



OFFICE OF THE
City Auditor

Review of City of Edmonton Ice Allocation and Booking Processes

March 31, 2008

The Office of the City Auditor conducted
this project in accordance with the
*International Standards for the
Professional Practice of Internal Auditing*

Summary for City Council

The Review of the Ice Allocation and Booking Processes was approved in the Office of the City Auditor 2008 work plan. We conducted a review of the ice allocation and booking processes to ensure these processes operate effectively and efficiently.

The City of Edmonton (COE) currently owns 20 ice arenas, which collectively hold 25 ice sheets. Arenas deliver benefits that enhance the quality of life of Edmonton residents and provide growth and development opportunities for all age groups. The responsibility for managing the COE's arenas lies with Recreational Facility Services, one of six branches within the Community Services Department.

Our overall conclusion is that the ice allocation and booking processes are operating as intended, providing fair and equitable access to ice and maintaining a cooperative relationship with user groups. The City's ice allocation process is based on a user-managed model whereby the COE is the facilitator of the process, but the process itself is run by the volunteer user groups through various committees. Throughout the review we recognize and acknowledge that the strength and success of the current allocation process lies in the fact that it is driven and advocated by the user groups. Overall, user groups are satisfied with the current processes and the involvement they have in planning and decision-making. We therefore made no recommendations to fundamentally change the current processes or its organizational structure. We did develop a number of recommendations that will improve the effectiveness and efficiency of the ice allocation and booking processes and reduce the COE's risk exposures.

To help us evaluate the COE's allocation and booking processes and to provide a context of the COE practices, we surveyed five other Canadian cities: Toronto, Vancouver, Calgary, Winnipeg and Ottawa.

While not a revenue-focused review, it is important to note that some of our recommendations will have a revenue impact. We advised management to review the financial implications when implementing their action plans and making improvements to the COE's ice allocation process and fee structure.

The purpose of this summary is to provide an overview of the objectives, results and recommendations of our review. A full report outlining the detailed results of our review is attached.

Effectiveness of Ice Allocation and Booking Processes

The first objective of our review was to assess the ice allocation and booking processes and where possible provide recommendations to improve the processes. We conclude that the current allocation and booking processes and the organizational structure managing the processes are working reasonably well. However, during our review, we identified three issues that hinder the efficiency of the ice allocation and booking processes:

- Limited detailed documentation on ice allocation and booking processes was available
- Internal communications issues between the operations area and the booking unit's staff
- Need for additional CLASS¹ system training

To address these issues we recommend that management document the current allocation and booking processes and ensure that COE staff receive adequate training.

During our assessment of the ice booking process, we also identified control weaknesses regarding the proper segregation of duties. We identified a number of instances where one person had been assigned or allowed access to incompatible security groupings and/or functions of the CLASS booking system. In addition, the CLASS user listing was not accurate and contained user profiles that should be inactive. We recommend that a process be developed to ensure that proper segregation of duties is maintained with regard to CLASS system access and Department Program bookings.

Realization of Ice Allocation and Utilization Objectives

Our second objective of this review was to determine whether the COE's ice allocation and booking processes are achieving their intended objectives. The City's objective, as described in *The Arena Strategy 2004-2014, A vision for City of Edmonton operated Arenas*, is to optimize arena use by providing fair and equitable access to ice to City residents.

Our initial analysis found no documented definition of *optimal utilization of arena facilities*. Based on meetings with Recreation Facility Services' Management and staff interviews, the City's objectives regarding optimal use of arena facilities are understood to be:

- To operate arena facilities in an effective and efficient manner, including but not limited to ice utilization
- To provide a balanced ice program to City residents

We concluded that the ice allocation and booking processes are supporting these objectives. In addition, user groups are generally satisfied with the current processes. In particular, they feel the allocation process ensures fair and equitable access to ice for all user groups.

However, during our review we did identify opportunities for improvements to better support the objectives stated above. We recommend that management:

- Review the community league "Standard of Play" to determine if a reduction would better support the objective of fair and equitable access to all users
- Re-evaluate the "full-cost" ice model to determine if the model is still relevant to the COE and consistent with the objective of fair and equitable access to all users

¹ The COE uses CLASS, a centralized booking and Point-of-Sale system for Windows, to record and track facility bookings and payments.

- Develop and communicate clear objectives with regard to the public skate program to help provide program delivery direction and fair program evaluation

We also reviewed the daytime card access to City arenas and determined that the COE is exposed to a number of risks, including the inability to safeguard City assets, safety and security concerns, theft and vandalism, and inappropriate use of ice and arena facilities. None of the five benchmark cities allow for arena card access. We recommend that a plan is created and executed that mitigates and manages the risks associated with card access and/or eliminates card access altogether.

Revenue Collection and Generation

The third objective of this review was to determine if the COE is collecting and receiving appropriate revenue amounts. We reviewed the City's process to establish user fees and rental charges. In addition, we compared the City's process and the current fee structure to five benchmark Cities. Our comparison showed a number of different practices which led us to recommend that management review the application of ice times, including review of the definitions of prime time and non-prime time, as well as expanding the prime time designation. In addition, we recommend that the COE's current fee comparison methodology be expanded to consider subsidized, as well as full-cost rates when determining fees and charges.

Last year, due to staff shortages, an estimated 20% of shinny hockey sessions were not monitored. As a result no admission cards were collected in these instances and participants were able to use the cards for an additional session. We recommend that on a go forward basis all shinny hockey admission cards are collected to ensure that the COE is receiving the appropriate revenue amounts.

We also reviewed the outstanding accounts receivables for ice and the department's follow-up process. We concluded that the process of following up on aging accounts receivables is not documented and clearly communicated to the booking agents. In addition, effective controls are not present to ensure appropriate follow-up on outstanding amounts receivable. We recommend that the process of following up on aging accounts receivables be clearly documented and communicated.

Some of our recommendations will have an impact on user groups. Because of the positive and cooperative working relationship that exists between the COE and the Arena User Committee, we encourage management to discuss our observations and recommendations as well as their own potential responses to our findings with the Arena User Committee.

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Review of City of Edmonton

Ice Allocation and Booking Processes

1 Introduction

The Office of the City Auditor's (OCA) 2008 work plan included a review of the City of Edmonton's (COE) Ice Allocation and Booking Processes. The primary objectives of this review were to determine whether the current processes are functioning as intended and to assess the degree to which existing practices provide fair and equitable access to ice. In addition, the review was designed to identify any control weaknesses in the processes and to determine where the greatest opportunities for improvements exist. The analysis of the ice allocation and booking processes focused on a review of the 2004-2014 Arena Strategy report, current practices, as well as issues and concerns raised by both the user groups and COE staff and finally, practices from other cities' ice allocation and booking practices (Toronto, Vancouver, Calgary, Winnipeg and Ottawa). Topics discussed in this report include objectives of allocation, allocation entitlements and Standards of Play, fee structure, prime time definitions, the billing process and booking practices.

2 General Background

2.1 City Administration

The COE owns 20 arena facilities with a total of 25 ice sheets (refer to Appendix A for details). In addition, there are 9 non-municipal or privately owned arenas within the COE boundaries (with a total of 11 ice sheets). Within the Edmonton capital region there currently are a total of 69 publicly accessible ice sheets and 5 leisure ice sheets. Arenas deliver benefits that enhance the quality of life of Edmonton residents and provide growth and development opportunities for all age groups.

