

Lakeville ARENAS

**BOARD OF DIRECTORS MEETING
FEBRUARY 26, 2025**



Lakeville Arenas Board Meeting Agenda

Wednesday, February 26, 2025

3:30 p.m. Hasse Arena Lobby Conference Room

1) **Appointment of Officers for 2025**

1. **2024 Chair:** Judy Keliher

2025 Chair: _____

2. **2024 Vice Chair:** Michelle Volk

2025 Vice Chair: _____

3. **2024 Secretary:** Troy Patterson

2025 Secretary: _____

Action(s) Needed: Motion to appoint officers.

2) **Meeting Call to Order**

3) **Consent Agenda**

1. Approval of Lakeville Arenas Board Minutes for Dec 20, 2024.

Action(s) Needed: Motion to approve the consent agenda.

4) **Arenas Manager's Report**

1. Arenas Manager Report Review/Discussion.

2. Acknowledgements/Approvals Detailed in Managers Report.

Action Needed: Motion to accept the Arena Managers Reports, Acknowledgements, and Approvals as submitted.

5) **Other Business**

6) **Signatures Required**

1. Lakeville Arenas Board Meeting Minutes for Dec 20, 2024.

7) **Adjourn**

Lakeville Arenas Board of Directors Meetings

Every 4th Wednesday of the month at 3:30 pm, Hasse Arena Lobby Conference Room, 8525 215th Street. Lakeville MN 55044



BOARD OF DIRECTORS MEETING

FEBRUARY 26, 2025 - CONSENT AGENDA

1. Approval of Lakeville Arenas Board Minutes for December 20, 2024.

Lakeville Arenas Board Meeting Agenda

Friday, December 20, 2024

3:30 p.m. Hasse Arena Lobby Conference Room

Meeting Call to Order

Board Chair Keliher called the Lakeville Arenas Board Meeting to order at 3:35 p.m. on Friday, Dec 20, 2024.

Members Present: Baumann, Keliher, Miller, Volk. **Absent:** Patterson

Other Present: Joe Bergquist – Lakeville Arenas General Manager

Consent Agenda

Ms. Volk moved to approve the consent agenda. Mr. Miller seconded the motion. There was no further discussion, and the motion carried 4-0.

Arenas Manager's Report

Mr. Bergquist reviewed the Manager's Report with the board of directors.

Acknowledgements/Approvals below are detailed in the Manager's Reports.

- i) 2 New Full Time Budgeted Staff Hired.
- ii) Removing Temp Pavilion Rink Step Increases from Salaried Staff.
- iii) Requesting the City to allow Lakeville Arenas to use the remaining unused contingency funds from the project budget for Arenas staff to complete amenity construction that the approved change order savings will not cover.
- iv) New public Wi-Fi services will be added at Ames Arena and Hasse Arena.

Ms. Volk moved to accept the Arena Managers Report and the acknowledgments and approvals as submitted.

Mr. Miller seconded the motion. There was no further discussion, and the motion carried 4-0.

Resolutions

- Ms. Volk moved to adopt Resolution 12202024.1 Approving Health Insurance Coverage Rates 2025. Mr. Baumann seconded the motion. There was no further discussion, and the motion carried 4-0.
- Ms. Volk moved to adopt Resolution 12202024.2 Appointing 2025 Depositories. Mr. Miller seconded the motion. There was no further discussion, and the motion carried 4-0.
- Mr. Miller moved to adopt Resolution 12202024.3 Non-Waiver Tort Liability - Lakeville Arenas. Ms. Volk seconded the motion. There was no further discussion, and the motion carried 4-0.
- Mr. Miller moved to adopt Resolution 12202024.4 Approving 2025 Salary Plan COL Increases. Ms. Volk seconded the motion. There was no further discussion, and the motion carried 4-0.
- Ms. Volk moved to adopt Resolution 12202024.5 Adopting 2024 Year-End Amended Budget. Mr. Miller seconded the motion. There was no further discussion, and the motion carried 4-0.
- Ms. Volk moved to adopt Resolution 12202024.6 Amending the 2024 Capital Reserve Fund Budget -Year-End. Mr. Miller seconded the motion. There was no further discussion, and the motion carried 4-0.
- Ms. Volk moved to adopt Resolution 12202024.7 Approving the Transfer of 2024 Year-End Net General Funds to the Capital Reserve Fund. Mr. Miller seconded the motion. There was no further discussion, and the motion carried 4-0.

Board Chair Judy Keliher's Final Meeting

Ms. Keliher chose not to file for re-election to the Lakeville Areas School Board this year, so this will be her final meeting. The board of directors all expressed gratitude for Ms. Keliher's years of service on the Lakeville School Board and the Arenas Board and wished her well. Mr. Bergquist also appreciated her service and support of the Arenas management and staff.

