



**STMA ARENA BOARD AGENDA
MONDAY, SEPTEMBER 11, 2017
ALBERTVILLE CITY HALL
6:00 PM**

- 1. CALL TO ORDER – ROLL CALL**
- 2. ADOPT AGENDA**
- 3. APPROVAL OF THE MINUTES OF AUGUST 14, 2017** (pgs. 1-3)
- 4. FINANCE REPORTS**
 - a) Approve the August list of claims as presented in the amount of \$13,215.00 and August report (pgs. 4-7)
- 5. ARENA MANAGER**
 - a) Monthly report (pg. 8)
- 6. OLD BUSINESS**
 - a) Arena Management Agreement (draft) – Continued Discussions (pg.9)
- 7. NEW BUSINESS**
- 8. YOUTH HOCKEY ASSOCIATION**
- 9. ADJOURN**

ST. MICHAEL-ALBERTVILLE ICE ARENA BOARD MINUTES

August 14, 2017

6:00 p.m.

Present: Chairman Walter Hudson and members Kari Dwinnell, Jeff Lindquist, Keith Wettschreck, Kevin Kasel and John Vetsch. Also present: City Administrator Adam Nafstad, City Finance Director Tina Lannes, STMA Arena Manager Grant Fitch, and Dr. Ann- Marie Foucault. The meeting was called to order at 6:01 p.m. by Chairman Walter Hudson.

Set Agenda

Members Lindquist/Kasel **moved** to set the agenda as presented. All voted aye.

Approval of Minutes

Members Kasel/Wettschreck **moved** to approve the minutes of the July 10, 2017 Board Meeting as presented. All voted aye.

Finance Reports

Members Lindquist/Kasel **moved** to approve the July list of claims totaling \$17,368.69 and the July Financial Report as presented. All voted aye.

Arena Manager's Report

Fitch updated the board on the staffing levels for the season. Fitch is looking for the full-time seasonal position again along with two to three part time staff. Fitch has started the process with posting the position, taking applications and interviewing.

Old Business

Nafstad updated the board that the arena project is progressing well. The second sheet of ice plans are beyond concept stage and working towards the bid set. The arena project has gone through the City of Albertville's Planning Commission. For the project there are still design elements being worked out, but should to go to the Albertville City Council in September. Member Lindquist asked if the project was on schedule and within budget. Dr. Foucault stated that there are still a few items they are trying to work out regarding staying on budget. Nafstad mentioned they are also working on plans for parking and operations for the original sheet of ice while construction of the second sheet is active.

John Vetsch arrived at 6:13 p.m.

Nafstad informed the board that there will be a joint meeting with the three entities in October and that it would be staff's goal to have an Arena Management Agreement for the meeting that at minimum was approved or generally agreed to by the STMA Arena Board, if not all three entities. Nafstad mentioned that the two items that need further discussion are the Zamboni and school rental hours from the last meeting. Nafstad distributed a memo and explained that staff reviewed items included in the second sheet addition plans that add value to the existing sheet. Some of these items are the parking lot, new concessions stand, showers in existing lockers, joint mechanical systems, two additional locker rooms for the public, storage, community room and shared operations. Dr. Foucault mentioned that certain improvements to the existing arena such as adding showers are not funded using bond dollars, instead they are funded by the Mighty Ducks grant and the Kraft hockey monies.

Kasel asked why the Zamboni wasn't included in the referendum. Dr. Foucault stated that in a bond referendum sometimes you include equipment and sometimes you don't. Dr. Foucault continued the discussion by explaining that they were getting close to the bond limit, for example with the all-purpose dome they didn't include a turf groomer. The other issue is that if the Zamboni was purchased with the bond dollars it could only be used in the new rink. Dr. Foucault continued that the plan is to use the Zamboni as the primary piece of equipment for both rinks and keep the existing Zamboni as a backup and by doing this it would extend the life of the existing Zamboni. Lindquist mentioned that the primary expense for creating the capital improvement fund where each entity contributes annually was the aging Zamboni. Lindquist asked the question on why the issue of purchasing the Zamboni is coming up now, since it was a planned expense prior to building the second sheet of ice and would need to be purchased if the project did not go forward. Kasel mentioned part of the challenge is that at one point in time the Zamboni was included in the project. There was a discussion on if there is a need for two Zambonis. Kasel is hearing from his council that some members of the St. Michael Council believe this should have been part of the bond. Lindquist mentioned that the school has stepped up to build the second sheet and this board needs to step up and purchase the Zamboni, just as always planned. Hudson stated that there is no option for the Zamboni to be purchased out of referendum monies at this point. Kasel stated that there is the Mighty Ducks Grant. Dr. Foucault explained that the 9.2 million is already committed and if the school solely has to buy the Zamboni something would have to be given up. Some of the items they would look at is having the school take over the concessions, the community room and advertising where the school would keep the revenues solely instead of, as the draft agreement states now, having those monies go into operations of both sheets. There was more discussion by the board on the topic.

