



2019 Budget

Adopted June 20, 2018

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April 12, 2018

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 2019 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.

2017 Summary

The 2017 fiscal year marked the tenth 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 increased this past year from 2,369 skaters in 2016 to 3,125 skaters in 2017 due to additional 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 3% from \$51,525 in 2016 to \$53,183 in 2017. 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 increased slightly on a per game basis from 2016-17. This increase was a result of successful seasons and increased fan engagement on the South boys and girls teams.

	2013-14	2014-15	2015-16	2016-17	2017-18
Boys	319 avg/gm	417 avg/gm	375 avg/gm	350 avg/gm	342 avg/gm
Girls	<u>193 avg/gm</u>	<u>233 avg/gm</u>	<u>215 avg/gm</u>	<u>177 avg/gm</u>	<u>186 avg/gm</u>
Total	11,139/44 gms	14,317/44 gms	13,964/47 gms	12,286/47 gms	11,970/45 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 2017, over 150 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 decreased slightly in 2017 due to a change in the off-season training by some youth sports associations resulting in reduced turf rental hours.

2018 Operations

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

- Ice rentals are projected to decrease from 2017 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. Additionally, changes to the off-season training programs with the North Boys programs and a new high school coach for the South boys have also contributed to reduced ice rentals during the spring/summer months. The Arenas will continue to work with the high school coaches to develop additional programs to fill available ice.
- 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 2019 Budget Highlights

After nearly 25 years the Ames Arena construction debt will be paid off in August 2019. The construction of the Ames Arena could not have been possible without a partnership between the Lakeville Hockey Association, Lakeville Community Corp, ISD 194 and the City of Lakeville. With the conclusion of the debt service payments a yearly contribution by the Lakeville Hockey Association of \$95,000 annually will be complete. In addition to the financial contribution change, an ice allocation and usage agreement with LHA will end resulting in a change in the allocation of ice hours at Ames Arena. We are currently working with several user groups of the facilities to create a new policy that incorporates the best opportunity for all groups to rent ice and increase program participation. As such, the salient budget proposals are as follows:

- Ice rental rates for 2019-20 season are proposed to increase by 4% to \$235 per hour. This will mark the first rate increase since the 2015-16 season.
- The projected 2019 ice rental hours during the winter season are expected to remain steady with 2018 hours.
- Learn to Skate, high school game attendance and concession sales are expected to remain steady in 2019.
- 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

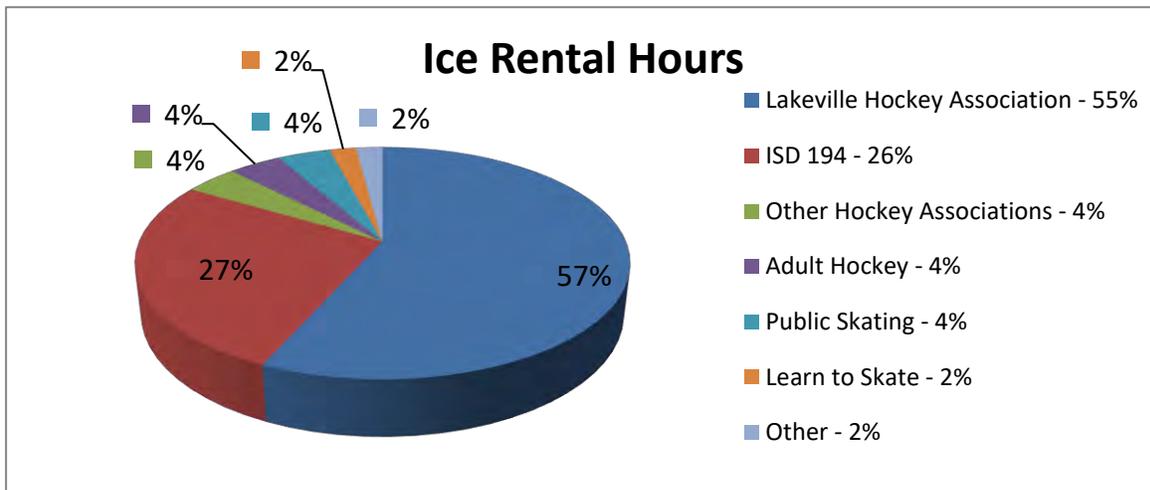
The General Fund accounts for the overall operations of the Lakeville Arenas.

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 2019 revenues from operations are estimated to be \$1,126,593 of which \$924,600 (82% of budget) is from ice rental in order to adequately finance Arena operations.