Adjourn

Ms. Volk moved to adjourn the meeting, and Mr. Baumann seconded it. There was no further discussion, and the motion carried 4-0.

LAKEVILLE ARENAS

By: _____
Board Chair **Date**

ATTEST:

Board Secretary **Date**

Lakeville Arenas Board of Directors Meetings

Every 4th Wednesday of the month at 3:30 pm, Hasse Arena Lobby Conference Room, 8525 215th Street. Lakeville MN 55044

Lakeville

ARENAS

ARENAS MANAGER'S REPORT

FEBRUARY 26, 2025



Date: February 26, 2025

To: Lakeville Arenas Board of Directors

Fr: Joe Bergquist – Lakeville Arenas General Manager

Re: February 2025 Managers Report

I. CUSTOMER NEWS & EVENTS

a. Lakeville Hockey Association (LHA)

- i. **Hockey Day Lakeville:** Lakeville Hockey Day and the Allina Health Pavilion Rink ribbon cutting was a big success despite the cold weather. Thank you to all who attended the ribbon cutting.
- ii. **MN Hockey Regional Tournament:** MN Hockey District 8 is hosting one of four Peewee-A Regional Tournaments this year, and District 8 asked LHA to be the host site. The tournament will take place this coming weekend at Ames Arena. Unfortunately, the Lakeville Teams did not make the tournament this year, but it will still be an excellent opportunity to highlight LHA, our arenas, and the community.
- iii. **Arenas Matching Grant & Tournament Partnership:** I contacted the LHA President to attend their February Meeting so that I could request a matching grant donation to help us fund the remaining amenities at the Allina Health Pavilion Rink and an agreement to partner on tournaments next year. However, they could only allow me 10 minutes due to limited time, which would not be enough time for a thorough presentation and consideration. He mentioned that he hoped to form a facilities committee to meet with me regularly to discuss Arenas' needs and issues. Therefore, I sent the attached memo detailing my requests to their board before their meeting. I am hoping to meet with such a committee later. Below is their response following their meeting.

“ We established a Facilities Committee and our first meeting is scheduled for next Tuesday. There are 5 of us on the committee. The first agenda items will be the purpose of the committee, identify the best way to collaborate with you and the Arenas board, and begin putting together a point of view on your requests. With the business of the end of the season and in March we have elections, it may be difficult to make much progress in the next month.”

b. High Schools

- i. The North Boys will compete against the South Boys in Rochester this Friday to determine who will represent Section 1AA in the State High School Hockey Tournament in two weeks.
- ii. The South Girl's season ended with a loss to Northfield in the Section 1AA Tournament Semi-final game.
- iii. The North Girl's season ended with a loss to Park (Cottage Grove) in the Section 3AA Tournament quarter-final game.
- iv. South Girls Currently 5-6-1

- c. **Hockey Hall of Fame Game January 1st:** The US Hockey Hall of Fame Game, took place at Hasse Arena on January 1st at 5 p.m. The game featured the Minnesota Gophers Women's Team vs. the Ames Arena 19900 Ipava Ave | Hasse Arena 8525 215th Street West | Lakeville MN 55044

Bemidji State Women's Team. It was a huge success and went off without a flaw. Our management team, Nick Ames and Brennan, who headed up the event for the Arenas involvement, did a fabulous job, and we received lots of compliments on them and our entire staff who worked the game



- d. **Heritage Figure Skating Club.** The Heritage Figure Skating Club's Annual Ice Show is set to take place on March 21st & 22nd.
- e. **Arenas Programming**
 - i. **Spring Mite League:** We are preparing for the second year of our Mite 3on3 Leagues. Last spring, 145 skaters participated, and this year, we have 148 to date, with another month left for registration.
 - ii. **Learn to Skate:** We are wrapping up our Winter program this Saturday, March 1st. We had a fantastic session with over 398 skaters! (Record enrollment) For Valentine's Day, we celebrated why we love skating. We had a fantastic turnout and lots of nice messages for our instructors. (See photos.) Spring registration will start on March 7th, with classes beginning on Sunday, April 6th, and Tuesday, April 8th. We have 27 skaters participating in the Heritage Figure Skating Legacy on Ice Show March 20-21.
 - iii. **Aspire:** We had another awesome Aspire session with all 10 skaters passing at least one level and working on many power skating exercises during the first week instead of our regular off-ice programming. We had each skater make goal vision boards, and it was so fun and successful that the skaters loved tracking their progress. Spring registration will start on March 7th, and classes begin on Sunday, April 6th. We are also gearing up for our competition class to start on April 1st. Skaters will have 4 weeks (one lesson per week) to learn a program with our Aspire coaches and compete on behalf of Lakeville Skating Academy in the Star of the North Competition at the end of April.
 - iv. **Lakeville Skating Academy Compete USA**
We will host our first Competition at Hasse Arena on Saturday, June 21st. We received our Sanction from US Figure Skating and started planning. We just had our first committee meeting last week, and we are so excited to put on the event and serve the South Metro skating community. This event is for skaters from Snowplow Sam to Aspire 4.



