



2018 Budget

**Approved
June 21, 2017**

Table of Contents

	<u>Page</u>
Letter of Transmittal	3
2016 Summary	3
General Fund	7
Revenues	7
Program Budget Descriptions and Expenditures	9
Debt Service Funds	13
Fund Balance	14
Capital Reserve Fund	15
Supplemental information	17
Statement of Revenues and Expenditures	17



April 10, 2017

Lakeville Arenas Board members

The Joint Powers Agreement requires the Board to approve an annual budget on a calendar year basis. The budget must set forth projected expenditures and revenues necessary to finance lease payments, fund the capital maintenance reserve and to maintain, operate, and manage the Arena Complex. The budget must be submitted to the City and School District prior to June 1st. The Board must approve the budget prior to July 1. As such the proposed 2018 budget is hereby presented to the Board for their consideration and approval.

The budget is comprised of the following funds in order for the Lakeville Arenas to effectively manage its financial resources.

- General (Operating) Fund. The General Fund accounts for the overall operations of the Lakeville Arenas.
- Capital Reserve Fund. The Capital Reserve Fund was established to provide the financing of future equipment replacements and major facility programs.

The salient issues relative to the proposed budget for each of the respective funds are discussed in the sections attached hereto.

2016 Summary

The 2016 fiscal year marked the ninth full year of joint operation of both the Ames and Hasse Arenas. The joint operation has enabled the Lakeville Arenas organization to continue to offer new and expanded opportunities to better serve our customers – the community. Some of the highlights and initiatives are as follows.

- Public Skating. The arena has continued to offer year round public skating to the community. Public skating attendance for paid sessions decreased this past year from 3,036 skaters in 2015 to 2,369 skaters in 2016 due to fewer public skating sessions primarily during the prime winter season.
- Learn to Skate Program. The Learn to Skate program has continued to provide skating opportunities for children and adults of all ages. Enrollment has remained

steady between 600 – 700 skaters per year over the past three years. This past year, Learn to Skate revenues increased 15% from \$43,598 in 2015 to \$51,525 in 2016. The Learn to Skate program continues to partner with the Heritage Figure Skating Club which is made up of a combination of Learn to Skate students and local figure skaters. Both of these programs have created great experiences for our young skaters that will last a life time.

- High School attendance. Attendance at high school games decreased from 2015-16 as the teams were not as successful as prior seasons and the quality of non-conference opponents were not as strong.

	2012-13	2013-14	2014-15	2015-16	2016-17
Boys	258 avg/gm	319 avg/gm	417 avg/gm	375 avg/gm	350 avg/gm
Girls	<u>189 avg/gm</u>	<u>193 avg/gm</u>	<u>233 avg/gm</u>	<u>215 avg/gm</u>	<u>177 avg/gm</u>
Total	9,953/45 gms	11,139/44 gms	14,317/44 gms	13,964/47 gms	12,286/47 gms

- Dry Floor Activities. The artificial turf has continued to provide opportunities for a wide range of indoor activities during the non-ice season. In 2016, over 200 hours of turf activities involving lacrosse, soccer, baseball and softball were rented at Ames Arena. In addition, over 200 hours of dry floor events including numerous children’s consignment sales and a Home Design Expo were held. We also hosted the annual Free Family Fun Fest which attracted over 1,000 community members. Overall, dry floor revenue increased slightly in 2016 due to additional dry floor events.

2017 Operations

The following is a succinct overview of the salient changes in operations and budget.

- Ice rentals are projected to decrease from 2016 due to a reduction in hours rented during the prime season by the Lakeville Hockey Association in an effort to reduce the time commitment to families. The Arenas are working closely with LHA to finalize ice time needs as early as possible to maximize the opportunity to sell the unused ice times.
- Dry floor events including multiple consignment sales, a Home Design Expo and multiple craft shows will continue to generate additional revenue as well as showcase the facilities for future dry floor events.
- A number of maintenance projects will be undertaken at the Ames Arena to maintain the facility at optimum efficiency and improve conditions to meet customer expectations. A complete description is provided in the General Fund narrative.

Overall, the Arena operations are very strong both financially and operationally. Customer satisfaction and community involvement continue to be high. The changes in the budget and operations will further enhance Arena performance capabilities.

Proposed 2018 Budget Highlights

Maintaining current programs and expanding facility use opportunities requires an investment in facility maintenance and equipment. As such, the salient budget proposals are as follows.

- Ice rental rates for 2018-19 are proposed to remain steady with 2017-18 rates at \$225 per hour.
- The projected 2018 ice rental hours during the winter season are expected to remain steady with 2017 hours.
- Learn to Skate, high school game attendance and concession sales are expected to remain steady in 2018.
- Investment in major maintenance of the Ames Arena will ensure long term operational reliability and success at the building. Ames Arena is continually in need of major maintenance in order to improve energy and operational efficiencies and to improve the customer experience.