<u>Operating Revenues</u>	<u>2018</u> <u>ESTIMATE</u>	<u>2019</u> <u>PROPOSED</u>	<u>Increase/</u> <u>(decrease)</u>
Ice Rental	\$ 906,720	\$ 924,600	17,880
Dry floor	26,053	23,975	(2,078)
Learn to Skate	54,254	48,060	(6,194)
Admissions-Public Skating	11,500	11,500	-
Event Admissions(Net of ISD Reimb)	44,000	44,000	-
Skate Sharpening	6,400	6,100	(300)
Skate Rental	7,000	6,000	(1,000)
Concessions and pro shop - net	26,500	26,500	-
Vending Machines	5,500	5,500	-
Other - Advertising Contract	29,500	28,000	(1,500)
Other - Miscellaneous	7,358	2,358	(5,000)
Total Revenues	1,124,785	1,126,593	1,808

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 2019-20 season will increase to \$235 per hour. Non-winter season ice rental rate is proposed to remain unchanged at \$160 per hour in 2019. The following is a comparison of prime-time winter and summer rates with other communities for the 2018-2019 season.

Winter Prime Rate				Summer Prime Rate			
	<u>2017-18</u>	<u>Adj.</u>	<u>2018-19</u>		<u>2018</u>	<u>Adj.</u>	<u>2019</u>
Prior Lake (Dakotah)	224	2	226	Burnsville	200	5	205
Burnsville	225	0	225	Richfield	210	5	215
Lakeville	225	0	225	Eden Prairie	195	5	200
Eagan	220	5	225	Bloomington	200	0	200
Farmington	220	0	220	Shakopee	165	5	170
Apple Valley	215	5	220	Apple Valley	165	0	165
Eden Prairie	215	5	220	Lakeville	160	0	160
Richfield	210	5	215	Eagan	155	5	160
Shakopee	210	5	215	Farmington	160	0	160
Rosemount	205	0	205	Prior Lake (Dakotah)	150	0	150
Bloomington	200	0	200	Rosemount	135	0	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 2018. The Arenas will continue to market itself as a showcase for trade shows and other exhibition programs. Revenues from dry floor activities in 2019 are estimated to be \$23,975.

The **Learn to Skate** program has enrolled nearly 6,000 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 2018-19 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** increased during 2017 due to additional sessions offered during the prime winter months. This increase was due to fewer double header high school games on Saturday afternoons which take scheduling priority over public skating sessions. For the 2018-19 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 2018 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 \$28,000. Current contracts are in place with 26 local and regional companies and organizations.

Expenditures

The 2019 expenditure budget is \$1,115,477 which is a \$5,727 (0.5%) decrease over the previous year. The following is a summary of the proposed budget expenditures:

	2018	2019	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Personnel	\$ 392,208	\$ 405,874	\$ 13,666	3.5%
Utilities	239,785	251,774	11,989	5.0%
Contractual	200,340	185,584	(14,756)	-7.4%
Capital Reserve Fund	150,000	210,000	60,000	40.0%
Debt Service	88,626	-	(88,626)	-100.0%
Commodities	48,245	48,245	-	0.0%
Capital Outlay	2,000	14,000	12,000	600.0%
Total	<u>\$ 1,121,204</u>	<u>\$ 1,115,477</u>	<u>\$ (5,727)</u>	<u>-0.5%</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 38% of the operating costs. The proposed budget provides for three full time staff members to operate the facilities including a 3% COLA beginning January 1, 2019.

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.

	2018	2019	Increase/(decrease)	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
<u>Salaries and benefits</u>				
Salaries - Full Time	\$ 176,228	\$ 184,582	\$ 8,354	4.7%
Salaries - Part Time	134,602	135,814	1,212	0.9%
PERA	17,518	18,144	626	3.6%
FICA	23,779	24,510	731	3.1%
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	<u>7,078</u>	<u>7,295</u>	<u>217</u>	<u>3.1%</u>
Total	<u>\$ 392,209</u>	<u>\$ 405,873</u>	<u>\$ 13,664</u>	<u>3.5%</u>

Commodities represent approximately 4% of the total budget.

	2018	2019	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	100	100	-	0.0%
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	1,500	1,500	-	0.0%
Computer Supplies	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>0.0%</u>
Total	<u>\$ 48,245</u>	<u>\$ 48,245</u>	<u>\$ -</u>	<u>0.0%</u>

Other Charges and Services are proposed to decrease by \$14,756 (7.3%) from \$200,340 in 2018 to \$185,584 in 2019. Other charges and services represent approximately 17% of the budget expenses.

