models and service delivery mechanisms for arena boards, and provide advice on options for Council's consideration by June 2015.
  - ✓ Recommendation 5 - the Strategic and Corporate Policy division to clarify and communicate the role of elected representatives on Arena Boards as part of the Board orientation.
- Responses to these Council requests are still outstanding.



## Appendices:

## Appendix 1

### 2014 Service Performance

#### 2014 Key Service Accomplishments

In 2014, Arena Boards of Management accomplished the following:

- ✓ All eight arenas operated at full capacity, delivering a combined total of 24,022 hours of prime-time ice bookings or 93.9% usage rate and 20,531 hours of non-prime time ice bookings or 64.3% usage rate. Prime ice usage rate has risen by 2.8%, and non-prime ice usage rate has risen by 4.3% in 2014.
- ✓ All eight arenas' 2013/2014 and 2014/2015 Fall/Winter Ice Season prime time ice allocations were in compliance with the City's Ice Allocation Policy.

#### 2014 Financial Performance

##### 2014 Budget Variance Analysis

	2012	2013	2014	2014	2014 Approved Budget vs.	
	Actuals	Actuals	Approved Budget	Actuals	Actual	Variance
(\$000s)	\$	\$	\$	\$	\$	%
Gross Expenditures	6,566.5	7,186.1	8,167.6	8,005.5	(162.1)	(2.0%)
Revenues	6,440.7	7,026.9	8,263.3	7,899.0	(364.4)	(4.4%)
Net Expenditures	125.8	159.2	(95.7)	106.4	202.2	(211.1%)
Approved Positions	64.5	67.2	67.4	67.4		

#### 2014 Experience

The Arena Boards of Management reported net over-expenditure of \$0.202 million for the year ended December 31, 2014. Leaside Gardens and Bill Bolton Arenas were the significant drivers of the net over-expenditures totalling \$0.253 million, offset by small under-expenditures at Forest Hill, McCormick, Moss Park and North Toronto Memorial:

- ✓ Leaside Gardens Arena's net over-expenditure of \$0.158 million was primarily attributed to completion of the onsite construction related to the new ice pad negatively affecting the ice revenue, sundry revenue and banquet hall usage in the first half of the year. These net over-expenditures were partially offset by under-spending of \$0.066 million on snack bar and materials purchases, and utilities.
- ✓ Bill Bolton Arena's net over-expenditure of \$0.095 million is driven by lower than expected ice program revenue and sundry revenue which are partially offset by lower materials and snack bar purchases. Bill Bolton Arena incurred unanticipated expenses of \$26,000 for emergency building repairs, and \$30,000 related to one-time human resources costs.

**Impact of 2014 Operating Variance on the 2015 Budget**

- ✓ Leaside Gardens Arena has decreased its revenue levels in 2015 by \$0.038 million to reflect its 2014 actual experience.
- ✓ Bill Bolton Arena has included \$0.015 million for a consultant to assist in addressing current operational issues at the facility. After the brine pump has been replaced, further examinations will take place and to identify additional maintenance requirements.