Future

The primary goal of Lakeville Arenas is to continue to focus on marketing efforts which will result in an expansion of the facility use and revenue base with the expectation that ice use rates in future years will continue to be competitive with those of surrounding communities.

The staff has developed a long-range plan for future equipment acquisitions and replacements. A specific issue affecting the ice making equipment at Ames and Hasse Arenas is the planned phase-out by the Environmental Protection Agency of the refrigerant HCFC-22 (R-22), which is currently the primary refrigerant used to cool the ice sheets in our arenas. The proposed budget accounts for short term operating requirements while the Capital Reserve Plan addresses the anticipated intermediate and long-term needs required to comply with this mandate.

The Capital Reserve Fund reflects debt being issued to fund major capital upgrades starting in 2020.

The future is indeed very bright for the long term outlook for the Arenas and the community. The facilities are well structured to accommodate user needs.

Conclusion

The success of these programs has established a foundation for expanded use of the arenas by the community's residents in the years to come. Our objective for the coming year is to expand on the success by creating even greater opportunities and enjoyable experiences for the customers.

The proposed budget is consistent with the purpose of the Joint Powers Agreement to "...operate and manage the Arena Complex in the best interests of the community." The organization will continue its efforts to undertake entrepreneurial endeavors to maximize the return on the public investment.

Respectfully submitted,

Shayne Ratcliff

Shayne Ratcliff
Arenas Manager

General (Operating) Fund

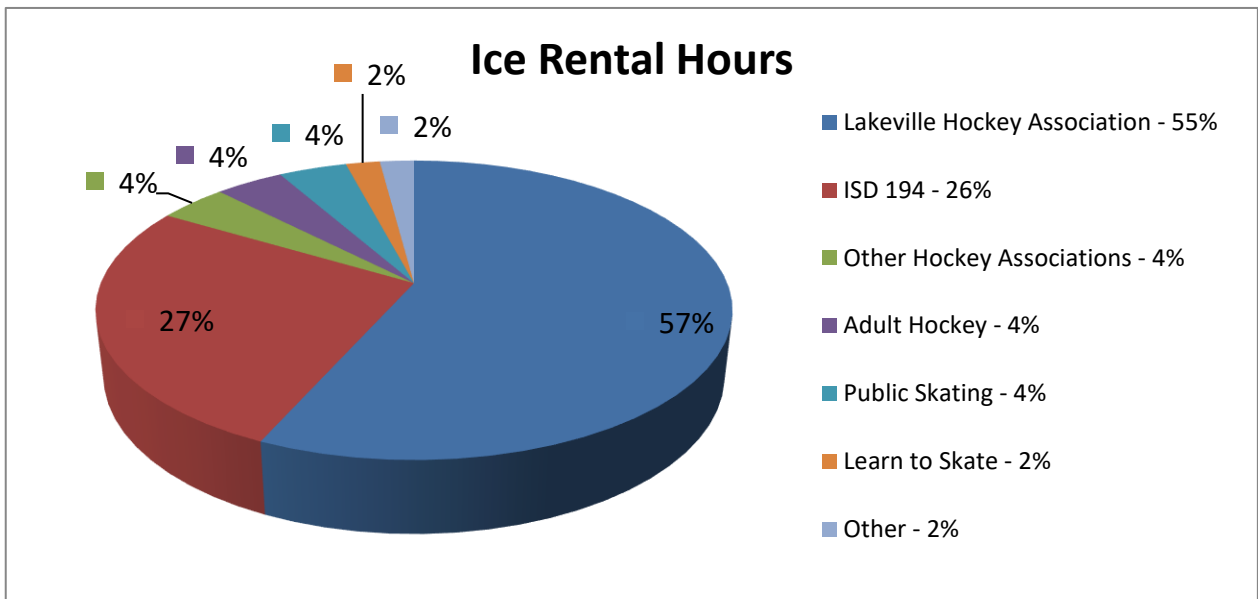
The General Fund accounts for the overall operations of the Lakeville Arenas.

Operating Revenues

In order to adequately finance operations, sufficient revenues must be provided through a concerted effort of maximizing facility use rentals and facility use fee adjustments. The 2018 revenues from operations are estimated to be \$1,141,818 of which \$939,670 (82% of budget) is from ice rental in order to adequately finance Arena operations.