The responsibility for managing the COE's ice arenas lies with Recreation Facility Services, one of six branches within the Community Services Department. Recreation Facility Services Branch consists of a number of sections including the Access to Recreation & Sport Section and the Recreation and Leisure Centres Section. The Recreation and Leisure Centre Section is responsible for operating the arena facilities. The Access to Recreation & Sport Section is responsible for managing the allocation process and operating the Facilities Booking Unit.

2.2 Arena Strategy and Allocation Objectives

The Community Services Department has developed a number of core service themes that provide direction to the department until 2010.² The themes all relate to improving the quality of life for the residents of Edmonton. However, increasingly, the department is challenged to develop sustainable sources of revenue for recreational facilities. When managing recreational facilities, Community Services must balance corporate cost-recovery and tax levy targets with market realities, affordability of user fees, and accessibility.

The Community Services' vision regarding the management of arena facilities is described in the *Arena Strategy 2004-2014, A vision for City of Edmonton operated Arenas*. Arena management includes all activities associated with arena operation including, but not limited to: ice allocation, building operation and maintenance, capital investment and cost recovery. The Strategy provides a detailed description of the COE's ice allocation process³ (discussed further in section 4.1). The City's allocation process is based on a user-managed model whereby the COE is the facilitator of the process, but the process itself is run by volunteer user groups through the Arena User Committee, the Standards of Play Committee and various allocation committees.

In the Arena Strategy, the City's objective is to optimize arena use by providing fair and equitable access to ice to City residents.

Our initial analysis found no clearly documented definition of *optimal utilization of arena facilities*. Based on meetings with Recreation Facility Services' Management and staff interviews, the City's objectives regarding optimal use of arena facilities are understood to be:

- To operate arena facilities in an effective and efficient manner, including but not limited to ice utilization
- To provide a balanced ice program⁴ to City residents

2.3 Arena user fees

The cost of operating rink services and facilities are partly offset by revenues collected from rink rentals and admission fees, with the operating loss for rinks incorporated in the annual operating budget of the Recreation Facility Services Branch. The COE can influence rink revenues by encouraging increased use of the facilities through ice allocation and/or adjusting the fees and charges for rink programs and services.

² The themes were presented in the Integrated Service Strategy for the Community Services Department approved by City Council on July 4, 2000. Implementation of the strategy is realized through the annual business plan cycle of the corporation and the department.

³ An ice allocation model is a guideline for booking facilities; it aims to provide accessible scheduling and programming services, safe use of the facilities by residents, a basis for allocation use by age and activity group, balance between sports activities and recreational use, and achievement of financial targets.

⁴ A balanced ice program means that a wide variety of programs and activities is offered, aimed at reaching a wide range of people.

The City charges a fee for the use of arenas according to *City Policy C167 – Edmonton Parks and Recreation Fees and Charges*. The policy states that fees are levied so as to recover all or a portion of the direct operating costs of the COE's recreation facilities.⁵ The fee structure is based on reductions in fees for use during low priority times. As well, there are different fees for different age groups. Edmonton-based minor sport activities and community league youth or family activities pay the subsidized rate for rental or admission. Adult and commercial groups pay the non-subsidized, full-cost fee⁶. The arena user fees are reviewed annually and approved by City Council. In 2006, the City's arenas approximately generated revenue of \$5 million which meant the financial recovery rate for all arenas combined was 70.5%⁷.

3 Objectives, Scope and Methodology

3.1 Audit Objectives

The objectives of this review were:

1. To document and assess the ice allocation and booking processes and where possible provide recommendations to improve the processes
2. To determine whether the COE's ice allocation and booking processes are achieving their stated objectives
3. To determine if the City of Edmonton is collecting and receiving appropriate revenue amounts

3.2 Scope and Methodology

A risk assessment was performed that narrowed the scope of this review to areas that we believe presented the highest risk. The analysis focused primarily on the 2007 fall and winter ice season (August 2006 – March 2007) and the 2008 fall ice season (August 2007 – December 2007). The review covered all 20 arenas and 25 ice rinks owned and operated by the COE. Community league outdoor ice rinks were not included in the scope of this review.

We conducted a review of the allocation and booking processes to ensure these processes operate effectively and efficiently.

The review included the following activities:

- Obtained and reviewed relevant process and program documentation
- Interviewed City staff and other individuals
- Prepared flowcharts of the allocation and booking processes

⁵ The Community Services Department is currently in the process of updating *City Policy C167 – Edmonton Parks and Recreation Fees and Charges*. The current policy was last reviewed in 1979.

⁶ The term "full-cost" fee refers to the fact that all other COE ice rental rates are a percentage of this unsubsidized rate. The term is not a synonym to complete cost recovery.

⁷ Financial recovery rate is calculated by dividing revenue and total costs. Total costs included all arenas operating and building maintenance costs, but not branch overhead costs.

- Analyzed ice utilization data and other operational data available
- Conducted a survey of user groups
- Benchmarked the booking and allocation processes against five other Canadian cities (Calgary, Winnipeg, Vancouver, Toronto and Ottawa)
- Conducted detailed audit testing

4 Observations and Recommendations

4.1 Ice Allocation Process

The first objective of this review was to document and to assess the ice allocation and booking processes and where possible provide recommendations to improve the efficiency of the processes. The COE's ice allocation process is a complex process that has evolved over the past 15 years. The following section provides a detailed description of the process and its organizational structure. A good understanding of the process is necessary to fully grasp the results of our review and the recommendations we are proposing in this report.

4.1.1 A User-Managed Allocation Model

The *Arena Strategy 2004-2014, A vision for City of Edmonton operated Arenas* provides a detailed description of the City's allocation policy. According to the Strategy, all arena surface time is divided between five user allocation committees:

1. Community League and Department Allocation Committee
2. Joint Use Allocation Committee
3. Minor Sport Allocation Committee
4. Adult Allocation Committee
5. Special Group Allocation Committee (*currently inactive*)

Appendix B provides a description of the Arena User Committee and each allocation committee's composition.

The committees' share of arena surface time is based on a standard of play for each sport or activity that takes place in City arenas. The standard represents how much time a sport or activity needs to be effective. Each standard of play is approved by the Standards of Play Committee, which is made up of one representative from each sport/activity that uses Edmonton arenas. The Committee reviews historical usage and ensures the accuracy and appropriateness of the standards of play on an annual basis. In addition, the Committee can also adjust the standards if requested by a user group.

The demand for arena time required by a sport group is calculated by taking the number of participants or teams and applying the standard of play to each activity to get the total time required by a sport group. For example: Organization A has 3 adult hockey teams. Demand for organization A is calculated by multiplying the standard of play for adult hockey (1.5 hrs per team) to the number of teams, resulting in a demand of 4.5 hrs (3x1.50 hrs). Summing the demand of all groups produces the total demand for arena surface time.

Entitlement is the amount of City arena surface time equal to a group’s percent of the total demand and proportionally split into three available categories (good, fair and marginal time – see table 1).