## Appendix 2

### 2015 Operating Budget by Expenditure Category

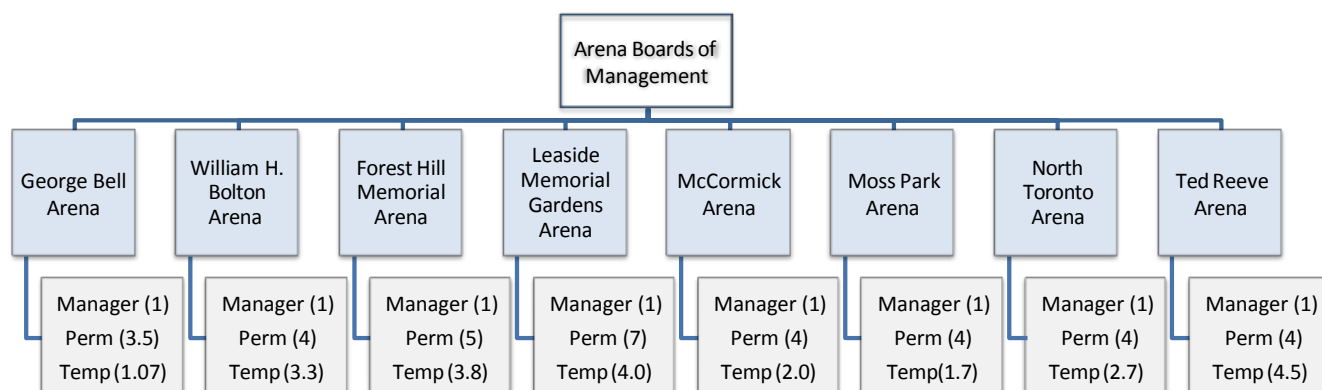
#### Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from 2014 Approved		Plan	
	Actual	Actual	Budget	Actual*	Budget	Budget		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	3,741.1	4,259.3	4,185.1	4,110.7	4,348.5	163.4	3.9%	4,421.6	4,481.4
Materials and Supplies	1,968.3	1,667.5	2,082.6	2,025.9	2,147.2	64.6	3.1%	2,189.1	2,209.7
Equipment	35.4	39.8	40.1	39.4	43.5	3.4	8.5%	46.0	43.0
Services & Rents	642.9	869.2	1,031.5	1,001.6	1,031.5			1,043.2	1,043.4
Contributions to Capital	15.7	165.7	562.0	562.0	559.5	(2.5)	(0.4%)	546.4	546.4
Contributions to Reserve/Res Funds	161.4	184.5	265.9	265.9	270.2	4.3	1.6%	270.5	270.6
Other Expenditures									
Interdivisional Charges									
<b>Total Gross Expenditures</b>	<b>6,564.7</b>	<b>7,186.1</b>	<b>8,167.2</b>	<b>8,005.5</b>	<b>8,400.4</b>	<b>233.2</b>	<b>2.9%</b>	<b>8,516.8</b>	<b>8,594.4</b>
Interdivisional Recoveries									
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	5,548.3	6,127.6	7,271.2	6,983.8	7,382.9	111.7	1.5%	7,488.6	7,561.1
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve		51.7							
Sundry Revenues	890.6	847.6	992.2	915.2	1,024.2	32.1	3.2%	1,045.7	1,051.7
Required Adjustments									
<b>Total Revenues</b>	<b>6,438.9</b>	<b>7,026.9</b>	<b>8,263.4</b>	<b>7,899.0</b>	<b>8,407.2</b>	<b>143.8</b>	<b>1.7%</b>	<b>8,534.3</b>	<b>8,612.8</b>
<b>Total Net Expenditures</b>	<b>125.8</b>	<b>159.2</b>	<b>(96.2)</b>	<b>106.4</b>	<b>(6.8)</b>	<b>89.5</b>	<b>(93.0%)</b>	<b>(17.5)</b>	<b>(18.4)</b>
<b>Approved Positions</b>	<b>64.5</b>	<b>67.2</b>	<b>67.4</b>	<b>67.4</b>	<b>66.6</b>	<b>(0.8)</b>	<b>(1.2%)</b>	<b>66.6</b>	<b>66.6</b>

\* Note: Categories of expense are allocated and reported based on best available estimates.

## Appendix 3

### 2015 Organization Chart



### 2015 Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent		8.0	28.5	7.0	43.5
Temporary			19.1	4.0	23.1
Total		8.0	47.6	11.0	66.6



## Appendix 6

### Inflows/Outflows to/from Reserves & Reserve Funds

Table 1

#### Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014	Withdrawals (-) / Contributions (+)		
			2015	2016	2017
		\$	\$	\$	\$
P					
A					
R					
P					
C					
T					
O					
B					

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of	Withdrawals (-) / Contributions (+)		
			2015	2016	2017
		\$	\$	\$	\$
P					
Leaside Memorial Community Gardens Arena Debt Service Reserve Fund	XR3216				
Proposed Withdrawals (-)					
Contributions (+)			83.0	83.0	83.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>83.3</b>	<b>166.3</b>	<b>249.2</b>	<b>332.2</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
B					

**Table 2**  
**Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014	Withdrawals (-) / Contributions (+)		
			2015	2016	2017
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		<b>21,307.7</b>	<b>21,307.7</b>	<b>962.3</b>	<b>(8,707.9)</b>
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			87.2	87.6	87.6
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>21,307.7</b>	<b>87.2</b>	<b>87.6</b>	<b>87.6</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(20,432.6)</b>	<b>(9,757.8)</b>	<b>1,237.8</b>
<b>Balance at Year-End</b>		<b>21,307.7</b>	<b>962.3</b>	<b>(8,707.9)</b>	<b>(7,382.5)</b>