<u>Operating Revenues</u>	<u>2017</u> <u>ESTIMATE</u>	<u>2018</u> <u>PROPOSED</u>	<u>Increase/</u> <u>(decrease)</u>
Ice Rental	\$ 943,275	\$ 939,670	(3,605)
Dry floor	25,420	25,130	(290)
Learn to Skate	48,060	48,060	-
Admissions-Public Skating	11,500	11,500	-
Event Admissions(Net of ISD Reimb)	44,000	44,000	-
Skate Sharpening	6,100	6,100	-
Skate Rental	6,000	6,000	-
Concessions and pro shop - net	26,500	26,500	-
Vending Machines	5,500	5,500	-
Other - Advertising Contract	27,500	27,000	(500)
Other - Miscellaneous	2,358	2,358	-
Total Revenues	1,146,213	1,141,818	(4,395)

Ice rental hours are expected to be over 97% rented from November through February to either the school district, youth hockey groups, public skating or learn to skate programs. The primary ice customers are listed below.



In order to adequately finance operations, the winter ice rental rates for the 2018-19 season will remain unchanged at \$225 per hour. Non-winter season ice rental is proposed to remain unchanged at \$160 per hour in 2018. The following is a comparison of prime time winter and summer rates with other communities for the 2017-2018 season.

Winter Prime Rate			
	<u>2016-17</u>	<u>Adj.</u>	<u>2017-18</u>
Burnsville	\$ 220	\$ 5	\$ 225
Lakeville	225	-	225
Prior Lake (Dakotah)	223	1	224
Apple Valley	215	5	220
Eagan	215	5	220
Eden Prairie	215	5	220
Farmington	220	-	220
Richfield	205	5	210
Shakopee	200	10	210
Rosemount	205	-	205
Bloomington	200	-	200

Summer Prime Rate			
	<u>2017</u>	<u>Adj.</u>	<u>2018</u>
Richfield	\$ 205	\$ 5	\$ 210
Burnsville	200	-	200
Eden Prairie	195	5	200
Bloomington	175	-	175
Apple Valley	160	5	165
Shakopee	165	-	165
Farmington	160	-	160
Lakeville	160	-	160
Eagan	150	5	155
Prior Lake (Dakotah)	150	-	150
Rosemount	135	-	135

Dry floor program opportunities have been greatly enhanced with the installation of artificial turf at the Olympic size rink at Ames Arena. Lakeville Arenas will continue to aggressively pursue renting of the facilities for dry floor activities. Target customers continue to be youth sports activities such as soccer, lacrosse and baseball. The Arenas have numerous dry floor events scheduled for 2017. The Arenas will continue to market itself as a showcase for trade shows and other exhibition programs. Revenues from dry floor activities are estimated to be \$25,130.

The **Learn to Skate** program has enrolled nearly 5,500 participants since its return in 2007. With our highly qualified Director and competent staff, we expect the program to be a continued success. For the 2017-18 season, the hours of operation will continue to include:

- i) Four (4) 8-week sessions over the course of a year
 - Fall and Winter sessions will be held at Hasse Arena
 - Spring and Summer sessions will be held at Ames Arena
- ii) Fall/Winter sessions will include 4.5 hours on Saturday mornings
- iii) Spring session will include 2.5 hours on Tuesday mornings & evenings and 4.5 hours on Saturday mornings
- iv) Summer session will consist of 2.5 hours on Tuesday evenings

The **public skating program** decreased during 2016 due to fewer sessions offered during the prime winter months. This reduction was due to numerous double header high school games on Saturday afternoons which take scheduling priority over public skating sessions. For the 2017-18 winter season, the hours of operation will continue to be offered in the same manner as last season; Saturdays from 5:45pm – 7:15pm and Sundays from 1:30pm – 3:00pm for \$4.00/person and \$3.00/skate rental. The budget anticipates approximately \$17,500 of revenues from public skate admissions and skate rental.

Event Admissions for high school games are shared with ISD #194 (60% Arenas/40% ISD 194) and will generate approximately \$44,000 of revenue.

Pro Shop Sales / Skate Sharpening are provided at both Ames and Hasse Arena.

Concessions operations at Ames Arena and Hasse Arena have been managed by the Arena staff since October 2012. Concessions revenue is expected to remain steady from 2016 as overall arena operations will be very similar to the previous year. The budget anticipates approximately \$26,500 of revenues from the concession stand operation.

Vending Machines revenues are approximately \$5,500.

Advertising contracts are anticipated to generate approximately \$27,000. Current contracts are in place with 24 local and regional companies and organizations.

Expenditures

The 2018 expenditure budget is \$1,141,819 which is a \$1,686 (0.1%) increase over the previous year. The following is a summary of the proposed budget expenditures:

	2017	2018	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Personnel	386,626	397,547	10,921	2.75%
Utilites	248,092	266,645	18,553	6.96%
Contractual	207,894	188,756	(19,138)	-10.14%
Capital Reserve Fund	142,000	150,000	8,000	5.33%
Debt Service	88,626	88,626	-	0.00%
Commoditites	49,895	48,245	(1,650)	-3.42%
Other	5,000	-	(5,000)	-100.00%
Capital Outlay	<u>12,000</u>	<u>2,000</u>	<u>(10,000)</u>	<u>-500.00%</u>
Total	<u>\$ 1,140,133</u>	<u>\$ 1,141,819</u>	<u>\$ 1,686</u>	

The majority of the costs attributable to operations are fixed costs such as insurance, debt service, Capital Reserve and certain personnel costs. As such, the arena must seek to maximize efficiencies by operating the facilities as one complex with a common objective – providing quality services for the community and maximizing the return on the public investment.