Table 1: Winter Season Ice Categories

Category	Monday-Friday	Saturday-Sunday
Good time	6:00 PM to 11.00 PM	8:00 AM to 11:00 PM
Fair Time	4:00 PM to 6:00 PM	6:00 AM to 8:00 AM
Marginal time	6:00 AM to 4 PM and 11:00 PM to 6:00 AM	11:00 PM to 6:00 AM

Entitlement is calculated by group and represents each group’s fair and equitable share of available time. Continuing from the previous example: If organization A’s demand is five percent of the total requirement for arena surface time, then the organization is entitled to book five percent of available City arena surface time (see also example below). Because there is a shortage of ice within the COE, a group’s entitlement is less than its demand. For the 2007/2008 season, the COE was able to fulfill 80.25% of demand.

Example calculation of user group entitlement:

Assume total demand is 240 hours and total supply is 200 hours. If organization A’s demand is 12 hours, which is equivalent to 5 percent of the total demand for arena surface time (12 hrs./240 hrs.), then the organization is entitled to book 5 percent of available City arena surface time; consequently 10 hours (5% x 200 hrs.). The entitlement could be distributed as follows:

Table 2: Distribution of entitlement

	Percent of Supply	Entitlement
Good	60%	6 hours
Fair	15%	1.5 hours
Marginal	25%	2.5 hours
Total		10 hours

In this example, demand supplied is 83% (200 hrs./240 hrs.).

The entitlements of the members of each allocation committee are added together and the amount of arena time is given to the committee to allocate according to their own allocation procedures. For example: The Adult Allocation Committee allocates its group entitlement based on seniority of its members.

Groups may negotiate with each other for more or less time in each time category, depending on their ability to pay and the unique aspects of their sport. For example, team sports generally do not use fair or marginal time for games because the bulk of their volunteers and team participants are at work or in school during those periods. Individual sports utilize marginal time since they often have paid coaches who are

available during the normal work or school day. Participation is also on an individual basis and time can be tailored to each individual’s timetable.

Once the needs of Edmonton groups and City programs have been satisfied and the seasonal allocation process is completed, anyone, including non-Edmonton-based groups, can book the remaining available arena surface time on a first-come-first-serve basis.

The central element of the process is the Arena User Committee. This Committee assists the COE in addressing ongoing and emerging arena issues and represents arena users on COE issues that relate to, or potentially impact, arenas.

During our review, we compared the COE’s allocation model to that of five Canadian benchmark cities. Our study indicated that the COE is more generous in its standards of play, providing more ice time than the three other cities for which information was available. In addition, Edmonton has a more detailed schedule of standards of play. For illustration purposes, a few examples have been provided in Table 3. In addition, in Edmonton the standards of play are revised and approved by the user groups through the Standards of Play Committee and facilitated by a City department.

Table 3: Comparison of Standards of Play (hrs per week)*

Sport	Edmonton	Vancouver	Winnipeg	Ottawa
Minor Hockey – Pee Wee	1:30 hrs/2 teams (game) plus 1:00 hrs/team (practice)	2:15 hrs/team	30 min/team	2:30 hrs/team
Adult Hockey	3:00 hrs/2 teams <i>(1:30 hrs/team)</i>	1:30 hrs/2 teams <i>(0:45 hrs/team)</i>	Not specified	1:00 hr/2 teams
Women’s Hockey	2:15 hr/2 teams (game) plus 1:00 hr/ team (practice)	1:30 hrs/2 teams <i>(0:45 hrs/team)</i>	Not specified	1:00 hr/2 teams
Ringette – Bunnies	1:00 hrs/2 teams (game) plus 1:00 hrs/team (practice)	1:00 hr/team	Not specified	1:30 hrs/team
Figure Skating – Intermediate (Starskate Group)	3:00 hrs/20 skaters	3:00 hrs/42 skaters <i>(1:00 hr/14 skater)</i>	3:00 hrs/36 skaters <i>(30 min/6 skaters)</i>	3:00 hrs/25 skaters
Speed Skating - Intermediate	3:00 hrs/20 skaters	3:00 hrs/42 skaters <i>(1:00 hr/14 skaters)</i>	Not specified	3:00 hrs/30 skaters <i>(1:00 hr/10 skaters)</i>

* For the purpose of easy comparison the Standards of Play were standardized as much as possible. The actual Standards of Play are listed in brackets as applicable.

The key difference between Edmonton and the other benchmark cities is that the COE has a unique allocation process that is characterized by user empowerment and participation. The strength and success of the process lies in the fact that it is driven by user groups, represented in the Arena User Committee, the Standards of Play Committee and the various allocation committees. COE representatives support these

committees but only have non-voting powers. Furthermore, the COE ice allocation model emphasizes cooperation and compromise between the various user groups themselves and collectively between the user groups and the COE.

We conclude that the current allocation model and the organizational structure surrounding the model are working well for the COE and arena users. Management of Recreation Facility Services has indicated that since ownership of the process was given to the user groups with the COE acting as a facilitator, conflicts regarding ice allocation between user groups and between user groups and the City have become almost non-existent. Disagreements and conflicts are worked out internally, through the various committees, in an atmosphere of cooperation and compromise.

4.1.2 Documentation, Training and Communication

While the user groups have accepted ownership of the ice allocation process, the COE is responsible for facilitating and administering it. During our review, we identified three issues that hinder the efficient operation of the ice allocation and booking processes:

- Limited detailed documentation on the ice allocation and booking processes was available
- Communications issues between the operations staff and the booking unit's staff
- Need for additional CLASS training. The COE uses CLASS, a centralized booking and Point-of-Sale system for Windows, to record and track facility bookings and payments.

The effects of these issues multiply as the department experiences staff turnover. In addition, the risk of losing valuable process knowledge because of staff turnover increases the City's exposure to errors and decreased user satisfaction. Our survey of stakeholders indicated that these issues do not only relate to the COE but also to the various user groups. As volunteers and board members change, information about the mechanics of the process is not retained. Some user groups have requested more training or written guidelines on the ice allocation process.

In our opinion, there is a need to improve training and document key processes; this includes developing clear objectives for each process, identifying process-owners, formalizing communications between various functions, and setting and communicating clear timelines.

Recommendation 1	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section document the current allocation and booking processes and ensure that COE staff receive (CLASS) adequate training.</p>	<p>Comments: Accepted</p> <p>Access to Recreation and Sport will develop detailed process documentation on the ice allocation and booking processes. This includes but will not be limited to, a process manual to be used by stakeholder groups involved in the process. In addition, Access to Recreation and Sport will also develop and implement a (CLASS) training program to ensure COE staff involved in the processes is adequately trained.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Develop detailed process documentation – Summer 2008 • Develop and implement training program– Fall 2008 <p>Responsible Party: Director, Access to Recreation and Sport</p>

4.1.3 Class Authorities

During our assessment of the ice booking process, a control weakness regarding the proper segregation of duties was identified. Segregation of duties is a basic, key control. It means that no single individual should have control over two or more phases of an operation. If a single person can carry out and conceal errors and/or irregularities in the course of performing day-to-day activities they have generally been assigned or allowed access to incompatible duties or responsibilities.

