
TREADWELL ARENA ADVISORY BOARD

Annual Report, June 2021

CURRENT MEMBERS

Dave Bartlett
Leah Farzin
Josh Fortenbery
Ryan Kauzlarich
Jason Soza
Jacob Thayer

2020/21 MEETINGS

July 23, 2020
August 25, 2020
October 29, 2020
January 7, 2021
March 16, 2021

COMMONLY USED ACRONYMS

JDIA: Juneau Douglas Ice Association

JSC: Juneau Skating Club

JAHA: Juneau Adult Hockey Association

EXECUTIVE SUMMARY

The Treadwell Arena Advisory Board (TAAB) finds that Treadwell Arena is operating in a manner that encourages growth and diversity among multiple user groups and addresses the needs of current users. Due to the operational challenges and closures caused by the coronavirus pandemic, the cost recovery rate is below previous years but is not reflective of any operational failings. In the past year, arena management, in consultation with TAAB, has provided the community with a safe place to recreate by implementing a number of protocols to prevent the transmission of coronavirus, including spacing out ice times and closing locker rooms.

Treadwell Arena management and staff continue to do an excellent job to realize innovative ideas and take feedback to continually improve rink operations, particularly in light of the uncertainties caused by the coronavirus pandemic.

INTRODUCTION

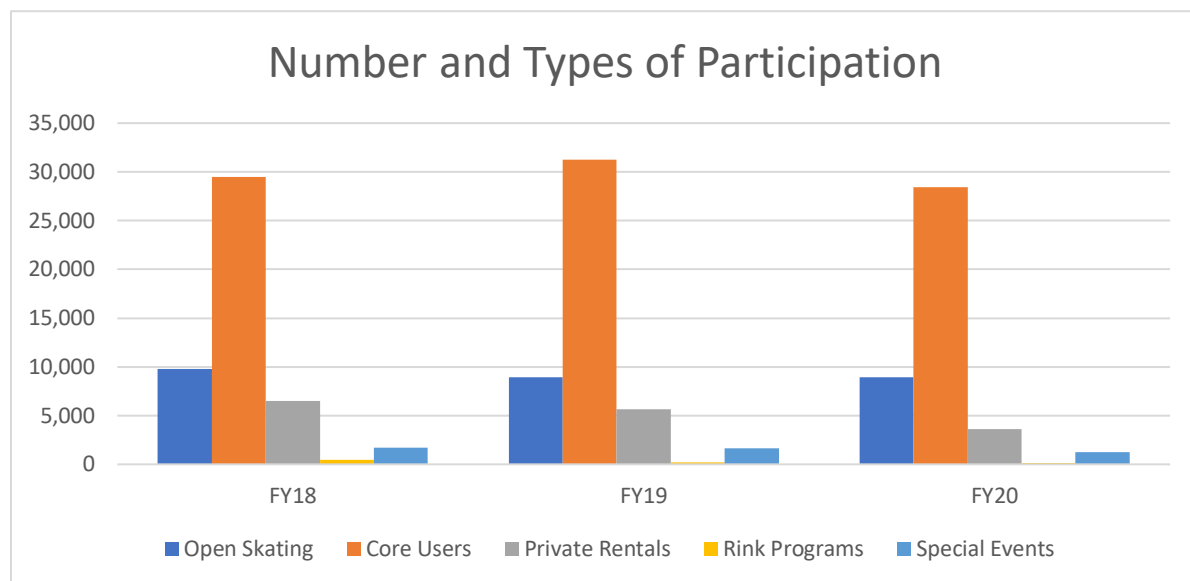
In April 2015, the Juneau Assembly approved an ordinance that created the Treadwell Arena Advisory Board (TAAB).

Per ordinance 2015-18 (am), the Assembly tasked TAAB with drafting an initial report examining various segments of the Treadwell Arena's operations, including financial performance, marketing and facility usage. This initial report was provided to the Assembly in May 2016, in accordance with the deadline set forth in the ordinance. In 2019, the ordinance was updated and requires TAAB to produce an annual report covering, at a minimum, the following five topics:

1. Number and types of annual users compared to preceding years
2. Annual cost recovery data
3. Ice scheduling and allocation of rink resources
4. Identified opportunities to generate net revenue or increase operational efficiencies
5. Identified ways to improve the experience of rink users