Personnel costs account for approximately 33% of the operating costs. The proposed budget provides for three full time staff members to operate the facilities including a 2% COLA beginning January 1, 2018.

Arenas Manager
(2) Assistant Managers

The arena also has a contingent of part-time staff including resurfacers drivers, office workers, Learn to Skate Director, Learn to Skate Instructors, concession and custodians. Part-time personnel are scheduled based on facility rental commitments. Hence, part-time personnel costs are directly proportional to revenues.

	2017	2018	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
<u>Salaries and benefits</u>				
Salaries - Full Time	\$ 176,701	\$ 183,737	\$ 7,036	4.0%
Salaries - Part Time	129,367	129,367	-	0.0%
PERA	17,170	17,833	663	3.9%
FICA	23,414	23,952	538	2.3%
Hospitalization	30,648	33,083	2,435	7.9%
Life and Disability	178	178	-	0.0%
Long Term Disability	396	396	-	0.0%
Dental Insurance	1,782	1,871	89	5.0%
Workers Compensation	6,969	7,129	160	2.3%
Total	<u>\$ 386,625</u>	<u>\$ 397,546</u>	<u>\$ 10,921</u>	<u>2.8%</u>

Commodities represent approximately 4% of the total budget.

	2017	2018	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
<u>Commodities</u>				
Office Supplies	\$ 545	\$ 545	\$ -	0.0%
Operating Supplies	11,200	11,200	-	0.0%
Motor Fuels	750	100	(650)	-86.7%
Cleaning Supplies	10,000	10,000	-	0.0%
Clothing	2,400	2,400	-	0.0%
Equipment Parts	3,000	3,000	-	0.0%
Building Repair Supplies	18,000	18,000	-	0.0%
Small Tools/Equipment	2,500	1,500	(1,000)	-40.0%
Computer Supplies	1,500	1,500	-	0.0%
Total	<u>\$ 49,895</u>	<u>\$ 48,245</u>	<u>\$ (1,650)</u>	<u>-3.3%</u>

Other Charges and Services are proposed to decrease by \$9,138 (9.2%) from \$207,894 in 2017 to \$188,756 in 2018. Other charges and services represent approximately 16% of the budget expenses.

<u>Other Charges and Services</u>	2017	2018	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Fiscal Management Fees	\$ 32,640	\$ 33,293	\$ 653	2.0%
Attorney Fees	50	50	-	0.0%
Bank Charges	1,720	1,720	-	0.0%
Audit	5,775	5,891	116	2.0%
Use of Personal Auto	200	200	-	0.0%
Advertising	5,500	5,500	-	0.0%
Insurance	20,016	21,017	1,001	5.0%
Water and Sewer Service	14,013	14,293	280	2.0%
Waste Disposal	7,704	7,704	-	0.0%
Telephone	5,506	5,599	93	1.7%
Postage	100	100	-	0.0%
Other Contractual	17,302	17,302	-	0.0%
Equipment Repair and Maintenance	10,700	10,595	(105)	-1.0%
Building Repair and Maintenance	66,837	46,487	(20,350)	-30.4%
Contract Landscaping	3,000	2,000	(1,000)	-33.3%
Schools and Conferences	1,500	1,500	-	0.0%
Business Meetings/Misc. Expenses	200	200	-	0.0%
Dues/Subscriptions/Licenses	4,805	4,805	-	0.0%
Snow Removal	10,326	10,500	174	1.7%
Total	<u>\$ 207,894</u>	<u>\$ 188,756</u>	<u>\$ (19,138)</u>	<u>-9.2%</u>

The budget provides for annual audit services. Use of personal auto is attributed to the staff traveling between the Ames and Hasse Arenas. Advertising is comprised of flyers, signage and publication advertising. Insurance premiums for liability, property and casualty insurance provides coverage for both facilities.

“Other Contractual” (\$17,302) includes water treatment services, alarm system monitoring, water softening, fire extinguisher and sprinkler system testing. “Fiscal Management Fees” is a charge from the City of Lakeville to provide support services such as payroll, human resources, annual financial reports, periodical financial reports, accounts payable, Information Technology support and other administrative support functions for the arenas.

Equipment Repair and Maintenance costs for 2017 are projected to be \$10,700 in order to address maintenance requirements at the arenas. Some of the significant projects include maintenance to ice resurfacers (\$5,500), dehumidification repairs (\$1,250) and replacement

dasher board glass (\$1,000). The equipment repair costs are estimated to remain comparable at \$10,595 for 2018.