During our review of the City’s ice booking process, we discovered that incompatible duties had been assigned to staff members in the CLASS booking system. The CLASS system administrator creates user-groups with varying levels of system access and assigns users to these groups upon receiving a request from a supervisor. It is important that these users be accurately maintained such that individuals only have access to areas that match their job responsibilities. Appropriate segregation of duties reduces the risk of unauthorized access to information, errors and fraud. We identified a number of instances where one person had been assigned or allowed access to incompatible security groupings and/or functions of the CLASS system. For example: program managers are able to book recreation facilities for their programs, process program registrations and process payments made by registrants. In addition, program managers have card access to all City arenas, as they sometimes facilitate the programs they coordinate.

In addition, the CLASS user listing was not accurate and contained user profiles that should be inactive. For example: a staff member that changed positions within the COE

and no longer required CLASS access had not been removed from the CLASS user listing. Supervisors are generally unaware which security groupings contain incompatible functions and which security groupings have already been assigned to an individual. Furthermore, supervisors rarely request the removal of user profiles and/or security groupings.

Recommendation 2	Management Response and Action Plan
<p>The OCA recommends that the Recreation Facility Services Branch develop a process to ensure that proper segregation of duties is maintained with regard to CLASS system access and Department Program bookings. In those instances where duties cannot be fully segregated, mitigating or compensating controls should be implemented.</p>	<p>Comments: Accepted</p> <p>Access to Recreation and Sport Section in coordination with Branch Accountability Section will develop a process to ensure that proper segregation of duties is maintained.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Develop process and review segregation of duties and CLASS authorities – Summer 2008 • Implementation of process – September 2008 <p>Responsible Parties: Director, Access to Recreation and Sport and Director, Branch Accountability</p>

The first objective of our review was to assess the ice allocation and booking processes and where possible provide recommendations to improve the processes. The City’s allocation process is based on a user-managed model whereby the COE is the facilitator of the process, but the process itself is run by the user groups through the various committees. The results of our review indicated that user groups value the authority that is given to them to direct the process and they are committed to making the process work. Overall, we conclude that the current allocation and booking processes and the organizational structure managing the processes are working reasonably well. However, a few process improvements and control weaknesses were identified that need to be addressed by management.

4.2 Ice Allocation Objectives

Our second objective of this review was to determine whether the COE’s ice allocation and booking processes are achieving their intended objectives. The City’s objective regarding ice allocation is described in The *Arena Strategy* as follows:

- To optimize arena use by providing fair and equitable access to ice to City residents.

Our initial analysis found no clearly documented definition of *optimal utilization of arena facilities*. Based on meetings with Recreation Facility Services’ Management and staff interviews, it is our understanding that the City’s objectives regarding optimal use of arena facilities can be described as:

- To operate arena facilities in an effective and efficient manner, including but not limited to ice utilization
- To provide a balanced ice program to City residents

During our review, we identified various opportunities for improvements to the allocation process to better support these objectives.

4.2.1 Community League Ice

Presently, the standards of play stipulate that each community league is entitled to 1.5 hours of ice per week. Community league ice is intended to provide community residents with access to ice in a local arena. Based on 2007 data collected, we calculated that community leagues only used 13% of their total entitlement. Community league ice usage is low because many community leagues do not offer programs for a variety of reasons, including lack of sufficient resources, no specific demand from residents, or no arena within a close proximity to the community. In addition, a number of interviewees indicated that the objective of providing community residents with access to ice is already being met with the City’s public skate program; therefore, community leagues do not feel the need to develop a separate/duplicate program. Unused community league ice, referred to as surplus ice (currently about 180 hours per week), can be purchased by minor sports groups based on set criteria.

In our opinion the entitlement or standard of play for community leagues should be revised as the current allocation of community league ice is exceeding its intended objective – providing community residents with access to ice in a local arena. The surplus ice is now only available to a select group of users which is not in line with the objective of providing fair and equitable access to ice to *all* users. By changing the standard of play, the community league ice entitlement will be reduced and the surplus ice will remain in the total pool of available ice thus benefiting *all* user groups. We have calculated that a reduction in the standard of play for community leagues to 0.5 hours per week would increase total demand supplied from 80.25% to 85.4% for all user groups while still adequately addressing community league needs and demand levels.

Recommendation 3	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section review the community league “Standard of Play” to determine if a reduction would better support the objective of fair and equitable access to all users.</p>	<p>Comments: Accepted</p> <p>Access of Recreation and Sport Section will review the community league “Standard of Play”.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Review – Fall 2008 • Implementation of review results – January 2009 for early Spring 2009 implementation (2009/2010 winter season) <p>Responsible Party: Director, Access to Recreation and Sport</p>

4.2.2 Full-cost Ice

As previously mentioned, the City charges a fee for the use of arenas according to *City Policy C167 – Edmonton Parks and Recreation Fees and Charges*. Minor sport groups and community league activities pay a subsidized rate for the use of City arenas. All other groups pay a non-subsidized fee. Regardless of this fee structure, the COE has identified 67.25 hours per week of prime time ice as full-cost ice. This means that regardless of the user group buying this ice, the user has to pay the non-subsidized, full-cost fee.

The full-cost ice hours are first offered to minor sport groups to fill the gap between their demand and entitlement. Minor hockey, figure skating and ringette are the primary buyers of the available full-cost ice hours.

In our opinion the full-cost ice model has complicated the allocation process. As a result the allocation process has become less understandable to the user groups it serves. In addition, the model is not in line with the objective of providing fair and equitable access to ice for *all* users.

If the City was to eliminate this full-cost ice model it would result in an estimated revenue loss of \$130,000 (based on 2006/2007 winter season and 2007 rates). This loss would benefit minor sport groups as they no longer would have to pay the full-cost rate for these 67.25 hours/week but rather the subsidized rate. It is important to note, that this revenue loss could be recouped by a one-time rate increase for all user groups. Another option would be to introduce a separate rate for minor sports groups for ice purchased beyond their ice entitlement. For example, a separate rate set at 75% of the adult rate for ice purchased beyond entitlement could generate additional revenue of \$150,000 (based on 2006/2007 winter season and 2007 rates), resulting in a net revenue increase of \$20,000 (\$150,000 - \$130,000). The net impact on minor sports groups with respect to them paying a separate fee for excess ice time in combination with eliminating full-cost ice is expected to be minimal as these amounts should be designed to offset each other. Eliminating the full-cost ice model will simplify the allocation process and streamline it to support the objective of providing fair and equitable access to ice to all user groups.

Recommendation 4	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section re-evaluate the full-cost ice model to determine if the model is still relevant to the COE and consistent with its ice allocation objectives.</p>	<p>Comments: Accepted</p> <p>Access of Recreation and Sport Section will review the full-cost ice model.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Review – Summer/Fall 2008 • Implementation of review results – January 2009 for early Spring 2009 implementation (2009/2010 winter season) <p>Responsible Party: Director, Access to Recreation and Sport</p>

4.2.3 Public Skate

The COE is currently offering 27 hours of free public skate in its arenas each week. The free public skate program is sponsored by the Kinsmen Club of Edmonton. The Club reimburses the City for the cost of hiring ice marshals to supervise during public skate hours and the City in turn, absorbs applicable operational costs through the annual budget of the Recreation and Leisure Centre Section.