<u>Other Charges and Services</u>	2018	2019	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	2,400	2,450	50	2.1%
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	2,872	1,372	(1,500)	-52.2%
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	61,837	46,487	(15,350)	-24.8%
Contract Landscaping	2,000	2,000	-	0.0%
Schools and Conferences	1,500	1,500	-	0.0%
Business Meetings/Misc. Expenses	200	200	-	0.0%
Dues/Subscriptions/Licenses	5,205	5,130	(75)	-1.4%
Snow Removal	10,326	10,500	174	1.7%
Total	<u>\$ 200,340</u>	<u>\$ 185,584</u>	<u>\$ (14,756)</u>	<u>-7.4%</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 2018 are projected to be \$10,595 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 2019.

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 2018 are estimated to be \$61,837 in order to address major maintenance requirements at the arenas. Some of the significant projects include the repairs to the HVAC systems (\$10,000), repairs to the refrigeration system (\$4,500), repairs to emergency exit doors/hardware (\$4,500) as well as several painting projects (\$3,000). The proposed 2019 budget for building repair and maintenance will decrease by \$15,350 a result of completing a significant number of major maintenance projects in 2018.

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 (\$5,130) 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 (\$10,500) are required for the Ames and the Hasse Arena.

Utilities. Utilities are presumed to increase 5% for electrical and 5% for natural gas for the upcoming year. Utilities represent 24% of the total budget and are the predominant reason for increases in ice arena operating costs.

<u>Utilities</u>	<u>2018</u>	<u>2019</u>	<u>Increase/(decrease)</u>	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Electric Service	\$ 196,320	\$ 206,136	\$ 9,816	5.0%
Gas Service	43,464	45,637	2,173	5.0%
Total	\$ 239,784	\$ 251,773	\$ 11,989	10.0%

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

	<u>2018</u>	<u>2019</u>	<u>Increase/(decrease)</u>	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Security Camera/Monitoring	2,000	2,000	0	0.00%
Replacement Rental Skates	0	12,000	12,000	100.00%
Total	\$ 2,000	\$ 14,000	\$ 12,000	

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>2018</u> <u>Estimate</u>	<u>2019</u> <u>Proposed</u>	<u>Increase/(decrease)</u>	
			<u>Total</u>	<u>%</u>
Debt Service Funding	\$ 88,626	\$ -	\$ (88,626)	-100.0%

The debt service for Hasse Arena is financed by the City of Lakeville and Independent School District 194. The annual payment (\$583,550) is not an obligation of Lakeville Arenas and therefore, not included in the budget.

Transfer to Capital Reserve Fund. The transfer has been increased \$60,000 to cover increased capital expenditures in 2019 - 2025.

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 \$517,894 in 2018 and \$529,010 in 2019.