Building Repair and Maintenance provides appropriations for maintenance agreements relating to HVAC, refrigeration and ice painting as well as major maintenance projects. The costs for 2017 are estimated to be \$66,837 in order to address major maintenance requirements at the arenas. Some of the significant projects include the repairs to the HVAC systems (\$7,000), repairs to the refrigeration system (\$4,500), repairs to Zamboni garage doors/opener (\$4,500), repairs to emergency exit doors/hardware (\$4,500) as well as several painting projects (\$3,000). The proposed 2018 budget for building repair and maintenance will decrease by \$20,350 a result of completing a significant number of major maintenance projects in 2017.

The budget provides for fertilizer and herbicide applications at the two arenas. Lawn mowing is performed by arena staff.

Schools and Conferences provides for attendance by arena staff at the Minnesota Ice Arena Managers Workshop & Conference. Dues and subscriptions (\$4,805) will include the Minnesota Department of Health food license for the concession stand, software licenses for ice scheduling software (MaxGalaxy), annual elevator operating permit and music service licenses to accommodate public skating.

Snow removal contracts (\$10,326) are required for the Ames and the Hasse Arena.

Utilities. Utilities are presumed to increase 8% for electrical and 5% for natural gas for the upcoming year. Utilities represent 23% of the total budget and are the predominant reason for increases in ice arena operating costs.

<u>Utilities</u>	2017	2018	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Electric Service	\$ 204,944	\$ 221,340	\$ 16,396	8.0%
Gas Service	43,148	45,305	2,157	5.0%
Total	<u>\$ 248,092</u>	<u>\$ 266,645</u>	<u>\$ 18,553</u>	<u>13.0%</u>

Capital Outlay items are included in budget to replace assets; which have exceeded their useful life. Items include:

	<u>2017</u>	<u>2018</u>	Increase/(decrease)	
			<u>Total</u>	<u>%</u>
Ames R#1 Floor Repairs	10,000	-	(10,000)	-100.00%
Security Camera/Monitoring	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>0.00%</u>
Total	<u>\$ 12,000</u>	<u>\$ 2,000</u>	<u>\$ (10,000)</u>	

Contingency. A contingency has been included for unforeseen expenditures.

Debt Service. The Ames Arena was financed with the issuance of debt which is repaid with LHA pull-tab revenues (\$95,000) and arena operations (\$88,626). Final payment on the Ames Arena debt will mature in August 2019. The LHA pull-tab revenues are pledged to the City for payment of the debt and therefore, not accounted for within the Lakeville Arenas budget.

	<u>2017</u>	<u>2018</u>	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Debt Service Payments	<u>\$ 88,626</u>	<u>\$ 88,626</u>	<u>\$ -</u>	<u>0.0%</u>

The debt service for Hasse Arena is financed by the City of Lakeville and Independent School District 194. The annual payment (\$653,675) is not an obligation of Lakeville Arenas and therefore, not included in the budget.

Transfer to Capital Reserve Fund. The transfer has been increased \$8,000 to cover a portion of the increased capital expenditures in 2018.

Fund balance

Arena revenues are highly cyclical with revenues exceeding expenditures in the months of November through April. However, in the months of May through October, expenditures tend to exceed revenues. Cash balances are at their lowest in October and early November. As such, it is important that the fund balances at the beginning of the year are adequate to provide sufficient working capital to sustain operations through the first 10 months of the year.

The proposed budget results in an ending balance of \$464,978 in 2017 and \$464,978 in 2018.

	<u>2017</u>	<u>2018</u>	<u>Increase/(decrease)</u>	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Operating Revenues				
Ice Rental	\$ 943,275	\$ 939,670	\$ (3,605)	-0.4%
Other revenues	<u>202,938</u>	<u>202,148</u>	<u>(790)</u>	<u>-0.4%</u>
Total Revenues	<u>\$ 1,146,213</u>	<u>\$ 1,141,818</u>	<u>\$ (4,395)</u>	<u>-0.4%</u>
Operating expenses				
Personnel	\$ 386,626	\$ 397,547	\$ 10,921.00	2.8%
Utilities	248,092	266,645	18,553	7.5%
Contractual	207,894	188,756	(19,138)	-9.2%
Debt service	88,626	88,626	-	0.0%
Commodities	49,895	48,245	(1,650)	-3.3%
Capital reserve fund	142,000	150,000	8,000	5.6%
Other	5,000	-	(5,000)	-100.0%
Capital Outlay	<u>12,000</u>	<u>2,000</u>	<u>(10,000)</u>	<u>-83.3%</u>
Total	<u>\$ 1,140,133</u>	<u>\$ 1,141,818</u>	<u>\$ 1,686</u>	<u>0.1%</u>
Net increase/(decrease)	6,080	-	(6,081)	
Fund balance, beginning	<u>458,898</u>	<u>464,978</u>	<u>6,080</u>	
Fund balance, ending	<u>\$ 464,978</u>	<u>\$ 464,978</u>	<u>\$ -</u>	

Capital Reserve Fund

The purpose of the Capital Reserve Fund is to provide a financial framework for replacement of the arena infrastructure as it ages including, but not limited to, roofs, dehumidification, and refrigeration systems.