II. ARENA OPERATIONS

a. STAFFING

Our Staffing this year has been excellent, and we continue to receive regular applications for part-time workers. One of our full-time Driver Supervisors resigned to take a higher-paying position in Eagan, but the timing is perfect. We are slowing down now, and labor is up, so we will likely hold off on re-hiring until later.

Now that our staffing has stabilized and been consistent for the past year, I will implement a new management model called the Working Genius.

“The 6 types of Working Genius is a new model that helps people discover their natural gifts and thrive in their work and life. When people are able to better understand the types of work that bring them more energy and fulfillment and avoid work that leads to frustration and failure, they can be more self-aware, more productive and more successful.

Working Genius identifies the six fundamental activities that are required for any type of work and provides a simple framework for how work gets done. Too many people feel frustrated, underutilized or misunderstood at work. Far too many teams experience failure, feel stuck or are confused because they don't know how to tap into the people around them. Working Genius is changing the way people are thinking about their work and teams, and is leading to more dignified, fulfilled and successful work.”

We will kick off the model on March 17th with a full training day and brainstorming with all our supervisors and managers. Then, I invited them and their spouses to dinner (paid for individually) that evening, after which we will attend a Wild Game together (paid for by me, not the Arenas). I am very excited about this new model. I believe it will make a huge difference in operating our facilities with our small management team and provide them with a much-improved working environment and overall satisfaction in their positions.

b. Allina Health Pavilion Rink

Overall, feedback on the new rink has been very positive and understanding. We have also learned many lessons and are in an excellent position for next season, provided we can complete all the amenities.

c. Repair & Maintenance

Our new Zamboni ice-leveling laser systems are now operational at Ames Arena. The systems will greatly reduce time spent on ice maintenance, shaving, or building the ice, ultimately freeing up staff for other important facility maintenance.

Our first year of plowing our own parking lots went well. While there was not much snow, our staff quickly caught on to the process and equipment used dialed in.

January	8970.8970.6282.00 CONTRACT EQUIPMENT REPAIR	
01/03/2025	R & R SPECIALTIES INC/SET UP NEW ZAMBONI LEVELING SYSTEM	1,461.10
01/03/2025	R & R SPECIALTIES INC/ZAM BLADE SHARPENING	115.00
01/20/2025	R & R SPECIALTIES INC/ZAMBONI BLADE SHARPRNING	115.00
Total for January		1,691.10

January	8970.8970.6283.00 CONTRACT BUILDING REPAIR	
01/01/2025	MEI TOTAL ELEVATOR SOLUTIONS/HASSE ELEVATOR MAINTENANCE JAN25	238.54
01/03/2025	RINK TEC INTERNATIONAL INC/AMES ANUAL MAINTENANCE PROGRAM AGREEMENT	6,228.40
01/08/2025	NAC/AMES TOILET REPAIRS	1,022.93
01/15/2025	NAC/HASSE URINAL REPAIRS	1,182.07
01/15/2025	NARDINI FIRE EQUIPMENT CO INC/AMES - ANNUAL FIRE EXT INSPECTION-RECHAR	813.00
01/16/2025	NARDINI FIRE EQUIPMENT CO INC/HASSE - ANNUAL FIRE EXT INSPECTION-RECHA	185.00
01/16/2025	RINK TEC INTERNATIONAL INC/HASSE ANUAL MAINTENANCE PROGRAM AGREEMEN	6,228.40
01/22/2025	OLE AND LENA'S DOOR SERVICE, LLC/HASSE OVERHEAD DOOR REPAIRS	3,307.79
01/24/2025	COOL AIR MECHANICAL INC/AMES DH1 SEDRVICE CALL	573.50
01/29/2025	J.F. AHERN CO/HASSE SPRINKLER SYSTEM REPAIRS	3,024.00
01/31/2025	AID ELECTRIC CORPORATION/INSTALL ZAM CHARGER CORD	268.57
Total for January		23,072.20

III. FINANCIALS – Not Available.

The Finance Department is busy with the 2024 Audit, so we have no Financials to report on this month.