Kasel mentioned the largest challenge that he sees in the future is the replacement of the piping under the existing sheet of ice, which is a large sum. He stated some of the St. Michael City Council felt that the Youth Hockey Association needs to step up and contribute to capital in the existing arena. He also mentioned in a few years if the pipes need to be replaced with the same people on the St. Michael Council he doesn't think St. Michael would approve to replace it unless there is a significant commitment from youth hockey. Kasel continued discussion on the commitment from youth hockey to become a partner or funding annual/future capital needs. Nafstad mentioned that the future capital piece, including the piping, is there regardless. The belief is we are in a better position with the second sheet, assuming the proforma is accurate, where there are more ice sales including approximately doubling the annual purchase of ice for youth hockey programs. Hudson questioned the position of the St. Michael Council and noted that taxpayer have approved the second sheet and expect a functioning arena. The board continued to discuss these issues. Hudson mentioned that if we are confronting a scenario that those bond dollars are committed, the second sheet is going to be built and the arena board, along with the three entities, task is to effectively and responsibly manage the administration of that joint facility. Hudson continued that he doesn't see an option that doesn't include purchasing another Zamboni, which was scheduled to be replaced given its age. Hudson expressed concern, that if we arbitrarily decide we are not going to

maintain certain items or make certain purchases and site old politics as a reason, isn't following the vote of the citizens. Kasel stated it is not old politics it is current politics, this is how his current council feels. He continued that there is a challenge that there has been a lot of money spent on the arena and St. Michael council is concerned of these expenditures continuing. Kasel mentioned that they have looked at other communities and those youth hockey associations are great partners, paying for ice and also contributing to their community arenas. Dwinnell asked about who the Mighty Ducks and Kraft monies come from. Dr. Foucault mentioned that was part of youth hockey's contribution as they were instrumental in receiving those funds. Lindquist stated Nafstad was also instrumental in receiving Mighty Ducks funds. Nafstad mentioned the goal of the arena board two years ago was to build a second sheet of ice and youth hockey had a contribution which included the grant and Kraft dollars in which the board agreed that those were considered part of youth hockey's contribution. The discussion about the joint agreement continued. Nafstad stated staff prefers the current language in the draft document on operation and management.

Nafstad discussed the rationale for the free high school hours, after a predetermined number of hours are paid for. He informed the board the school will be purchasing more hours locally with the girls program, but the free hours allow the school to grow their total hours and yet work within their existing rental budget. He stated these hours are during the school day, mostly, which are for the most part during times that are generally un-rentable anyway. Dr. Foucault confirmed that these free hours are mostly early morning or after school hours from November to February and not every day, including no weekend hours. The board had no discussion concerning the proposed

Adjourn

Members Kasel/Lindquist **moved** to adjourn at approximately 6:51 p.m. All voted aye.

Attest:

Tina L. Lannes, City Finance Director



STMA Ice Arena Preliminary Budget to Actual August 2017 (Cash Basis)