Our benchmark study revealed variances with respect to how and when public skate programs are offered in other Canadian cities:

1. Edmonton and Toronto are the only two cities offering a completely free public skate program. Winnipeg offers a partial free program, but only during non-prime hours (Refer to Appendix C, Table 3 for details).
2. Other benchmark cities offer more diverse programs including senior skate in the morning, parent-toddler skate programs in the afternoon, adult only skate time etc. These various programs encourage public involvement and generate additional revenues. Currently, the COE has no program directed at seniors.
3. The benchmark study also highlighted the differences between the delivery and involvement of each city with respect to the public skate program. In the benchmark cities the number and times of public skate hours is determined by a City department alone and is not the result of an allocation model. Edmonton is organized differently in that the public skate program is embedded in the allocation process.

It is important to note that our initial analysis found no clearly stated objectives with respect to this department's approach to delivering social-type programs like the free public skate program. As a result, we found it challenging to comment on the effectiveness of the program. Undoubtedly, there are positive social impacts resulting from this free program; in fact, rink attendants stated that public skate hours are well attended.⁸

⁸ The COE currently does not register attendance numbers.

We also realize, however, that Edmonton’s public skate program is unique with considerably more time available compared to its benchmark counterparts resulting in potential foregone revenues. Therefore, it is very important for the Community Services Department to determine what direction it wants to follow, and then communicate this to its branches and sections so that this program and others of a similar-type can be fairly evaluated.

Recommendation 5	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section in coordination with the Programs and Events Section review the public skate program and determine if it is still in line with the COE’s programs objectives.</p>	<p>Comments: Accepted</p> <p>The Access to Recreation and Sport Section in coordination with the Programs and Events Section will conduct a review of the public skate program; this includes formulating and documenting clear objectives for program delivery.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Review – February 2008 • Implementation of review results – Spring 2008 (2008/2009 winter season) <p>Responsible Party: Director, Access to Recreation and Sport, in coordination with Director, Programs and Events</p>

4.2.4 Daytime Card Access to City Arenas

The COE operates 15 single sheet arenas and 4 double sheet arenas⁹. In general, single sheet arenas are not staffed by rink attendants on weekdays. Weekday shifts start between 1:00 p.m. and 4:00 p.m. and end one hour after the last booking. As a service to arena users, security card access is provided to daytime ice users including school representatives, hockey academy representatives and adult users. Trainers and program managers of Community Services Department programs also have card access.

During interviews with City staff, we were informed of a number of concerns regarding card access. For example, only one representative per group is provided with an access card, therefore users often prop open the ice facility’s door to allow other members of their group access. Unfortunately, this also provides an opportunity for unauthorized access to the facility. In some arenas, the rink attendant’s office needs to be accessible to card users because the facility light switches are located in the office. City assets such as computers, microwaves, and office supplies are also located in the office, in addition to the rink attendant’s personal information.

⁹ COE owns 5 double sheet arenas; however the Kinsmen Arena is operated and staffed by the Kinsmen Club of Edmonton.

Another issue with card access is that it is difficult to determine if users stay after their booked time, unless adjacent time is booked by another user or if City staff come to check on the facility. If misuse of arena card access is discovered, card users may be charged additional costs or card privileges can be taken away.

We identified a number of increased risk exposures associated with daytime card access:

- Inability to safeguard City assets
- Inappropriate use of ice and arena facilities (e.g. chairs on ice, dirty dressing rooms)
- Longer use of ice
- Accessing ice and arenas when no bookings are made
- Safety and security concerns
- Theft and vandalism
- Privacy concerns
- Card problems (not working, losing cards etc.)

The COE is intending to move away from card access in a few years; however no clear timeline or process has been documented. City staff mentioned that card access revenue has been declining because a growing number of daytime users are willing to pay the marginal rate to ensure floods before use, which means staff will be on site when users arrive. Schools also use daytime ice, but they fall under the Joint Use Agreement (JUA)¹⁰ and currently do not pay for the access to City arenas. Based on staff interviews, a growing number of school card users have requested and/or paid for floods before use. As single sheet arenas are not monitored or flooded until 3:30 PM, increased daytime use has resulted in poorer ice conditions which leads to an increased risk of injuries.

None of the five benchmark cities allow arena card access. In Manitoba, provincial regulation prohibits the operation of ice arenas without a staff member present due to potential safety liabilities.

The arena utilization data for daytime use (26%) supports the possibility of eliminating card access altogether and consolidating weekday use to a limited number of staffed arenas. Elimination of card access will have a positive effect on revenue (estimated \$20,000 per winter season based on 2007 rates) as card access users will have to pay the marginal rate instead of the lower card access rate. The fee increases for 2008 already narrows the gap between the two rates to 10% of good time rates.¹¹

Elimination of card access could have a negative effect on participants of the JUA, if City resources do not allow for the staffing of single arenas in close proximity to schools. The JUA does state that access to Joint Use Facilities is *subject to available resources* and that *each party [...] has the right to determine which of their facilities shall be made*

¹⁰ A new Joint Use Agreement was signed and became effective September 21, 2007.

¹¹ Currently the gap is 14% for adults groups and 20% for minor sports groups.

available (JUA, section 4.1.).¹² We advise the management of Access to Recreation and Sport to work together with JUA parties and other daytime users to address this issue and reduce the Cities exposure to risks associated with card access.

Recommendation 6	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section in coordination with Recreation and Leisure Center Section create and execute a plan which mitigates and manages the risks associated with card access and/or eliminates card access altogether.</p>	<p>Comments: Accepted</p> <p>The Access to Recreation and Sport Section in coordination with Recreation and Leisure Center Section will develop a plan regarding card access.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Development of plan – Summer/Fall 2008 • Implementation of plan – January 2009 (2009 summer season and 2009/2010 winter season) <p>Responsible Parties: Director, Recreation and Leisure Centres</p>

We conclude that overall the ice allocation and booking processes are meeting its intended objectives. User groups are generally satisfied with the current processes. In particular, they feel the allocation process ensures fair and equitable access to City arenas for all user groups. In addition, many respondents of the user survey provided positive comments about their interactions with arena staff and the Facilities Booking Unit. However, during our review, we identified various opportunities for improvements to the current allocation process to better achieve the objectives stated above. Some of our recommendations will have an impact on user groups. Because of the positive working relationship that exists between the COE and the Arena User Committee, we encourage management to discuss our observations and recommendations as well as their own potential responses to our recommendations with the Arena User Committee.

4.3 Revenue Generation

The third objective of our review was to determine if the COE is collecting and receiving appropriate revenue amounts. We reviewed the City’s process for establishing user fees and rental charges. In addition, we compared the City’s process and the current fee structure to five benchmark Cities.

4.3.1 Fee Structure

In accordance with *City Policy C167 – Edmonton Parks and Recreation Fees and Charges*, the COE charges a fee for the use of arenas to ensure that the user pays all or a portion of the direct operating costs. The arena user fees are reviewed annually and approved by City Council. The general policy for fees and charges is to establish an adult rate and then discount this rate to 50% in order to determine a subsidized rate. To encourage rink use in non-prime time hours, the user fees are further discounted by

¹² School Board Facilities cannot be accessed by user groups without a staff person present.