The following is a summary of the Capital Reserve Fund Budget.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Revenues</u>					
Transfers from Operating Fund	\$ 142,000	\$ 150,000	\$ 164,000	\$ 179,000	\$ 195,000
Debt Issuance				2,300,000	
Other/Grants	68,000				
Interest on investments	360	331	382	326	496
Total revenues	<u>\$ 210,360</u>	<u>\$ 150,331</u>	<u>\$ 164,382</u>	<u>\$ 2,479,326</u>	<u>\$ 195,496</u>
<u>Expenditures</u>					
Ames Water Heaters- Resurfacer	\$ 31,000				
Panic Bar Replacement/Access Syst.	\$ 15,000				
Ames #1 Unit Heater Replacement	\$ 9,962				
Freon Detection System Repl-Hasse	\$ 8,000				
Replacement Ice Edger - Ames	\$ 7,000				
Ames-Compressor #1 Replacement	\$ 17,317				
Hasse RTU 1 Condensor Replacement	\$ 12,000				
Ice Resurfacer Ames #2	\$ 139,805				
Ames 2 - RTU		\$ 19,245			
Water Heaters-Ames Restroom/Locker Rooms		\$ 31,000			
Flooring Locker Rooms - Ames #1		\$ 35,000			
Ice Plant Sump Tank - Hasse		\$ 13,500			
Ames-Com. #3 Replacement			\$ 17,924		
Ames HS Room - RTU Replacement			\$ 20,485		
Flooring Locker Rooms - Ames #2			\$ 28,000		
Ames-Parking Lot Replacement			\$ 154,050		
Ames Ice Plant Refrigeration				\$ 800,000	
Ames #1 Ice Sheet Piping				\$ 600,000	
Ames #2 Ice Sheet Piping				\$ 600,000	
Ames #1 Dasherboards				\$ 150,000	
Ames #2 Dasherboards				\$ 150,000	
Electric Ice Edger Replacement - Hasse				\$ 9,500	
Dehumidification Ames #1					\$ 235,251
Lobby Flooring Ames #1					\$ 124,000
Debt Service (2020 Projects)					
Principal					\$ 70,000
Interest					\$ 115,000
Total expenditures	<u>\$ 240,084</u>	<u>\$ 98,745</u>	<u>\$ 220,459</u>	<u>\$ 2,309,500</u>	<u>\$ 544,251</u>
Net increase/(decrease)	(29,724)	51,586	(56,077)	169,826	(348,755)
Balance January 1	<u>360,341</u>	<u>330,617</u>	<u>382,203</u>	<u>326,126</u>	<u>495,952</u>
Balance December 31	<u>\$ 330,617</u>	<u>\$ 382,203</u>	<u>\$ 326,126</u>	<u>\$ 495,952</u>	<u>\$ 147,197</u>

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>Revenues</u>					
Transfers from Operating Fund	\$ 213,000	\$ 232,000	\$ 253,000	\$ 276,000	\$ 303,000
Debt Issuance	\$ 800,000	\$ 740,000	\$ 400,000		
Interest on investments	147	160	(25)	(60)	(123)
Total revenues	\$ 1,013,147	\$ 972,160	\$ 652,975	\$ 275,940	\$ 302,877
<u>Expenditures</u>					
Hasse Dehumidification	\$ 242,308				
Ames #1 Roof	\$ 571,164				
Hasse Lobby Flooring		\$ 170,469			
Artificial Turf		\$ 121,007			
Exterior Signage - Hasse		\$ 48,403			
Ames #2 Roof		\$ 404,315			
Resurfacers - Hasse		\$ 165,874			
Rink #2 Dehumidification			\$ 382,896		
Debt Service (2020 Projects)					
Principal	\$ 75,000	\$ 75,000	\$ 80,000	\$ 85,000	\$ 90,000
Interest	\$ 111,500	\$ 107,750	\$ 104,000	\$ 100,000	\$ 95,750
Debt Service (2022 Projects)					
Principal		\$ 25,000	\$ 25,000	\$ 25,000	\$ 30,000
Interest		\$ 40,000	\$ 38,750	\$ 37,500	\$ 36,250
Debt Service (2023-2029 Projects)					
Principal			\$ 20,000	\$ 35,000	\$ 40,000
Interest			\$ 37,000	\$ 56,000	\$ 54,250
Total expenditures	\$ 999,972	\$ 1,157,818	\$ 687,646	\$ 338,500	\$ 346,250
Net increase/(decrease)	13,175	(185,658)	(34,671)	(62,560)	(43,373)
Balance January 1	147,197	160,372	(25,286)	(59,957)	(122,517)
Balance December 31	\$ 160,372	\$ (25,286)	\$ (59,957)	\$ (122,517)	\$ (165,890)