1. NUMBER AND TYPES OF ANNUAL USERS COMPARED TO PRECEDING YEARS

On-Ice Participants	FY18	FY19	FY20
Open Skating	9,790	8,941	8,930
Wake N' Skate	126	194	274
Day Open Skate	3,658	3,918	4,029
Evening Open Skate	2,060	1,709	1,846
Youth Skate	346	16	16
Freestyle (figure skating)	558	392	348
Parent/Tot Skate	545	435	526
Pond Hockey	1,556	1,287	1,075
Stick n' Puck	941	990	816
Core Users	29,454	31,262	28,461
Juneau Douglas Ice Assoc (JDIA)	10,480	12,138	12,066
Juneau Skating Club (JSC)	6,849	8,327	6,888
Juneau Adult Hockey Assoc (JAHA)	8,547	8,333	6,820
Juneau Douglas High School (JDHS)	3,578	2,464	2,687
Private Rentals	6,509	5,632	3,588
Hockey only	3,437	3,031	2,011
Skating only	1,161	689	345
School Groups	1,849	1,842	1,132
Blue Line Club (JDHS booster)	62	70	100
Rink Programs	473	220	112
Summer Day Camp	0	0	0
Lessons, in-house clinics	473	220	112
Special Events (tourneys, camps, clinics)	1,678	1,639	1,221
Totals	47,904	47,694	42,312



2. ANNUAL COST RECOVERY DATA

	FY18	FY19	FY20
Revenues			
Facility Rental ⁰	303,011	332,919	318,056
Youth Hockey - JDIA	85,608	112,099	113,913
Juneau Skating Club - JSC	71,624	91,443	82,880
Adult Hockey - JAHA	80,300	78,135	65,510
All other hourly rental	65,479	51,242	55,754
Open Skate	36,807	30,648	30,491
Convenience Pass	14,347	15,963	22,200
Locker Rental	14,940	22,409	18,720
Skate Sharpening	17,625	16,414	12,329
Skate Rental ¹	578	19	0
Lessons	2,557	3,334	1,798
Advertising	17,275	18,919	17,378
Vending/Concession	7,983	7,608	5,262
Food Service Permits	828	491	422
Total Revenues ²	415,951	448,724	426,657
Expenditures ³			
Personnel ⁴	407,862	457,903	488,686
Operations	208,601	208,544	213,598
Total Operating Expense	616,463	666,447	702,284
Cost Recovery	67.5%	67.3%	60.8%

⁰ Amounts in breakout vary due to prime & nonprime rates; prime rates shown

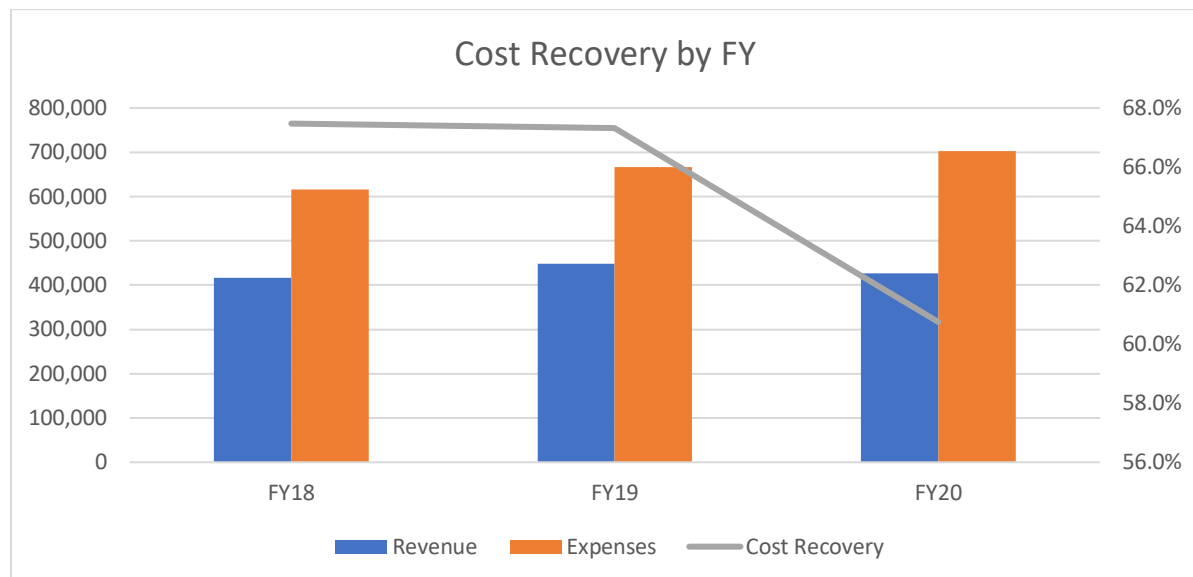
¹ Merged with open skate in FY18

² Includes gift cards and cash over/short amounting to \$10 between FY18-20

³ Excludes building maintenance expenditures, which were allocated by a new CBJ formula beginning FY19

⁴ Staffing costs including salaries, overtime and benefits for all positions

⁵ COVID-19 caused the rink to close early in FY20 resulting in reduced revenues



3. ICE SCHEDULING AND ALLOCATION OF RINK RESOURCES

The user groups are the main renters of ice. In FY19 JDIA and JSC rented significantly more ice than in previous years while JAHA and JDHS had slight decreases in their ice rentals compared to FY18. In FY19, some of the increases were made by utilizing more early morning ice. COVID-19 caused an early closure of the rink in FY20.