	2017 Annual Budget	August 2017 Actual	2017 Actual YTD 08/31/17	2017 YTD % of Budget
Income				
Ice Rental	\$277,100.00	\$15,770.00	\$185,052.50	66.78%
Concessions	\$35,000.00	\$126.25	\$17,896.00	51.13%
Other Revenues (Advertising/LMC/Ins Claims)	\$12,100.00	\$0.00	\$3,062.00	25.31%
Vending	\$1,000.00	\$85.00	\$735.10	73.51%
Open Skate/Hockey, etc.	\$5,000.00	\$253.00	\$2,332.00	46.64%
Interest	\$1,000.00	\$0.00	\$0.00	0.00%
Misc. Revenue	\$1,600.00	\$12.00	\$310.50	
Total Income	\$332,800.00	\$16,246.25	\$209,388.10	62.92%
Expenses				
Salaries, Wages, Taxes & Benefits	\$126,327.50	\$7,741.24	\$78,054.08	61.79%
Supplies (Office, Misc.)	\$1,850.00	\$0.00	\$971.65	52.52%
Supplies (Concession)	\$15,000.00	\$0.00	\$4,057.71	27.05%
Fuel, Misc.	\$1,800.00	\$101.12	\$605.74	33.65%
Professional Services	\$15,000.00	\$1,601.61	\$21,573.65	143.82%
Sales Tax	\$4,000.00	\$0.00	\$1,712.00	42.80%
Telephone	\$1,000.00	\$105.52	\$952.96	95.30%
Electric	\$60,000.00	\$12,694.66	\$29,927.10	49.88%
Gas	\$15,000.00	\$485.08	\$8,361.09	55.74%
Water	\$20,000.00	\$722.89	\$14,336.45	71.68%
Refuse	\$2,400.00	\$124.47	\$818.37	34.10%
Insurance	\$9,000.00	\$0.00	\$7,557.00	83.97%
Administration	\$12,646.50	\$1,053.38	\$8,427.04	66.64%
Misc.	\$2,285.00	\$0.00	\$1,793.11	78.47%
Repair Maintenance – Machinery	\$10,000.00	\$0.00	\$6,635.43	66.35%
Repair Maintenance – Building	\$27,500.00	\$0.00	\$14,320.02	52.07%
Total Operating Expenses	\$323,809.00	\$24,629.97	\$200,103.40	61.80%
Net Income/Loss	\$8,991.00	(\$8,383.72)	\$9,284.70	

STMA ICE ARENA CASH BALANCES AND RECEIVABLES
August 31, 2017

Cash Balance Operations

Cash Balance Operations 1/1/17	\$114,448
Add Revenues (collected in 2017)	\$209,388
Less Expenses	\$200,103
Cash Balance Operations 8/31/17	\$123,733

Accounts Receivable (invoiced)

Operations August 31, 2017 - \$7,275.00

Cash Balance Dedicated Capital Improvement Fund

Arena Owner Dedicated Cap. Imp. Fund	
Beginning Balance 1/1/17	\$165,024
Bleachers	-\$14,006
Kraft Money to School	-\$40,000
Balance 8/31/17	\$111,018

STMA Ice Arena Vendor Check Detail Register

August 2017

			Check Amt	Invoice	Comment
Paid Chk# 005590E	8/7/2017	RANDYS ENVIRONMENTAL SERVICES			
E 810-00000-384	Refuse/Garbage Disposal		\$124.47		garbage arena
Paid Chk# 005611E	8/10/2017	WRIGHT-HENNEPIN COOP ELECTRIC			
E 810-00000-381	Electric Utilities		\$391.70	ARENA	STMA Arena Fire Panel Monitoring 09/17 & Repair
Paid Chk# 005629E	8/21/2017	ATHLETICA SPORTS SYSTEMS			
E 810-00000-405	Repair/Maint - Buildings		\$1,435.00	406915	STMA Arena Temp Glass
Paid Chk# 005632E	8/21/2017	COURI & RUPPE, P.L.L.P.			
E 810-00000-304	Legal Fees		\$1,395.00		STMA Arena
Paid Chk# 005633E	8/21/2017	DAN DEHMER LANDSCAPING INC			
E 810-00000-300	Professional Srvs (GENERAL)		\$135.00	7048	STMA Arena Spruce Tree Removal
Paid Chk# 005638E	8/21/2017	FERRELLGAS			
E 810-00000-212	Motor Fuels		\$101.12	1097100617	STMA Arena Propane
Paid Chk# 036877	8/7/2017	ARAMARK UNIFORM SERVICES			
E 810-00000-405	Repair/Maint - Buildings		\$16.00	1718738782	STMA Arena Mats, Mop, Laundry Bag
Paid Chk# 036903	8/7/2017	RINK SYSTEMS, INC.			
E 810-00000-404	Repair/Maint - Machinery/Equip		\$972.01	71436	STMA Arena Rink Divider, Net System
Paid Chk# 036904	8/7/2017	SCR, INC - ST. CLOUD			
E 810-00000-405	Repair/Maint - Buildings		\$690.00	C001218	blanket agreement
Paid Chk# 036916	8/10/2017	BCBS OF MINNESOTA			
E 810-00000-130	Employer Paid Ins (GENERAL)		\$1,074.00	170802091250	Emp Health Ins
Paid Chk# 036918	8/10/2017	CHARTER COMMUNICATIONS			
E 810-00000-321	Telephone		\$31.65	ARENA AUG	STMA Arena Cable TV
Paid Chk# 036919	8/10/2017	CULLIGAN			
E 810-00000-405	Repair/Maint - Buildings		\$58.00	101X30381902	STMA Arena Deionization & Di Carbon Rental
Paid Chk# 036923	8/16/2017	CHARTER COMMUNICATIONS			
E 810-00000-321	Telephone		\$73.87	0131702080217	STMA Arena 5898 Lachman Ave NE
Paid Chk# 036925	8/16/2017	XCEL ENERGY			
E 810-00000-381	Electric Utilities		\$5,993.41	0684043957	STMA Arena 5898 Lachman Ave
Paid Chk# 036933	8/21/2017	CENTERPOINT ENERGY			
E 810-00000-383	Gas Utilities		\$485.08	ARENA JULY 17	STMA Arena 5898 Lachman #5390131-0
Paid Chk# 036937	8/21/2017	DJS TOTAL HOME CARE CTR-ARENA			
E 810-00000-405	Repair/Maint - Buildings		\$37.98	98078	STMA Arena Flashlight & Batteries
E 810-00000-405	Repair/Maint - Buildings		\$14.98	98351	STMA Arena Marine Grease & Liquid Wrench