Reserve / Reserve Fund Name (\$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014	Withdrawals (-) / Contributions (+)		
			2015	2016	2017
		\$	\$	\$	\$
<b>Projected Beginning Balance</b>		<b>44,678.1</b>	<b>44,678.1</b>	<b>41,072.9</b>	<b>41,212.5</b>
Sick Leave Reserve Fund	XR1007				
<i>Proposed Withdrawals (-)</i>					
<i>Contributions (+)</i>			5.0	5.0	5.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>44,678.1</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(3,610.3)</b>	<b>134.7</b>	<b>1,374.5</b>
<b>Balance at Year-End</b>		<b>44,678.1</b>	<b>41,072.9</b>	<b>41,212.5</b>	<b>42,592.0</b>

## Appendix 7a

### User Fees Adjusted for Market and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Market Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Fall/Winter Ice Season: Ice Time Rental: Adult Prime Time: 5pm to 11pm weekdays; 7am to 11pm weekends	George Bell Arena	Market Based	Hour	\$269.40	\$269.40	\$8.08	\$277.48	\$285.80	\$294.37
Fall/Winter Ice Season: Ice Time Rental: Youth Prime Time: 5pm to 11pm weekdays; 7am to 11pm weekends	George Bell Arena	Market Based	Hour	\$209.77	\$209.77	\$6.29	\$216.06	\$222.54	\$229.22
Fall/Winter Ice Season: Ice Time Rental: Weekday Non-Prime Time Morning: 7am to 5pm Weekdays	George Bell Arena	Market Based	Hour	\$118.30	\$118.30	\$3.55	\$121.85	\$125.51	\$129.28
Fall/Winter Ice Season: Ice Time Rental: Weekday/Weekend Non-Prime Time Evening: after 11pm	George Bell Arena	Market Based	Hour	\$229.05	\$229.05	\$6.87	\$235.92	\$243.00	\$250.29
Facility Space Rental : Meeting Room Rental: one hour meeting room rental	George Bell Arena	Market Based	Hour	\$51.50	\$51.50	-\$1.50	\$50.00	\$51.50	\$53.05
Program: Adult Leagues	Bill Bolton Arena	Market Based	Participant	\$440.00	\$440.00	\$25.00	\$465.00	\$465.00	\$465.00
Program: Learn to Skate	Bill Bolton Arena	Market Based	Participant	\$125.00	\$125.00	\$5.00	\$130.00	\$130.00	\$130.00
Program: Learn To Skate (Children - Beginners): Teaching Children (Beginners) to skate	Bill Bolton Arena	Market Based	Participant	\$100.00	\$100.00	\$5.00	\$105.00	\$105.00	\$105.00
Program: Boys and Girls House League Hockey	Bill Bolton Arena	Market Based	Participant	\$305.00	\$305.00	\$15.00	\$320.00	\$320.00	\$320.00
Program: Women's Education: Teaching Hockey Skills (for a 10 week session)	Bill Bolton Arena	Market Based	Participant	\$135.00	\$135.00	\$7.00	\$142.00	\$142.00	\$142.00
Fall/Winter Ice Season: Ice Time Rental: Daytime ice: 7:00 a.m. to 4:00 p.m.	Bill Bolton Arena	Market Based	Hour	\$110.00	\$110.00	\$5.00	\$115.00	\$115.00	\$115.00
Fall/Winter Ice Season: Non-prime time ice rental: 4:00 pm to 5:00 pm	Bill Bolton Arena	Market Based	Hour	\$160.00	\$160.00	\$8.00	\$168.00	\$168.00	\$168.00
Fall/Winter Ice Season: Ice Time Rental: Prime time ice: 5:00 pm to 10:30 pm Mon. - Fri.; and Weekends: Sat. and Sun. all day.	Bill Bolton Arena	Market Based	Hour	\$215.00	\$215.00	\$11.00	\$226.00	\$226.00	\$226.00
Board room rental	Bill Bolton Arena	Market Based	Hour	\$40.00	\$40.00	\$2.00	\$42.00	\$42.00	\$42.00
Large Ice Surface: Prime Time Ice Rental: Primetime: 4:00 pm to 1:00 am; Mon - Fri	Forest Hill Arena	Market Based	Hour	\$194.69	\$194.69	\$8.85	\$203.54	\$203.54	\$203.54
Large Ice Surface: Ice Time Rental: Weekend: 7:00 am to 1:00 am; Sat - Sun	Forest Hill Arena	Market Based	Hour	\$194.69	\$194.69	\$8.85	\$203.54	\$203.54	\$203.54

