



## CBJ Treadwell Ice Arena Task Force

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December 12, 2014

Honorable Merrill Sanford, Mayor and CBJ Assembly  
City and Borough of Juneau  
155 S. Seward St.  
Juneau, AK 99801

RE: Report of Findings and Recommendations for Action

Dear Mayor Sanford,

On behalf of the members of the Treadwell Ice Arena Task Force, I am pleased to transmit our findings to you and the Assembly in the form of the attached report.

The CBJ Assembly established this task force to “study the feasibility of an empowered board for the management of the Treadwell Ice Arena,” and to report on the following:

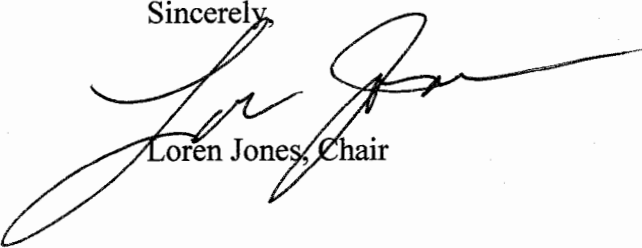
- The feasibility of an empowered board to reduce costs and provide services through management by the Eaglecrest Ski Area Board.
- The feasibility of an empowered board to reduce costs and provide services through an alternate to the management by the Eaglecrest Ski Area Board.
- Any alternate management structures for managing the Treadwell Arena.

This work was accomplished and the record can be found online at:

[http://www.juneau.org/clerk/ASC/Treadwell\\_Task\\_Force.php](http://www.juneau.org/clerk/ASC/Treadwell_Task_Force.php).

The Task Force would be happy to meet with you to discuss this at your convenience.

Sincerely,

  
Loren Jones, Chair



**Report to the CBJ Assembly  
from the  
Treadwell Ice Arena Task Force  
December 12, 2014**

The CBJ Assembly established this task force to “study the feasibility of an empowered board for the management of the Treadwell Ice Arena.”

The task force was asked to report on the following:

- Feasibility of an empowered board to reduce costs and provide services through management by the Eaglecrest Ski Area Board.
- Feasibility of an empowered board to reduce costs and provide services through an alternate to the management by the Eaglecrest Ski Area Board.
- Alternate management structures for managing the Treadwell Arena.

In addition to any meetings of the Task Force, the Assembly instructed us to hold three public meetings one each in Douglas, Mendenhall Valley and Downtown. The Task Force was required to keep records and minutes and written public comments. That was accomplished and these documents can be found online at:

[http://www.juneau.org/clerk/ASC/Treadwell\\_Task\\_Force.php](http://www.juneau.org/clerk/ASC/Treadwell_Task_Force.php).

In order to answer these questions we have looked at information from Eaglecrest and Parks and Recreation (P&R) as well as public comments both in writing and at the three public hearings. This information gathering was in response to the Task Force’s request and questions as we discussed the policy questions above.

The Task Force looked at information, data and testimony from Eaglecrest and P&R in the areas of management, cost recovery, staffing, finances (including budget development and CIP process), and marketing.

## Public Comment

The Task Force held three public hearings with sparse to no attendance, and received some comments in writing during this process.

Commentary from the public had several recurring themes.

- All testimony voiced the desire to have the facility continue operation.
- The public voiced concerns regarding the ability of users to continue to afford to use the facility if fees continued to increase.
- Over the past years, fees have increased while overall user numbers have decreased. While the outcome has been a roughly steady annual income, there is both concern and dissatisfaction regarding this trend.
- There was significant interest in Treadwell creating revenue from sources other than increasing fees from current primary users.
- The public voiced interest in fresh entrepreneurial ideas and a review regarding ice use and Treadwell staffing and operations.

Some of the public voiced concerns regarding an empowered board.

- Some were concerned that the board members are not elected but appointed.
- Some were uncertain about how things would change with an empowered board and wanted to first see how things would go with the pools potentially being managed by an empowered board.

There were letters voicing support for an empowered board that expressed a lack of faith in P&R due to past practices and missed opportunities. Other testimony voiced support for P&R past practices. Many letters of testimony showed support for an empowered board as the best way forward for the rink, for both CBJ as a whole and rink users.

All testimony voiced doubts about the wisdom of having Treadwell operations placed under the management of the Eaglecrest empowered board. The need for a Treadwell specific focus was the reason most commonly cited.

## Findings

In order to explore the potential for change under an empowered board model, the Task Force compared operational constraints for the facility under the Eaglecrest model and under Treadwell operating within Parks and Recreation. Similarities and differences were discussed and are summarized below, and direct answers to each of the Assembly's questions for the Task Force are provided.