20% for fair ice time and 40% for marginal ice time. The arena user fees are established through the annual budget process and approved by City Council. Appendix D provides an overview of the 2007 and 2008 fee structure. According to the Community Services Department’s 2007 Price Schedule, the adult rate is based on three components:

1. Price comparison of the full-cost rate with similar size venues from local providers and other municipalities
2. An optimum pricing survey
3. Cost of operating and inflation

Our review of the price schedule methodology showed that currently, the adult rate is compared to the City of Calgary, University of Alberta and Sherwood Park. By only looking at the full-cost/ adult rate and not the total fee structure a misrepresentation occurs. For example, in 2007, the minor rate for the COE was 49% of the adult rate, whereas the minor rate for the City of Calgary was 74% of the adult rate. Since minor sports consume the majority of available ice times, by having a higher minor rate, the City of Calgary can set a lower adult rate and still generate higher revenues. With 69% of ice time allocated to the minor sports groups, the minor user rate has a significant impact on total revenues.

The benchmark study showed that the fees charged by the COE are neither the lowest nor the highest but two facts need to be considered (see Appendix C, table 1 for details):

- All cities with a lower adult rate than Edmonton have higher minor rates. Ottawa has the lowest adult rate. Two cities have a separate (higher) commercial rate.¹³
- Vancouver has the lowest minor rate, but this lower rate is offset by a separate, higher youth rate and a higher adult rate.

Recommendation 7	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section expand the benchmarking fee comparison to look at subsidized rates as well as full-cost rates when determining fees and charges.</p>	<p>Comments: Accepted</p> <p>Access to Recreation and Sport Section will conduct a detailed review of the current fee comparison.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Review – Summer 2008 • Implementation – Fall 2008, to be included in the price analysis for the Community Services Department 2009 Price Schedule. <p>Responsible Party/Person: Director, Access to Recreation and Sport</p>

¹³ Commercial organizations or teams provide an adult activity with the intent of generating a profit (e.g. by charging admission fees). Cities that do not have a separate commercial rate, charge the adult rate to both not-for-profit and commercial organizations.

In addition, the COE is the only city that distinguishes between fair, marginal and good ice times. The benchmark cities all distinguish between prime and non-prime ice time. The concept for designating a prime and non-prime price structure is to encourage use by discounting rental fees during traditionally low demand periods. The COE has the latest start times for prime time ice (i.e. good ice) on both weekdays (6:00 PM) and weekends (8:00 AM) (see Appendix C, table 2 for details).

Based on an analysis of 2007 utilization data, the COE time definitions do not appear to match the demand for ice time. The utilization data shows there is a strong demand for weekday after school and early evening ice time as well as weekend morning time (65% utilization). Furthermore, three surveyed cities have a late night rate starting at 11:00 PM to encourage adult use during these non-prime time periods. In our opinion, a fee structure based on prime and non-prime ice time (with or without a late night rate) will better reflect the demand for ice and result in a simpler and fairer application of fees. In addition, the revised fee structure will also generate an estimated revenue increase of \$92,500.

Recommendation 8	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section review the definition of fair ice times and consider the following changes:</p> <ul style="list-style-type: none"> • Adopt the definitions of prime time and non-prime time. • Expand the prime time designation (currently good time) to better match the demand for ice. 	<p>Comments: Accepted</p> <p>Access to Recreation and Sport Section will conduct a review of the definition of fair ice times and consider the proposed changes.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Review – January 2009 • Implementation Fall 2009, to be included in the price analysis for the Community Services Department 2010 price schedule <p>Responsible Party: Director, Access to Recreation and Sport</p>

4.3.2 Shiny Hockey

The first control weakness we identified regarding revenue generation relates to shiny hockey. The COE offers adult shiny hockey at various times and locations throughout the City. Shiny hockey is a drop-in program where a player can purchase multiple admission cards depending on the estimated number of times they will play over the season. At the beginning of each game, a skate monitor will collect the admission cards from the players.

Last year, due to staff shortages, an estimated 20% of shiny sessions were not monitored. The Supervisor of Active Living indicated that for games where a skate monitor is not present, rink attendants are neither noting the number of skaters on the ice nor collecting admission cards. As a result no admission cards were collected in these instances and participants were able to use the cards for an additional session.

Recommendation 9	Management Response and Action Plan
<p>The OCA recommends that the Recreation Facility Services Branch insist that all shinny hockey admission cards are collected to ensure that the COE is receiving the appropriate revenue amounts.</p>	<p>Comments: Accepted</p> <p>Program and Events Section will review options, develop an action plan and implement measures to ensure all shinny hockey admission cards are collected.</p> <p>Planned Implementation date:</p> <ul style="list-style-type: none"> • Review Immediately • Implementation for Spring 2008 Program Season <p>Responsible Party: Director, Programs and Events in coordination with Director, Access to Recreation and Sport</p>

4.3.3 Aging Accounts Receivables

A second control weakness was identified during our review of the outstanding accounts receivables for ice rentals. An aging accounts receivable report is prepared on a monthly basis to assist with the monitoring of outstanding receivables. We reviewed the aging accounts receivable report dated November 27, 2007. The report showed a balance of \$1,198,177.02 for outstanding ice rental fees, of which \$385,673.80 (or 32%) had been outstanding longer than 60 days. Our review indicated that the follow-up process for outstanding accounts receivables is not working effectively. For example, our testing revealed that an invoice of an adult user group showed a balance forward of \$16,822.62 for more than 60 days. No mitigating circumstances were documented and no apparent action had been taken against the client, who was still booking and using ice. In addition, a number of the accounts listed on the report related to bookings dated before 2005. Management should evaluate whether these amounts are collectable or consider writing them off.

The process of following up on aging accounts receivables is not documented and clearly communicated to the booking agents. In addition, effective controls are not present to ensure appropriate follow-up on outstanding amounts receivables.

Recommendation 10	Management Response and Action Plan
<p>The OCA recommends that the Access to Recreation and Sport Section ensure that the process of following up on aging accounts receivables is clearly documented and communicated.</p>	<p>Comments: Accepted</p> <p>Access to Recreation and Sport Section will develop a process and manual in cooperation with Corporate Services-AR and the Corporate Services Billing Review currently in progress. Process and process documentation to be communicated to all booking agents and other parties involved in the process.</p> <p>Planned Implementation date: Corporate Services-AR review – fall 2008/January 2009 To be sequenced immediately after this review (Spring 2009) – Summer 2009 implementation</p> <p>Responsible Party: Director, Access to Recreation and Sport</p>

Based on our review of the current allocation process and fee structure, we conclude that the COE is receiving appropriate revenue amounts. However, our analysis and benchmark study revealed that the COE fee structure and the annual process of determining fees are potentially resulting in foregone revenues for the COE in comparison to other benchmark cities. A revised fee structure and some changes to the annual process of establishing fees will better reflect the demand for ice; result in a fairer application of fees and increase revenues thereby potentially improving the financial recovery rate of arenas, which currently sits at 70.5%. We developed a number of recommendations to support these changes. In addition, we identified two control weaknesses regarding shinny hockey and accounts receivable collections that require action.

