



Subject: *East Hants Arena Association - Proposed Rate Increases*
To: Parks, Recreation & Culture Committee
Date Prepared: June 6, 2023
Related Motions: C23(134) & C23(135)
Prepared by: Alana Tapper, Director of Parks, Recreation & Culture
Approved by: Kim Ramsay, CAO

Summary

The East Hants Arena Association (EHAA) is proposing a 4% rate increase to ice rentals from \$240.00 to \$250.00 per hour and a 3% rate increase to artificial turf rentals from \$325.00 to \$335.00 per hour. Under the Facility Management Agreement between East Hants Municipality and the EHAA, Article 8.2 states that “The Association shall establish user charges for the services offered at the facility subject to approval of East Hants. Any increases to fees shall be approved in writing by East Hants”.

Financial Impact Statement

In January 2023, the 2023/2024 projected surplus from the EHAA operation of the Sportsplex was \$37,000. The rate increase is projecting an additional \$38,000 surplus making the total revised projected surplus \$75,000 for 2023/2024 fiscal year.

Ice user groups would see a \$12.00-\$15.00 increase in costs per year and artificial turf user groups would see a \$10.00-\$22.00 increase in costs per year.

Recommendation

There is no recommendation, staff are seeking direction from Council.

Recommended Motion

Background

In December 2020, EHAA approached the municipality to provide emergency funding to continue the operation of the Sportsplex. COVID-19, the earlier collapse of the Dome, the cancellation of fundraising initiatives due to COVID-19 shutdowns, and cancelled bookings had a significant impact on the operation and financial status of the Sportsplex.

In early 2021, EHAA and the municipality began discussions on a new owner-operator model for the Sportsplex, with the non-profit organization continuing to operate the facility day-to-day through fundraising, rental revenue, and other programs.

In July 2021, the municipality and the EHAA Board came to an agreement and Council approved the purchase of the Sportsplex for \$2.3 million.

In May 2023, the EHAA sent a letter to Council indicating a proposed rate increase to both ice and artificial field rentals and Council moved motion C23(134) stating that Council direct the CAO to correspond with the East Hants Arena Association to ask what the rate increases will mean to the bottom line and request more

information on how this will impact users, ask for rates at other facilities and any other information behind the rationale of this increase.

Discussion

The East Hants Arena Association (EHAA) is proposing a 4% rate increase to ice rentals from \$240.00 to \$250.00 per hour and a 3% rate increase to artificial turf rentals from \$325.00 to \$335.00 per hour.

Rationale from the EHAA for the proposed increase is that under the facility management agreement the EHAA is expected to operate with a surplus and this will allow for unexpected costs and increases to costs (i.e., power, oil and wages). Rates for the facility have remained the same for the last 6 years. The total financial impact the rate increase would have on the EHAA operations would be an additional projected \$38,000 surplus, making the revised projected surplus \$75,000 for 2023/2024.

The EHAA has indicated that ice user groups would see a \$12.00-\$25.00 increase in costs per year and artificial turf user groups would see a \$10.00-\$22.00 increase in costs per year.

As per information from the EHAA, the table below outlines ice rentals from similar facilities in the region from the East Hants Arena Association (all rates include tax):

Facility	Prime Rate (\$/hour)	Minor Sport Rate/Youth (\$/hour)	Non-Prime Rate (\$/hour)
East Hants Sportsplex (Proposed Rate)	250.00	250.00	130.00
Rath Eastlink Community Centre	195.00	195.00	160.00
HRM 4 Pad	258.75	207.00	155.25
RBC Center Dartmouth	258.75	207.00	155.25
Cole Harbour Place	230.00	230.00	150.00
St. Margaret’s Bay Center	230.00	230.00	150.00
Don Henderson Arena	180.00	170.00	125.00

East Hants staff conducted their own jurisdictional scan and found the following ice rate information for regular season ice (prices below include tax):

Facility	Adult Prime Rate (\$/hour)	Youth Prime Rate (\$/hour)	Adult Non-Prime Rate(\$/hour)	Youth Non-Prime Rate (\$/hour)
East Hants Sportsplex	250.00	250.00	130.00	130.00
Rath Eastlink Community Centre (raised May 1 st)	210.00	195.00	180.00	180.00
HRM 4 Pad, RBC Center, Sackville Sports Stadium	263.92	211.14	158.36	105.57
Cole Harbour Place	230.00	230.00	230.00	150.00

*St. Margaret’s Bay Center & Don Henderson ice rates were available at time of report, but it is expected that they would be similar to what the EHAA has provided.

STRATEGIC ALIGNMENT

A key strategic focus within the East Hants 2021-2024 Strategic Plan is Sustainable Infrastructure. This includes facilities and the goal to provide infrastructure that addresses the needs of our growing community. The East

Hants Sportsplex provides recreational opportunities throughout the year through organized sport and drop-in activities.

FINANCIAL CONSIDERATIONS

Article 8.3 Current Year Surplus and Accumulated Surplus states that East Hants expects the Association to operate in a surplus.

In January 2023, the 2023/2024 projected surplus from the EHAA operation of the Sportsplex was \$37,000. The rate increase is projecting an additional \$38,000 surplus making the total revised projected surplus \$75,000 for 2023/2024 fiscal year.

Ice user groups would see a \$12.00-\$15.00 increase in costs per year and artificial turf user groups would see a \$10.00-\$22.00 increase in costs per year.

Alternatives

N/A