### *Similarities:*

- Both entities (follow or comply with?) specific portions of the CBJ HR plan for the hiring of staff, including part time and seasonal employees.
- Both follow the CIP budgeting process of the CBJ.
- Both entities' budgets contain both fees and CBJ general tax dollars.
- Both entities have the ability to market the facilities and services they offer.
- Both entities have concerns and desires to offer more services beyond the current offerings and beyond the winter season.

Both entities' final budgets and approval of CIP projects rests with the CBJ Assembly.

### *Differences:*

- The Eaglecrest model has more of a single focus on operations than a facility under the broader management of Parks and Recreation.
- Eaglecrest has been able to manage a fund balance to help in lean years and retain in years when revenues increase.
- The Eaglecrest model, with its more focused approach, has been successful in marketing to attract new skiers, thus increasing the numbers of persons using the facility.
- Treadwell has less of a possible weather related variance in predicting the availability of the facility.
- Eaglecrest management appears to be streamlined because the manager reports directly its board, where at Treadwell the manager reports to the Recreation Superintendent, who then reports to the Director of Parks and Recreation.

Attached to this report is a Decision Matrix that was developed to help the Task Force understand the differences and similarities of various structures and actions between how Eaglecrest operates and how Treadwell operates. This is a snapshot of how these issues apply to current operations. Depending on decisions made by the Assembly, the matrix could look different.

## **Reporting on Assembly's Questions**

The Assembly asked us to report on the following questions.

Question #1: Feasibility of an empowered board to reduce costs and provide services through management by the Eaglecrest Ski Area Board.

The Task Force does not feel there was sufficient support from the data reviewed, the public comments received and from the members themselves to support including Treadwell Arena under the Eaglecrest Board. The Task Force felt that it would be a disservice to both Eaglecrest and the Treadwell Arena to operate such completely different facilities under a single Board.

Question #2: Feasibility of an empowered board to reduce costs and provide services through an alternate to the management by the Eaglecrest Ski Area Board.

It is feasible that an empowered board could reduce costs and provide additional services, although it is likely that cost would increase in the short term before they decreased in the long term. Both the Task Force and the public felt that if management was to be sought under the empowered board model, a separate board for Treadwell Arena was the best model.

Question #3: Alternate management structures for managing the Treadwell Arena.

The Task Force did not discuss in detail any alternative but our discussions have led us to the following recommendation:

### **Recommendation**

The Task Force recommends that a Treadwell Arena Advisory Board be formed, including a liaison with the Parks and Recreation Advisory Committee (PRAC), to help CBJ Parks & Recreation deal with the challenges of balancing the need for reducing expenditures and increasing revenues.

Tasks for the Treadwell Arena Advisory Board:

1. Identify ways to market Treadwell Arena to increase the number of users now and into the future.
2. Identify barriers in CBJ code that could hinder marketing efforts related to advertising, fundraising, concession sales and naming rights.
3. Establish better and clearer relationships with user groups and the public to gain ideas for increasing users and revenues.
4. Review rink operational standards in order to assist in identifying areas in which operational efficiencies may be increased.

5. Review ice scheduling and allocation of rink resources in order to assist in ensuring equity in opportunity and support for a diversity of community rink users.

The Task Force also recommends that the Treadwell Arena Advisory Board report to the CBJ Assembly no later than May 2016 on the progress made by this Treadwell Arena Advisory Board on the issues and metrics stated below.

Using FY 14 as a base:

- ✓ Has the number of users increased?
- ✓ Have revenues increased?
- ✓ Have revenue streams diversified?
- ✓ Has the cost recovery continued at 50% or greater?
- ✓ Have operational cost savings measures been implemented or identified?
- ✓ Has a marketing strategy been developed?
- ✓ Has a user group feedback system been developed?

The Assembly can then review the tasks and metrics set out for the new Board and decide if it is to continue or should if establishment of an empowered board should be put on the ballot in October 2016.