The Capital Reserve Fund reflects debt being issued to fund major capital upgrades starting in 2020. The repayment of the debt is shown here for purposes of showing the impact on fund balances and General Fund transfers. Further discussion would be needed regarding other funding sources (e.g. ISD#194, City of Lakeville, LHA, etc). Separate debt service funds would be established.

Lakeville Arenas
Statement of Revenue and Expense

	2016 Actual	2017 Estimate	2018 Proposed	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2018 vs 2017 Est.	
								Increase/Decrease Total	%
Operating Revenues									
Ice Rental	\$ 953,068	\$ 943,275	\$ 939,670	\$ 957,580	\$ 967,156	\$ 1,020,875	\$ 1,043,350	(3,605)	-0.4%
Dry floor	27,949	25,420	25,130	25,130	25,130	25,130	25,130	(290)	-1.1%
Learn to Skate	51,525	48,060	48,060	48,060	48,060	48,060	48,060	-	0.0%
Admissions-Public Skating	9,477	11,500	11,500	11,500	11,500	11,500	11,500	-	0.0%
Event Admissions(Net of ISD Reimb)	48,999	44,000	44,000	44,000	44,000	44,000	44,000	-	0.0%
Skate Sharpening	6,221	6,100	6,100	6,100	6,100	6,100	6,100	-	0.0%
Skate Rental	6,370	6,000	6,000	6,000	6,000	6,000	6,000	-	0.0%
Concessions and pro shop - net	28,587	26,500	26,500	26,765	27,033	27,303	27,576	-	0.0%
Vending Machines	5,098	5,500	5,500	5,500	5,500	5,500	5,500	-	0.0%
Other - Advertising Contract	30,151	27,500	27,000	27,000	27,000	27,000	27,000	(500)	-1.8%
Rebates/Dividends/Miscellaneous	14,436	2,000	2,000	2,000	2,000	2,000	2,000	-	0.0%
Other - Miscellaneous	3,039	358	358	358	358	358	358	-	0.0%
Total Revenues	1,184,920	1,146,213	1,141,818	1,159,993	1,169,836	1,223,826	1,246,574	(4,395)	-0.4%
Expenditures									
Salaries and benefits									
Salaries - Full Time	184,627	176,701	183,737	188,330	193,038	197,864	202,811	7,036	4.0%
Salaries - Part Time	133,002	129,367	129,367	132,602	135,917	139,315	142,797	-	0.0%
PERA	18,690	17,170	17,833	18,279	18,736	19,204	19,684	663	3.9%
FICA	23,416	23,414	23,952	24,551	25,165	25,794	26,439	538	2.3%
Hospitalization	29,677	30,648	33,083	35,729	38,588	41,675	45,009	2,435	7.9%
Life and Disability	105	178	178	183	187	192	197	-	0.0%
Long Term Disability	460	396	396	406	416	426	437	-	0.0%
Dental Insurance	1,750	1,782	1,871	1,965	2,063	2,166	2,274	89	5.0%
Workers Compensation	6,547	6,969	7,129	7,308	7,490	7,678	7,870	160	2.3%
Unemployment Compensation	-	-	-	-	-	-	-	-	#DIV/0!
Total	398,274	386,626	397,547	409,352	421,600	434,314	447,518	10,921	2.8%
Commodities									
Office Supplies	990	545	545	556	567	578	590	-	0.0%
Operating Supplies	11,675	11,200	11,200	11,424	11,652	11,886	12,123	-	0.0%
Motor Fuels	3,193	750	100	102	104	106	108	(650)	-86.7%
Cleaning Supplies	8,926	10,000	10,000	10,200	10,404	10,612	10,824	-	0.0%
Clothing	3,035	2,400	2,400	2,448	2,497	2,547	2,598	-	0.0%
Equipment Parts	5,600	3,000	3,000	3,060	3,121	3,184	3,247	-	0.0%
Building Repair Supplies	18,833	18,000	18,000	18,360	18,727	19,102	19,484	-	0.0%
Small Tools/Equipment	2,314	2,500	1,500	1,530	1,561	1,592	1,624	(1,000)	-40.0%
Computer Supplies	390	1,500	1,500	1,530	1,561	1,592	1,624	-	0.0%
Total	54,956	49,895	48,245	49,210	50,194	51,198	52,222	(1,650)	-3.3%