	<u>2018</u>	<u>2019</u>	<u>Increase/(decrease)</u>	
	<u>Estimate</u>	<u>Proposed</u>	<u>Total</u>	<u>%</u>
Operating Revenues				
Ice Rental	\$ 906,720	\$ 924,600	\$ 17,880	2.0%
Other revenues	<u>218,065</u>	<u>201,993</u>	<u>(16,072)</u>	<u>-7.4%</u>
Total Revenues	<u>\$ 1,124,785</u>	<u>\$ 1,126,593</u>	<u>\$ 1,808</u>	<u>0.2%</u>
Operating expenses				
Personnel	\$ 392,208	\$ 405,874	\$ 13,666.00	3.5%
Utilities	239,785	251,774	11,989	5.0%
Contractual	200,340	185,584	(14,756)	-7.4%
Debt service	88,626	-	(88,626)	-100.0%
Commodities	48,245	48,245	-	0.0%
Capital reserve fund	150,000	210,000	60,000	40.0%
Capital Outlay	<u>2,000</u>	<u>12,000</u>	<u>10,000</u>	<u>500.0%</u>
Total	<u>\$ 1,121,204</u>	<u>\$ 1,111,477</u>	<u>\$ (7,727)</u>	<u>-0.7%</u>
Net increase/(decrease)	3,581	11,116	9,535	
Fund balance, beginning	<u>514,313</u>	<u>517,894</u>	<u>3,581</u>	
Fund balance, ending	<u>\$ 517,894</u>	<u>\$ 529,010</u>	<u>\$ 11,116</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Transfers from Operating Fund	\$ 150,000	\$ 210,000	\$ 190,000	\$ 245,000	\$ 240,000
Debt Issuance			4,300,000	500,000	960,000
Other/Grants					
Interest on investments	336	353	233	414	691
Total revenues	<u>\$ 150,336</u>	<u>\$ 210,353</u>	<u>\$ 4,490,233</u>	<u>\$ 745,414</u>	<u>\$ 1,200,691</u>
Expenditures					
Ames 2 - RTU	\$ 35,450				
Water Heaters-Ames Restroom/Locker Room	\$ 33,500				
Flooring Locker Rooms - Ames #1	\$ 32,500				
Ice Plant Sump Tank - Hasse	\$ 13,500				
Ames-Com. #3 Replacement	\$ 18,324				
Ames HS Room - RTU Replacement		\$ 43,000			
Flooring Locker Rooms - Ames #2		\$ 25,000			
Ames-Parking Lot Resurfacing		\$ 154,050			
Ames Ice Plant Refrigeration			\$ 2,000,000		
Ames #1 Ice Sheet Piping			\$ 950,000		
Ames #2 Ice Sheet Piping			\$ 950,000		
Ames #1 Dasherboards			\$ 175,000		
Ames #2 Dasherboards			\$ 175,000		
Electric Ice Edger Replacement - Hasse			\$ 9,500		
Ames #1 Flooring Replacement			\$ 50,000		
Lobby Flooring Ames #1				\$ 124,000	
Ames #1 Dehumidification Replacement					\$ 385,000
Ames #1 Roof Replacement					\$ 571,164
Debt Service (2020 Projects)					
Principal				\$ 130,000	\$ 135,000
Interest				\$ 215,000	\$ 208,500
Total expenditures	<u>\$ 133,274</u>	<u>\$ 330,050</u>	<u>\$ 4,309,500</u>	<u>\$ 469,000</u>	<u>\$ 1,299,664</u>
Net increase/(decrease)	17,062	(119,697)	180,733	276,414	(98,973)
Balance January 1	336,042	353,104	233,407	414,141	690,555
Balance December 31	<u>\$ 353,104</u>	<u>\$ 233,407</u>	<u>\$ 414,141</u>	<u>\$ 690,555</u>	<u>\$ 591,581</u>
Total Capital - AMES	\$ 119,774	\$ 222,050	\$ 4,300,000	\$ 124,000	\$ 956,164
Total Capital - HASSE	\$ 13,500	\$ 108,000	\$ 9,500	\$ -	\$ -
Total Capital Expenditures	<u>\$ 133,274</u>	<u>\$ 330,050</u>	<u>\$ 4,309,500</u>	<u>\$ 124,000</u>	<u>\$ 956,164</u>

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<u>Revenues</u>					
Transfers from Operating Fund	\$ 220,000	\$ 240,000	\$ 262,000	\$ 286,000	\$ 314,000
Debt Issuance	\$ 900,000	\$ 400,000			
Interest on investments	592	742	469	(237)	(518)
Total revenues	<u>\$ 1,120,592</u>	<u>\$ 640,742</u>	<u>\$ 262,469</u>	<u>\$ 285,763</u>	<u>\$ 313,482</u>
<u>Expenditures</u>					
Hasse Lobby Flooring	\$ 170,469				
Artificial Turf	\$ 121,007				
Exterior Signage - Hasse	\$ 48,403				
Resurfacers - Hasse	\$ 165,874				
Dehumidification - Ames #2		\$ 382,896			
Roof - Ames #2			\$ 404,315		
Dehumidification - Hasse					\$ 395,000
Debt Service (2020 Projects)	\$ 145,000	\$ 150,000	\$ 160,000	\$ 165,000	\$ 175,000
Principal	\$ 201,750	\$ 194,500	\$ 187,000	\$ 179,000	\$ 170,750
Interest					
Debt Service (2021 Projects)	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 20,000
Principal	\$ 25,000	\$ 24,250	\$ 23,500	\$ 22,750	\$ 22,000
Interest					
Debt Service (2022 Projects)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000
Principal	\$ 48,000	\$ 46,500	\$ 45,000	\$ 43,500	\$ 41,750
Interest					
Debt Service (2023-2029 Projects)		\$ 25,000	\$ 40,000	\$ 45,000	\$ 45,000
Principal		\$ 45,000	\$ 63,750	\$ 61,750	\$ 58,750
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ 970,503</u>	<u>\$ 913,146</u>	<u>\$ 968,565</u>	<u>\$ 567,000</u>	<u>\$ 963,250</u>
Net increase/(decrease)	150,089	(272,404)	(706,096)	(281,237)	(649,768)
Balance January 1	591,581	741,670	469,265	(236,830)	(518,067)
Balance December 31	<u>\$ 741,670</u>	<u>\$ 469,265</u>	<u>\$ (236,830)</u>	<u>\$ (518,067)</u>	<u>\$ (1,167,835)</u>
Total Capital - AMES	\$ 121,007	\$ 382,896	\$ 404,315	\$ -	\$ -
Total Capital - HASSE	\$ 384,746	\$ -	\$ -	\$ -	\$ 395,000
Total Capital Expenditures	\$ 505,753	\$ 382,896	\$ 404,315	\$ -	\$ 395,000