Task Force Members:

Loren Jones (Chair), Assembly

Kim Kiefer, City Manager

Mike Stanley, Eaglecrest Board

Bruce Garrison (alt)

Josh Anderson, Parks and Recreation Advisory Board

Gerry Landry (alt)

Patty Collins, Public (general)

Matt Boline, User Group/hockey

Arnold Liebelt (alt)

Pam Leary, User Group/skating

Sigrid Dahlberg (alt)

# TREADWELL TASK FORCE

## SNAPSHOT OF CURRENT OPERATIONS

TASK OR LIMITATION	PKS & REC	EMPD BRD	EXPLANATION OF ANSWERS
<b>Management</b>			
Would the Manager be hired by the Board	NO	YES	Board is Management. Board is appointed by the Assembly.
Would the Manager be hired by P&R Director	YES	NO	
Would members with Independent Business experience be appointed	NO	YES	Board appointed by Assembly may or may not always have this. Both P&R staff and a Board and its staff have access to CBJ staff expertise in Finance, HR, management style or approaches, etc. The P&R also have members of the Parks and Rec Advisory Committee (PRAC) even though it is appointed to advise the Assembly.
Chain of Command structures are different			Layers of management are greater within P&R for Treadwell than an Empowered Board model (i.e.: Eaglecrest) where the Manager reports directly to the Board. Also Management and the Board will be able to focus on the issues of a single facility - Treadwell.
<b>Staffing</b>			
Are all employees hired under CBJ HR rules	YES	YES	
Within CBJ rules is there a separate Pay Plan	NO	YES	Eaglecrest has a separate chapter in HR rules but the practices allowed are similar but may be called different names. Also how management uses these rules for staffing, hiring and working employees may vary even though rules may be the same. Currently, P&R does not utilize certain staffing categorizations at Treadwell.
Can both organizations use volunteers to provide some services	YES	YES	There are some differences but both can use volunteers. Treadwell currently does not utilize volunteers in a manner that could impact the bottom line.
<b>Financial</b>			
Is the public budget only for arena activity	NO	YES	Again this is a function of single focus. Eaglecrest adjusts it's budget and makes requests within its needs and projected revenues. Then this goes to Assembly. Currently, Treadwell does the same but this is done within the context of the P&R's Department overall budget, goals and needs, which goes to the Assembly without the specificity related to Treadwell (as the Assembly might see with Eaglecrest).
Is the organization required to follow the CBJ CIP Process	YES	YES	
Is a Fund Balance allowable	NO	YES	
Would CBJ apply the Full Cost Allocation charges	NO	YES	If Treadwell was under an Empowered Board the CBJ would apply a cost allocation for General Fund Services.
In general all of these topics are available for both a Board or for P&R. The differences determined during our discussions was the use of these tools, the resources to use these tools and the way in which managers and others have opted to do these functions. Treadwell has had little marketing budget and efforts. Eaglecrest, by contrast, engages in significant marketing and has had revenue growth.			
<b>Marketing</b>			
Has an organized plan to increase usage	YES	YES	
User Group input sought as part of the marketing plan	YES	YES	
Should there be a calculation of the value to the CBJ	YES	YES	
Are Convention - Regional events sought	YES	YES	For Treadwell, regional events are currently driven by "User Groups." For Eaglecrest this is both a user group and a Board driven function. CBJ has been working with the Juneau Visitor and Convention Bureau to help with marketing Juneau as a winter destination.
While both are YES's there are varying degrees of access and processes to gather information. With a Board there are public meetings and opportunities for concerned persons to hear what is being done and to ask questions and testify on a regular basis. With P&R, the method to ask questions and get information is not always clear and who to talk to varies depending upon whether it is policy, operations or opportunities.			
<b>Accountability/Transparency</b>			
To the Public	YES	YES	
To the various User Groups	YES	YES	
<b>Revenues</b>			
Increases in events/facility usage	YES	YES	
Can the organization accept Public Donations	YES	YES	Both can accept donations but process is different. Eaglecrest has a "Foundation" that was formed to raise money to use at the facility. That group can determine how to raise the funds, actively seek donations and pass on to Eaglecrest. Some gifts could require Assembly action (e.g. actual dollars for operations). The CBJ can accept donations for Treadwell and some could be done by Administration and some (grants and direct dollar donations) would require Assembly action.
Are Concessions/Food offered and available	YES	YES	
Is Alcohol allowed at facility	NO	NO	CBJ rules prohibit Alcohol under most conditions. Some special permits may be obtained to have alcohol sold by an outside vendor. These take some time and are generally used by an outside group to draw attendees to an event, although proceeds may not directly benefit the CBJ service. Examples include events at Eaglecrest where revenue from alcohol may go to the vendor, with the remaining revenue directed to Eaglecrest or instances where bar tips are donated to the event.
What is the summer usage of the facilities	NO	YES	Summer use at Treadwell has been constrained by staffing and budget decisions for the future. Eaglecrest has year-round full time staff so would have opportunities to meet a demand for summer activities. It is unclear what an empowered board would do but it might identify summer use opportunities.