5 Emerging Trends

During interviews conducted as part of our fieldwork, a number of emerging trends became evident. Management should be aware of these trends and ensure that the allocation and booking processes are able to accommodate them in the near future:

- User demands on facilities are changing and diversifying (e.g. figure skating clubs want warmer rinks with music equipment and preferably a rink they can call home; adult user groups want rinks with good showers, hockey groups want rinks with hard ice and public seating).
- Newer recreation facilities have more amenities than older rinks. The COE currently maintains the same fee structure for all facilities. Toronto is the only city benchmarked that has a fee structure which recognizes differences in facilities.

- Various sport activities or user groups are growing (e.g. hockey academies and women's hockey).
- People stay more active longer (e.g. increasing number of active seniors).

6 Conclusions

Our objectives in this process review were to assess whether the allocation and booking processes are operating as intended; whether the City's ice allocation objectives are realised; and whether the COE is collecting and receiving appropriate revenue amounts.

The OCA recognizes that the strength and success of the current allocation process lies in the fact that it is driven and advocated by volunteer user groups, represented in the Arena User Committee, the Standards of Play Committee and the various allocation committees. Based on our review, we conclude that in general the process is operating as intended and that user groups are satisfied with the current process. They feel the process ensures fair and equitable access to City arenas for all user groups. We therefore made no recommendations to fundamentally change the current process or its organizational structure. We did, however, develop a number of recommendations that will improve the effectiveness and efficiency of the ice allocation and booking processes and reduce the City's risk exposures.

Management has accepted all 10 recommendations and the OCA believes that their action plans and planned implementation dates are reasonable. As the allocation process is a complicated process consisting of a large number of steps involving a large number of parties, the process starts about a year in advance. For example, for the 2008/2009 winter season¹⁴, the allocation process started in December 2007. Because of these timelines, we understand and accept that the first available opportunity to implement most of our recommendations is the 2009/2010 winter season or, where our recommendations also have an impact on the summer season allocation process, the 2009 summer season.

The OCA believes that implementation of the recommendations will improve the efficiency and effectiveness of the allocation process and assist in realizing the stated ice allocation objectives.

Appendix E provides an overview of the financial implications of some of the recommendations presented in this report as well as the impacts on user groups. We advise management to review these financial implications when implementing their action plans and making improvements to the COE's fee structure and ice allocation process. In recognition of the positive working relationship between the COE and the user groups, we also advise management to discuss our recommendations and the possible outcomes they have with the Arena User Committee.

¹⁴ The 2008/2009 winter season runs from October 1, 2008 to March 1, 2009.

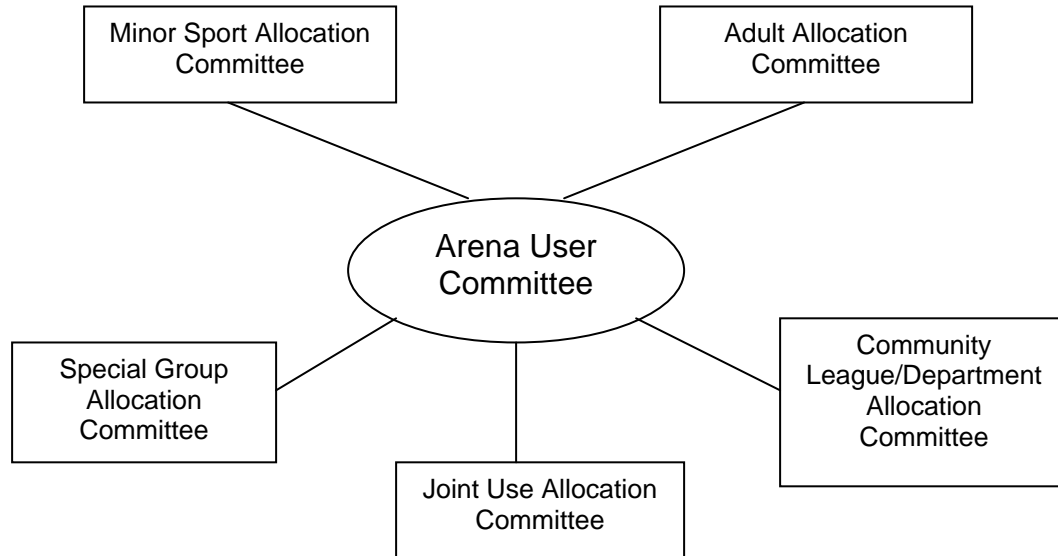
We thank the management and staff of the Recreation Facility Services Branch for their cooperation and assistance during this review. We also wish to acknowledge the efforts of the Arena User Committee, the survey respondents and the benchmark cities.

APPENDIX A City of Edmonton Arenas

Arena Name	Year
Single Arenas	
South Side	1961
Bill Hunter	1963
Russ Barnes	1966
Kenilworth	1969
Coronation	1970
Londonderry	1971
Crestwood	1971
Confederation	1972
Oliver	1972
Glengarry	1972
Westwood	1972
Michael Cameron	1972
Donnan	1972
Tipton	1972
Grand Trunk	1972
Twin Arenas	
Mill Woods	1980
Callingwood	1987
Castle Downs	1988
Clareview	1991
Kinsmen	1997

APPENDIX B ALLOCATION COMMITTEES

Arena Users Committee:



Each allocation committee allocates their share of arena surface time to their respective members and deals with any allocation concerns and issues that may arise from its members. The specific composition of the different allocation committees according to the Arena Strategy report are highlighted below.

Community League and Department Allocation Committee

The Community League and Department Allocation Committee is composed of:

- Two non-voting department representatives
- One representative from each of the Edmonton Federation of Community Leagues (EFCL) Zones

It should be noted that in practice, the Community League and Department Allocation Committee does not exist. The Senior Booking Clerk contacts the Program Supervisor Community Development and the Supervisor of Active Living directly to obtain a list of department programs. In addition, the Senior Booking Clerk obtains program requests from individual Community Leagues.

Joint Use Allocation Committee

The composition of the Joint Use Allocation Committee is:

- One non-voting department representative.
- One representative from each of the three school boards:
 - Edmonton Public School Board
 - Edmonton Separate School Board
 - Conseil scolaire Centre-Nord

Minor Sport Allocation Committee

The composition of the Minor Sport Allocation Committee is:

- Non-voting Department Representative
- Auralta Figure Skating Club
- Centennial Figure Skating Club
- Crestwood Skating Club
- Derrick Figure Skating Club
- Edmonton Power Skating Club
- Edmonton Minor Hockey Association
- Edmonton Special Olympics
- Edmonton Speed Skating Association
- Edmonton Synchronized Skating Club
- Federation Ringette Association
- Federation Skating Club
- Figure 8 Figure Skating Club
- Fliteway Figure Skating Club
- Fulton Place Skating Club
- Gateway Figure Skating Club
- Ice Palace Figure Skating Club
- Mayfield Figure Skating Club
- Para Olympics
- Recreational Co-ed Hockey
- South Edmonton Blades Skating
- Subar Power Skating
- Super Skate
- Edmonton Inline Skating – out of scope
- Edmonton District Lacrosse – out of scope

Adult Group Allocation Committee

The composition of the Adult Group Allocation Committee is as follows:

- Non-voting department Representative
- Edmonton Broomball Association
- Adult Synchronized Skating
- All contract user groups

Special Group Allocation Committee

Currently the Special Group Allocation Committee has no members.