## Appendix 7a - Continued

### User Fees Adjusted for Market and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Market Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Small Ice Surface: Non-Prime Time Ice Rental: Daytime: 7:00 am to 4:00 pm; Mon - Fri	Forest Hill Arena	Market Based	Hour	\$106.19	\$106.19		\$106.20	\$106.20	\$106.20
Small Ice Surface: Ice Time Rental: Primetime: 4:00 pm to 1:00 am; Mon - Fri	Forest Hill Arena	Market Based	Hour	\$150.44	\$150.44	\$7.08	\$157.52	\$157.52	\$157.52
Small Ice Surface: Ice Time Rental: Weekend: 7:00 am to 1:00 am; Sat - Sun	Forest Hill Arena	Market Based	Hour	\$150.44	\$150.44	\$7.08	\$157.52	\$157.52	\$157.52
Prime Time Ice Rental	Leaside Gardens Arena	Market Based	Hour	\$339.00	\$339.00	\$12.78	\$351.78	\$351.78	\$351.78
Day Time Ice Rental	Leaside Gardens Arena	Market Based	Hour	\$148.60	\$148.60	\$6.00	\$154.60	\$154.60	\$154.60
Large Ice Pad: Prime time: After 4:00 pm; Mon - Fri	McCormick Arena	Market Based	Hour	\$194.69	\$194.69	\$4.43	\$199.11	\$199.11	\$199.11
Large Ice Pad: Primetime: Weekends (Sat & Sun); all hours	McCormick Arena	Market Based	Hour	\$194.69	\$194.69	\$4.43	\$199.11	\$199.11	\$199.11
Small Ice Pad: Prime time: After 4:00 pm; Mon - Fri	McCormick Arena	Market Based	Hour	\$128.32	\$128.32	\$4.42	\$132.74	\$132.74	\$132.74
Small Ice Pad: Primetime: Weekends (Sat & Sun); all hours	McCormick Arena	Market Based	Hour	\$128.32	\$128.32	\$4.42	\$132.74	\$132.74	\$132.74
Large Ice Pad: Daytime: 7:00 am to 4:00 pm; Mon - Fri	McCormick Arena	Market Based	Hour	\$97.35	\$97.35	\$4.42	\$101.77	\$101.77	\$101.77
Small Ice Pad: Daytime: 7:00 am to 4:00 pm; Mon - Fri	McCormick Arena	Market Based	Hour	\$79.65	\$79.65	\$4.42	\$84.07	\$84.07	\$84.07
Non-prime time ice rental: Daytime: 7:00am to 4:00pm Mon-Fri	Moss Park Arena	Market Based	Hour	\$126.00	\$126.00	\$9.00	\$135.00	\$135.00	\$135.00
Prime time ice rental: 4pm to 12am Mon-Fri; 8am-12am Sat-Sun	Moss Park Arena	Market Based	Hour	\$200.00	\$200.00	\$14.00	\$214.00	\$214.00	\$214.00
Non-prime time: 12am to 8am Mon-Sun	Moss Park Arena	Market Based	Hour	\$152.00	\$152.00	\$13.00	\$165.00	\$165.00	\$165.00
Non-prime time ice rental: 8:00am to 4pm Mon-Fri for 3 Skaters + a Coach	Moss Park Arena	Market Based	Hour	\$70.00	\$70.00	\$10.00	\$80.00	\$80.00	\$80.00
Prime time ice rental: Mon - Fri: 5:00 pm to 12:00 midnight (Regular Rate)	North Toronto Arena	Market Based	Hour	\$244.10	\$244.10	\$7.33	\$251.43	\$251.43	\$251.43
Prime time ice rental: Sat & Sun: 6:00 am to 12:00 midnight (Regular Rate)	North Toronto Arena	Market Based	Hour	\$244.10	\$244.10	\$7.33	\$251.43	\$251.43	\$251.43