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 Arena

Statement of Revenue and Expense

	2017 Actual	2018 Adopted	2018 Estimate	2019 Proposed	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2019 vs 2018 Est.	
									Total	%
Operating Revenues										
Ice Rental	\$ 963,039	\$ 939,670	\$ 906,720	\$ 924,600	\$ 937,590	\$ 1,020,875	\$ 1,043,350	\$ 1,043,350	17,880	2.0%
Dry floor	24,685	25,130	26,053	23,975	23,975	23,975	23,975	23,975	(2,078)	-8.0%
Learn to Skate	53,183	48,060	54,254	48,060	48,060	48,060	48,060	48,060	(6,194)	-11.4%
Admissions-Public Skating	12,207	11,500	11,500	11,500	11,500	11,500	11,500	11,500	-	0.0%
Event Admissions(Net of ISD Reimb)	41,750	44,000	44,000	44,000	44,000	44,000	44,000	44,000	-	0.0%
Skate Sharpening	6,668	6,100	6,400	6,100	6,100	6,100	6,100	6,100	(300)	-4.7%
Skate Rental	7,422	6,000	7,000	6,000	6,000	6,000	6,000	6,000	(1,000)	-14.3%
Concessions and pro shop - net	25,973	26,500	26,500	26,500	26,765	27,033	27,303	27,576	-	0.0%
Vending Machines	5,713	5,500	5,500	5,500	5,500	5,500	5,500	5,500	-	0.0%
Other - Advertising Contract	32,094	27,000	29,500	28,000	28,000	28,000	28,000	28,000	(1,500)	-5.1%
Rebates/Dividends/Miscellaneous	4,861	2,000	7,000	2,000	2,000	2,000	2,000	2,000	(5,000)	-71.4%
Other - Miscellaneous	2,197	358	358	358	358	358	358	358	-	0.0%
Total Revenues	1,179,792	1,141,818	1,124,785	1,126,593	1,139,848	1,223,401	1,246,146	1,246,419	1,808	0.2%
Expenditures										
Salaries and benefits										
Salaries - Full Time	171,629	183,737	176,228	184,582	189,197	193,926	198,775	203,744	8,354	4.7%
Salaries - Part Time	134,976	129,367	134,602	135,814	139,209	142,689	146,257	149,913	1,212	0.9%
PERA	17,932	17,833	17,518	18,144	18,598	19,063	19,540	20,028	627	3.6%
FICA	22,534	23,952	23,779	24,510	25,123	25,751	26,395	27,055	732	3.1%
Hospitalization	30,539	33,083	30,648	33,083	35,729	38,588	41,675	45,009	2,435	7.9%
Life and Disability	558	178	178	178	183	187	192	197	-	0.0%
Long Term Disability	1,735	396	396	396	406	416	426	437	-	0.0%
Dental Insurance	1,114	1,871	1,782	1,871	1,965	2,063	2,166	2,274	89	5.0%
Workers Compensation	7,415	7,129	7,078	7,295	7,478	7,665	7,856	8,053	218	3.1%
Total	388,432	397,547	392,208	405,874	417,887	430,348	443,281	456,709	13,666	3.5%
Commodities										
Office Supplies	284	545	545	545	556	567	578	590	-	0.0%
Operating Supplies	10,764	11,200	11,200	11,200	11,424	11,652	11,886	12,123	-	0.0%
Motor Fuels	1,201	100	100	100	102	104	106	108	-	0.0%
Cleaning Supplies	7,408	10,000	10,000	10,000	10,200	10,404	10,612	10,824	-	0.0%
Clothing	2,363	2,400	2,400	2,400	2,448	2,497	2,547	2,598	-	0.0%
Equipment Parts	4,267	3,000	3,000	3,000	3,060	3,121	3,184	3,247	-	0.0%
Building Repair Supplies	18,389	18,000	18,000	18,000	18,360	18,727	19,102	19,484	-	0.0%