APPENDIX C BENCHMARK STUDY RESULTS

1. Comparison of Ice Rental Rates (2007 Winter Rates - all rates include GST)

	Edmonton	Vancouver	Calgary	Winnipeg	Toronto	Ottawa
Facility Rentals:					A-Facility (*)	
Minor/Junior						
Good / Prime Time	\$ 100.00	77.10	138.25	142.99	182.61	123.81
Fair / Non-prime Time	\$ 80.10	38.55	49.50	142.99	91.87	102.09
Marginal Time	\$ 57.95	n/a	n/a	n/a	n/a	n/a
Late Night	n/a	n/a	139.5	104.99	n/a	n/a
Card Access (non-staffed)	\$ 36.90	n/a	n/a	n/a	n/a	n/a
Youth						
Good / Prime Time	\$ 100.00	123.90	138.25	142.99	155.39	123.81
Fair / Non-prime Time	\$ 80.10	62.00	49.50	142.99	78.26	102.09
Marginal Time	\$ 57.95	n/a	n/a	n/a	n/a	n/a
Late Night	n/a	n/a	139.5	104.99	n/a	n/a
Card Access (non-staffed)	\$ 36.90	n/a	n/a	n/a	n/a	n/a
Adult						
Good / Prime Time	\$ 203.85	237.45	185.75	188.27	212.1	175.75
Fair / Non-prime Time	\$ 167.45	90.50	85.25	142.99	106.61	102.09
Marginal Time	\$ 120.65	n/a	n/a	n/a	n/a	n/a
Late Night	n/a	123.90	139.50	104.99	n/a	n/a
Card Access (non-staffed)	\$ 90.50	n/a	n/a	n/a	n/a	n/a
Commercial [^]						
Good / Prime Time	n/a	n/a	n/a	n/a	257.46	183.56
Fair / Non-prime Time	n/a	n/a	n/a	n/a	129.30	183.56
Marginal Time	n/a	n/a	n/a	n/a	n/a	n/a
Late Night	n/a	n/a	n/a	n/a	n/a	n/a
Card Access (non-staffed)	n/a	n/a	n/a	n/a	n/a	n/a

* Toronto is the only City that has different rates for different types of facilities. For comparison purposes Facility Rating A was used.

[^] Organizations or teams providing an adult activity with the intent of generating a profit (e.g. by charging admission fees). Cities that do not have a separate commercial rate, charge the adult rate to both not-for-profit and commercial organizations.

2. Prime Ice Time Definitions

	Mon -Fri	Sat-Sun
Edmonton	6:00 PM - 11:00 PM	8:00 AM - 11:00 PM
Vancouver	5:00 PM - 11:00 PM	7:00 AM - 11:00 PM
Calgary	4:00 PM - 11:00 PM (closing)	all day
Winnipeg	4:00 PM - 9:45 PM	8:00 AM - 9:45 PM
Toronto	5:00 PM - 11:00 PM	7:00 AM - 11:00 PM
Ottawa	4:00 PM - 11:00 PM	6:00 AM - 11:00 PM

3. Comparison of General Public Skate Admission Fees (2007 Admission Fees)

City	Free Public Skate	Times	Adult	Youth	Child	Preschooler (>2 yrs)	Senior
Edmonton	YES	Prime time	Free	Free	Free	Free	Free
Vancouver	NO	Prime time	\$4.85	\$3.65	\$2.45	\$2.45	\$3.4
		Non Prime time	\$2.00	\$1.00	\$1.00	\$1.00	\$1.00
Calgary	NO – only on stat holidays		\$4.75	\$2.35	\$2.35	\$1.00	\$2.35
Winnipeg	YES	Mostly Prime time	\$3.65	\$2.63	\$1.85	\$1.85	\$2.63
		Mostly Non Prime time	Free	Free	Free	Free	Free
Toronto	YES	Prime time	Free	Free	Free	Free	Free
		Adult Only Skate	\$2.50				\$1.25
Ottawa	NO	Prime time	\$2.00	\$2.00	\$2.00	\$1.00	\$2.00

APPENDIX D

City of Edmonton Fee Structure

Winter Ice Rentals	2007 Rates	2008 Rates
Minor/Community		
Good Time	\$ 100.00	\$ 104.00
Fair Time	\$ 80.10	\$ 83.75
Marginal Time	\$ 57.95	\$ 62.50
Card Access (non-staffed)	\$ 36.90	\$ 52.00
Adult/Commercial		
Good Time	\$ 203.85	\$ 208.00
Fair Time	\$ 167.45	\$ 167.50
Marginal Time	\$ 120.65	\$ 125.00
Card Access (non-staffed)	\$ 90.50	\$ 104.00

APPENDIX E Overview of Financial Impact

The table below provides an overview of the financial implications of a number of the observations and recommendations presented in this report.

Description – Impact on Revenue	Impact on User Groups
Full-cost Ice (4.2.2)	
<p>Eliminate the full-cost ice arrangement to simplify the allocation process and bring full-cost ice times in line with other ice times. Potential revenue loss - \$130,000 per winter season</p> <p>Charge a separate (higher) fee for minor sports groups for prime time ice purchased beyond their ice entitlement. Note: The separate fee is provided only as an option to offset the revenue loss resulting from eliminating the full-cost ice model.</p> <p>Potential revenue generation if separate rate was set at 75% of unsubsidized rate and full cost ice model is eliminated: \$150,000. Resulting in a net increase of \$20,000 (\$150,000 - \$130,000)</p>	<p>Minor hockey, figure skating and ringette are the primary buyers of full-cost ice. These groups will likely be positively affected, as they will be charged the lower subsidized fee rather than the full-cost fee for these ice times.</p> <p>Minor hockey and ringette are the only two minor sports groups that purchase ice beyond their entitlement. The net impact of a separate fee in combination with eliminating full-cost ice is expected to be minimal as these changes offset each others impacts.</p>
Card access (4.2.4)	
<p>Eliminate card access to City Arenas and consolidate weekday daytime use to a limited number of staffed arenas. Potential revenue generation – \$20,000 per winter season</p>	<p>Adult groups and hockey academies will likely be negatively affected, as they will have to pay the higher marginal rate (or non-prime time rate) for daytime ice rather than the current card access rate.</p>
Prime time definitions (4.3.1)	
<p>Eliminate the fair time category by rolling back prime by one hour and extending marginal end time by one hour. Prime time definitions should reflect demand for ice. Potential revenue generation - \$ 0</p> <p>Roll back prime start times by two hours on weekdays Potential revenue generation - \$92,500 per winter season</p>	<p>Adult groups and figure skating are the primary users of after school ice time. These groups will likely be negatively affected, as they will have to pay the higher prime time rate rather than the current fair rate.</p>
Potential Revenue Increase	\$262,500
Potential Revenue Loss	\$130,000
Net Result Per Winter Season	\$132,500