	FY18	FY19	FY20
Hourly Ice Rental			
Youth Hockey - JDIA	355.75	467.00	487.50
Juneau Skating Club - JSC	307.75	403.50	365.00
Adult Hockey - JAHA	368.75	355.00	300.00
Juneau Douglas High School - JDHS	123.50	110.30	114.80
Promotional Skates ¹	11.65	9.15	10.65
Total Hours Rented	1,166.65	1,344.95	1,277.90

¹ Hours do not include private rentals.

4. IDENTIFIED OPPORTUNITIES TO GENERATE NET REVENUE OR INCREASE OPERATIONAL EFFICIENCIES

FY20 year was set to be the first full year of operation of the concession stand inside Treadwell Arena by the contracted vendor, Grumpy’s Deli. Given the circumstances around COVID-19, the concession stand was closed for public health reasons. Going forward, re-engaging with the contractor and re-opening the concession stand when it is safe to do so and when supported by rink attendee numbers should be a priority to generate additional net revenue.

Previous years’ reports have found that Treadwell Arena is managed very efficiently, with expenses and revenues appropriately balanced by the rink manager. The rink manager is very proactive about exploring all opportunities to generate additional revenue and increase efficiencies, from soliciting sponsors for public skating sessions, increasing dasherboard and ice advertising revenue, adjusting personnel schedules to maximize available budget, and marketing the rink. The TAAB has historically found very few areas where going beyond the efforts underway by the rink manager were possible or reasonable.

Treadwell Arena continues to be managed very effectively and efficiently in FY20, despite the challenges presented by the pandemic.

5. IDENTIFIED WAYS TO IMPROVE THE EXPERIENCE OF RINK USERS

Considering the constraints and demands during the 2020-21 season, Treadwell Arena was able to address the board’s concerns from last year. In light of what will almost certainly be reduced revenue and some activity restrictions due to the COVID-19 pandemic in the upcoming season, the board is again making only modest suggestions for ways to improve the user experience.

In last year’s report, the board suggested expanded public skating times, an expanded overall season, and increased area to accommodate getting skates and equipment on and off without crowding into locker rooms. Because of the odd season, only one of these goals was accomplished: the lengthened season. Somehow, even with the pandemic steadily limiting all kinds of normal activities, Treadwell still delivered on

its promise to be open by the end of July and through late April. Going forward, we would like to re-propose some past suggestions to improve the user experience that have had to be put on hold.

First, we encourage Treadwell to continue to expand its season. The demand for ice from user groups even during a pandemic demonstrates that there are buyers for that ice time.

Second, we would like to see expanded public skating times. Public skating exposes new skaters to ice skating and provides skaters and hockey players more time to practice their skills, improve, and therefore stick with their sports.

Third, continuing to have a spread out (and possibly heated) area in the lobby to get skates on and off would be a big plus for users. It's likely that the locker rooms will be a risky place to spend time in the rink for a while longer, so making the lobby more comfortable would be a positive change.

Fourth, we recommend upgrading the rink ventilation systems, particularly the ventilation in the locker rooms, to improve air circulation and reduce the distribution of airborne pathogens in the arena.

Fifth, although the pandemic contributed to its closing, the board believes that having a snack bar in Treadwell can be a big contributor to the user experience, and we would love to see that return.

Overall, skating and hockey have been steadily increasing in popularity in Juneau since Treadwell first opened in 2003, and this means the current prime ice (ice available outside of standard school and work hours) is in high demand from all user groups and the public. Looking beyond the immediate upcoming season, the way to improve user experiences at Treadwell is increased ice availability to relieve time pressure on current user groups and increase public skating times. This could be achieved by keeping Treadwell open for more of the calendar year, adding a second sheet of ice, adding off-ice space like a lobby or workout room, or implementing any combination of these options. Juneau's user groups are growing, but more importantly, they are committed to their sports and would make use of increased ice as well as off-ice fitness space in the facility.

Conclusion

Treadwell Arena had experienced a steady increase in the rate of cost recovery over the past several years until the pandemic hit. If and when operations return to normal, rates of cost recovery are expected to return to normal. An increase in covered expenses allows the arena to expand its ability to provide additional services and the flexibility to consider improvements that add value for its users. It also allows for a lower hourly rental cost for the user groups which allows the core customers the ability to use more ice and bring in more members of their own.

Assuming operations can resume subject to public health restrictions, the arena still intends to extend operations to a 40-week season, including 6 weeks of summer non-ice programming. The phased approach to extending the ice season would eventually result in an additional month of ice skating availability compared to 2018/2019, allowing user groups to steadily adapt to the longer seasons and minimizing the risk that Treadwell Arena will fail to maintain its pre-pandemic cost recovery rate.

Covering costs, increasing user participation and user satisfaction are of the utmost concern for the TAAB. The TAAB is pleased to report the rink manager successfully ensures a high degree of user satisfaction, has increased utilization of available ice by core user groups and has plans to further increase use, and has made the best of a difficult year to Treadwell Arena open.