## Appendix 7a - Continued

### User Fees Adjusted for Market and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2017
				Approved Rate	Market Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Non-prime time ice rental: Mon - Fri: 4:00 pm to 5:00 pm (Regular Rate)	North Toronto Arena	Market Based	Hour	\$185.33	\$185.33	\$5.56	\$190.89	\$190.89	\$190.89
Non-prime time ice rental: Daytime: Mon - Fri: 6:00 am to 8:00 am (Regular Rate)	North Toronto Arena	Market Based	Hour	\$162.29	\$162.29	\$4.87	\$167.16	\$167.16	\$167.16
Non-prime time ice rental: Daytime: Mon - Fri: 8:00 am to 4:00 pm (Regular Rate)	North Toronto Arena	Market Based	Hour	\$150.83	\$150.83	\$7.55	\$158.38	\$158.38	\$150.83
Non-prime time ice rental: Private Ice: Mon - Fri: 8:00 am to 4:00 pm (Private Ice - max. 6 skaters; excludes holidays and PD days)	North Toronto Arena	Market Based	Hour	\$70.00	\$70.00	\$0.00	\$70.00	\$70.00	\$70.00
Prime Time Ice Rental: Mon. - Fri. 6:00 pm to 11:00 pm; Sat. 7:00 am to 9:00 pm; and Sun. 7:00 am to 11:00 pm.	Ted Reeve Arena	Market Based	Hour	\$203.54	\$203.54	\$26.55	\$230.09	\$230.09	\$230.09
Non-prime time: Saturday Nights, after 9 pm	Ted Reeve Arena	Market Based	Hour	\$165.00	\$165.00	\$3.00	\$168.00	\$168.00	\$168.00
Non-prime time: Weekdays: prior to 8:00 am; Mon - Fri	Ted Reeve Arena	Market Based	Hour	\$114.16	\$114.16	\$2.80	\$116.96	\$116.96	\$116.96
Non-prime time: Weekdays: 8:00 am to 2:00 pm; Mon - Fri	Ted Reeve Arena	Market Based	Hour	\$93.81	\$93.81	\$2.65	\$96.46	\$96.46	\$96.46
Non-prime time: Weekdays: 2:00 pm to 5:00 pm; Mon - Fri	Ted Reeve Arena	Market Based	Hour	\$132.74	\$132.74	\$3.66	\$136.40	\$136.40	\$136.40
Non-prime time: Weekdays: 5:00 pm to 6:00 pm; Mon - Fri	Ted Reeve Arena	Market Based	Hour	\$164.60	\$164.60	\$5.31	\$169.91	\$169.91	\$169.91
Prime time: Sunday to Friday after 11 pm	Ted Reeve Arena	Market Based	Hour	\$179.65	\$179.65	\$2.65	\$182.30	\$182.30	\$182.30
Ice time rental: Pre-Season Prime time (Summer July - August)	Ted Reeve Arena	Market Based	Hour	\$202.66	\$202.66	\$6.34	\$209.00	\$209.00	\$209.00
Ice time rental: Tryout Ice (at end of ice season)	Ted Reeve Arena	Market Based	Hour	\$202.66	\$202.66	\$6.34	\$209.00	\$209.00	\$209.00

## Appendix 7b

### New User Fees

Rate Description	Service	Fee Category	Fee Basis	2015	2016	2017
				Budget Rate	Plan Rate	Plan Rate
Ice Time Rental - Girls Hockey: Prime Time	George Bell Arena	Market Based	Hour	\$186.72	\$192.32	\$198.09
Ice Time Rental: School Games Non-Prime	George Bell Arena	Market Based	Hour	\$121.85	\$125.51	\$129.27
Summer Ice Rental	George Bell Arena	Market Based	Hour	\$216.06	\$222.54	\$229.22
Thursday Program: Free Skating 11:30am-12:30pm	Leaside Gardens Arena	Market Based	Person	\$0.00	\$0.00	\$0.00
Thursday Programs: Adult Shinny: 12:30pm-1:30pm	Leaside Gardens Arena	Market Based	Person	\$7.08	\$7.08	\$7.08
Spruce Grove Investment Boardroom	Leaside Gardens Arena	Market Based	4 Hours	\$100.00	\$100.00	\$100.00