August 2017

			Check Amt	Invoice	Comment
Paid Chk# 036964	8/28/2017	METLIFE-GROUP BENEFITS			
E 810-00000-130	Employer Paid Ins (GENERAL)		\$185.73	SEPT 2017	Emp Life, Dental, Stdis, Vision

810 STMA ARENA \$13,215.00



MANAGER' GENERAL UPDATE

Date: September 11th, 2017
To: STMA Arena Board
From: Grant Fitch, STMA Arena Manager

ARENA RENTAL HOURS - AUGUST

<u>Name</u>	<u>Prime-time</u>	<u>Off-peak</u>
Youth Hockey	11 hours	
Adult Hockey	0 hours	
High School Boys/Girls	40 hours	
Public Skating/OH	36 hours	
Private rentals	30 hours	
Learn to Skate	0 hours	
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Total hours	117	

Staffing: We are currently in the process of hiring and training 3 new employees

Operations: No major repairs at this time.

STMA YHA:

- On-site Registration September 16th.
- Season starts September 11th (skills and drills)
- YH Try-outs Girls October 22nd 23rd and 24th
- YH Try-outs Boys October 6th, 7th and 8th

STMA High School Boys JV-Varsity: All games and practices scheduled for the 2017-18 season

Midwest Hockey Program: The Summer Round up Hockey Tournament was Aug 25th 26th and 27th for a total of 20 rental hours. The Tournament was well attended with about 150 people per game. This is the program looking for about 200 hours in the Spring of 2018

Summer Camps: Started and ran from mid-June through August 1st and I understand that the camps were well attended at all age levels for the Boys and Girls.

NWCRH Girls JV-Varsity: All games and practices scheduled for the 2017-18 season



MEMORANDUM

Date: September 8, 2017
To: STMA Arena Board
From: Adam Nafstad, City of Albertville
Re: **Arena Management Agreement**

Since the last Arena Board meeting, each entity has had time to further discuss the terms of the agreement with their respective boards. In discussion with Dr. Foucault and Mr. Bot, as well as, the Albertville Council, I am of the understanding that all groups are generally amenable to the latest draft of the agreement. One question or concern that has been raised is that the agreement does not have a cap or a limit on the capital expenditures that can be approved by the Arena Board.

The Arena Board's practice has been to seek approval from each entities governing board prior to major purchases/repairs, like with the dehumidification system, roof, and refrigeration projects. Similar to the limit of purchases of less than \$5,000, which do not require Arena Board approval, it is suggested a limit be set for capital expenditures that would require approval by each individual entity. At the meeting on Monday, I would like to discuss what that limit or dollar amount should be.

One option would be to add language to the agreement similar to: *Any unbudgeted capital expenditures related to the Arena exceeding \$_____ must be approved by each Party prior to the Arena Board's authorization to purchase.*

Once the Arena Board is satisfied with the agreement, it will be distributed to the attorneys for final review.