Small Tools/Equipment	891	1,500	1,500	1,500	1,530	1,561	1,592	1,624	-	0.0%
Computer Supplies	-	1,500	1,500	1,500	1,530	1,561	1,592	1,624	-	0.0%
Total	45,567	48,245	48,245	48,245	49,210	50,194	51,198	52,222	-	0.0%
Other Charges and Services										
Fiscal Agent fees	32,292	33,293	32,640	33,293	33,959	34,638	35,331	36,037	653	2.0%
Attorney Fees	-	50	50	50	50	50	50	50	-	0.0%
Bank charges	2,299	1,720	2,400	2,450	2,499	2,549	2,600	2,652	50	2.1%
Audit	5,775	5,891	5,775	5,891	6,008	6,128	6,251	6,376	116	2.0%
Use of Personal Auto	-	200	200	200	204	208	212	216	-	0.0%
Advertising	8,822	5,500	5,500	5,500	5,610	5,722	5,837	5,953	-	0.0%
Insurance	19,322	21,017	20,016	21,017	22,068	22,509	22,959	23,419	1,001	5.0%
Water and Sewer Service	14,875	14,293	14,013	14,293	14,579	14,871	15,168	15,471	281	2.0%
Waste Disposal	8,171	7,704	7,704	7,704	7,858	8,016	8,176	8,339	-	0.0%
Telephone	5,362	5,599	2,872	1,372	1,399	1,427	1,456	1,485	(1,500)	-52.2%
Postage	-	100	100	100	100	100	100	100	-	0.0%
Other Contractual	16,483	17,302	17,302	17,302	17,648	18,001	18,361	18,728	-	0.0%
Equipment Repair and Maintenance	8,551	10,595	10,700	10,595	21,697	22,131	22,573	12,315	(105)	-1.0%
Building Repair and Maintenance	74,262	46,487	61,837	46,487	50,217	49,691	48,543	47,984	(15,350)	-24.8%
Contract Landscaping	4,329	2,000	2,000	2,000	2,040	2,081	2,122	2,165	-	0.0%
Schools and Conferences	241	1,500	1,500	1,500	1,530	1,561	1,592	1,624	-	0.0%
Business Meetings/Misc. Expenses	-	200	200	200	204	208	212	216	-	0.0%
Dues/Subscriptions/Licenses	5,775	4,805	5,205	5,130	5,233	5,337	5,444	5,553	(75)	-1.4%
Snow Removal	9,768	10,500	10,326	10,500	10,710	10,924	11,143	11,366	174	1.7%
Capital Outlay	11,166	2,000	2,000	14,000	1,000	1,000	-	-	12,000	600.0%
Total	227,493	190,756	202,340	199,584	204,613	207,152	208,131	200,051	(2,756)	-1.4%
Utilities										
Electric Service	189,161	221,340	196,320	206,136	216,443	227,265	238,629	250,560	9,816	5.0%
Gas Service	43,098	45,305	43,464	45,637	47,919	50,315	52,831	55,473	2,173	5.0%
Total	232,259	266,645	239,785	251,774	264,363	277,581	291,460	306,033	11,989	5.0%
Debt Service Payments	88,626	88,626	88,626	-	-	-	-	-	(88,626)	-100.0%
Sub Total Operating	982,377	991,818	971,204	905,477	936,073	965,276	994,070	1,015,015	(65,728)	-6.8%
Net Operating Income (Loss)	197,415	150,000	153,581	221,116	203,775	258,125	252,076	231,404	67,536	44.0%
Capital Reserve Fund	142,000	150,000	150,000	210,000	190,000	245,000	240,000	220,000	60,000	40.0%
Net Income (Loss)	55,415	(0)	3,581	11,116	13,775	13,125	12,076	11,404	7,536	210.5%
Fund Balance Beginning of Year	458,898	418,127	514,313	517,894	529,010	542,786	555,911	567,987	3,581	0.7%
Fund Balance End of Year	\$ 514,313	\$ 418,127	\$ 517,894	\$ 529,010	\$ 542,786	\$ 555,911	\$ 567,987	\$ 579,391	11,116	2.1%