Lakeville Arenas
Statement of Revenue and Expense

	2016 <u>Actual</u>	2017 <u>Estimate</u>	2018 <u>Proposed</u>	2019 <u>Projected</u>	2020 <u>Projected</u>	2021 <u>Projected</u>	2022 <u>Projected</u>	2018 vs 2017 Est.	
								<u>Increase/Decrease</u> <u>Total</u>	<u>%</u>
<u>Other Charges and Services</u>									
Fiscal Agent fees	31,800	32,640	33,293	33,959	34,638	35,331	36,037	653	2.0%
Attorney Fees	-	50	50	50	50	50	50	-	0.0%
Bank charges	1,619	1,720	1,720	1,754	1,789	1,825	1,862	-	0.0%
Audit	5,900	5,775	5,891	6,008	6,128	6,251	6,376	116	2.0%
Use of Personal Auto	181	200	200	204	208	212	216	-	0.0%
Advertising	12,050	5,500	5,500	5,610	5,722	5,837	5,953	-	0.0%
Insurance	19,063	20,016	21,017	22,068	22,509	22,959	23,419	1,001	5.0%
Water and Sewer Service	13,738	14,013	14,293	14,579	14,871	15,168	15,471	281	2.0%
Waste Disposal	7,728	7,704	7,704	7,858	8,016	8,176	8,339	-	0.0%
Telephone	5,493	5,506	5,599	5,711	5,825	5,941	6,060	93	1.7%
Postage	18	100	100	100	100	100	100	-	0.0%
Other Contractual	19,310	17,302	17,302	17,648	18,001	18,361	18,728	-	0.0%
Equipment Repair and Maintenance	2,434	10,700	10,595	21,697	22,131	22,573	12,315	(105)	-1.0%
Building Repair and Maintenance	49,707	66,837	46,487	44,837	44,203	49,707	45,989	(20,350)	-30.4%
Contract Landscaping	2,988	3,000	2,000	2,040	2,081	2,122	2,165	(1,000)	-33.3%
Schools and Conferences	1,004	1,500	1,500	1,530	1,561	1,592	1,624	-	0.0%
Business Meetings/Misc. Expenses	-	200	200	204	208	212	216	-	0.0%
Dues/Subscriptions/Licenses	8,561	4,805	4,805	4,901	4,999	5,099	5,201	-	0.0%
Snow Removal	9,492	10,326	10,500	10,710	10,924	11,143	11,366	174	1.7%
Capital Outlay	32,569	12,000	2,000	1,000	1,000	-	-	(10,000)	-83.3%
Total	<u>223,655</u>	<u>219,894</u>	<u>190,756</u>	<u>202,468</u>	<u>204,964</u>	<u>212,661</u>	<u>201,489</u>	<u>(29,139)</u>	<u>-13.3%</u>
<u>Utilities</u>									
Electric Service	199,618	204,944	221,340	239,047	250,999	263,549	276,727	16,396	8.0%
Gas Service	43,492	43,148	45,305	47,570	49,949	52,446	55,069	2,157	5.0%
Total	<u>243,110</u>	<u>248,092</u>	<u>266,645</u>	<u>286,617</u>	<u>300,948</u>	<u>315,996</u>	<u>331,795</u>	<u>18,553</u>	<u>7.5%</u>
Contingency	-	5,000	-	-	-	-	-	(5,000)	-100.0%
Debt Service Payments	88,626	88,626	88,626	-	-	-	-	-	0.0%
Sub Total Operating	<u>1,008,621</u>	<u>998,133</u>	<u>991,818</u>	<u>947,647</u>	<u>977,707</u>	<u>1,014,168</u>	<u>1,033,024</u>	<u>(6,315)</u>	<u>-0.6%</u>
Net Operating Income (Loss)	<u>176,299</u>	<u>148,080</u>	<u>150,000</u>	<u>212,346</u>	<u>192,130</u>	<u>209,658</u>	<u>213,550</u>	1,920	1.3%
Capital Reserve Fund	130,000	142,000	150,000	164,000	179,000	195,000	213,000	8,000	5.6%
Net Income (Loss)	<u>46,299</u>	<u>6,080</u>	<u>(0)</u>	<u>48,346</u>	<u>13,130</u>	<u>14,658</u>	<u>550</u>	<u>(6,080)</u>	<u>-100.0%</u>
Fund Balance Beginning of Year	412,599	458,898	464,978	464,978	513,323	526,453	541,111	6,080	1.3%
Fund Balance End of Year	<u>\$ 458,898</u>	<u>\$ 464,978</u>	<u>\$ 464,978</u>	<u>\$ 513,323</u>	<u>\$ 526,453</u>	<u>\$ 541,111</u>	<u>\$ 541,661</u>	<u>(0)</u>	<u>0.0%</u>
	45.5%	46.6%	46.9%	54.2%	53.8%	53.4%	52.4%		