IV. OPERATING STATISTICS

a. Ice Rental

ICE HOURS SOLD	JANUARY			YEAR TO DATE		
	2024	2025	Change	2024	2025	Change
LHA ICE	412	539	127	412	539	127
ISD 194 HS ICE	247	242	-5	247	242	-5
HFSC ICE	30	30	0	30	30	0
CLINICS/CAMP ICE	28	16	-12	28	16	-12
OTHER ICE	20	4	-16	20	4	-16
ADULT HOCKEY ICE	26	45	19	26	45	19
PICKUP ICE SALES	10	33	23	10	33	23
TOTAL HOURS	773	909	136	773	909	136

ICE HOURS SOLD	FEBRUARY			YEAR TO DATE		
	2024	2025	Change	2024	2025	Change
LHA ICE	405	509	104	817	1048	231
ISD 194 HS ICE	150	124	-26	397	366	-31
HFSC ICE	30	28	-2	60	58	-2
CLINICS/CAMP ICE	22	10	-12	50	26	-24
OTHER ICE	36	4	-32	56	8	-48
ADULT HOCKEY ICE	30	42	12	56	87	31
PICKUP ICE SALES	12	25	13	22	58	36
TOTAL HOURS	685	742	57	1458	1651	193

b. Ice Revenue

ICE RENTAL REVENUE	JANUARY			YEAR TO DATE		
	2024	2025	Change	2024	2025	Change
LHA ICE RENTALS	\$108,875	\$127,722	\$18,847	\$108,875	\$127,722	\$18,847
HS ICE RENTALS	\$64,783	\$64,663	-\$120	\$64,783	\$64,663	-\$120
OTHER ICE SALES	\$22,970	\$23,840	\$870	\$22,970	\$23,840	\$870
TOTAL REVENUE	\$196,628	\$216,225	\$19,597	\$196,628	\$216,225	\$19,597

ICE RENTAL REVENUE	FEBRUARY			YEAR TO DATE		
	2024	2025	Change	2024	2025	Change
LHA ICE RENTALS	\$104,678	\$126,569	\$21,891	\$213,553	\$254,291	\$40,737
HS ICE RENTALS	\$41,898	\$34,476	-\$7,422	\$106,681	\$99,139	-\$7,542
OTHER ICE SALES	\$32,106	\$22,245	-\$9,861	\$55,076	\$46,085	-\$8,991
TOTAL REVENUE	\$178,682	\$183,290	\$4,608	\$375,310	\$399,515	\$24,204

c. Learn to Skate

LEARN TO SKATE LESSONS	LTS REVENUE			LTS REGISTRATIONS		
	2024	2025	Change	2024	2025	Change
Winter Session	\$ 35,022.00	\$ 42,160.00	\$7,138	359	398	39
Spring Session			\$0			0
Summer Session			\$0			0
Fall Session			\$0			0
TOTAL REVENUE	\$35,022	\$42,160	\$7,138	359	398	39

d. Programing & Admissions – No Data Available

e. Welcome Center Sales – No Data Available

V. ATTACHMENTS

a. Memo to LHA

Manager's Report Respectfully Submitted by



Joe Bergquist - Lakeville Arenas General Manager

Date: Tuesday, January 11th, 2025.

To: Lakeville Youth Hockey Board of Directors

Fr: Joe Bergquist
Lakeville Arenas, General Manager

Re: Hasse Matching Grants Commitment / Pavilion Amenities

Hello Lakeville Hockey Board Members,

First, I want to thank you for all you do as volunteers. As a former youth hockey board member, administrator, and coach for over twenty years and a district president for 10 years, I know how hard it can be to find the time to commit to all the responsibilities that you have all volunteered for. And while it may not always feel like it, most of your members greatly appreciate it.

Lakeville Arenas & LHA Facilities Committee and LHA Board Meetings

I had planned to attend your February board meeting tomorrow to cover a few significant items, but I have a prior commitment that came up. While communicating with Dan about attending, he told me his idea to form a facilities committee to meet with me regularly to discuss arena-related topics, concerns, and requests. I very much welcome and love his plan, and it makes total sense, mainly because my items are generally larger in scope, and there is not enough time at your monthly board meetings to give them the time needed.

I want to expand on his idea and make these suggestions concerning this committee and your monthly board meetings during the regular winter season.

- Meet on the 1st Wednesday of the following months to discuss major big-picture issues, concerns, or projects affecting the Arenas and LHA. The first Wednesday allows for any items to be analyzed and considered before being presented to the board at the regular LHA board meeting.
 - 1st Wednesday in March: Season Review & Look Ahead. This will be an opportunity to debrief on the current season before it ends while everyone is still engaged and things are fresh in our minds. Second, it will be an opportunity to look ahead at the off-season projects and plans and the larger items for next season, such as scheduling, budgets, tournaments, other significant events, and other items that get addressed in the spring.
 - 1st Wednesday in May: This meeting will follow up on the more significant spring decisions and other new business for next year. Having it the week before the LHA board meeting will allow for any board approvals needed at the LHA May Meeting.
 - 1st Wednesday in October: This meeting will be a good pre-season meeting, with everyone back and fully engaged for the upcoming season. We will finalize any new items implemented and review standard seasonal procedures and reminders regarding the Arenas.

- 1st Wednesday in December: The season is just getting into full swing, and this is an opportunity to address any last-minute needs, concerns, or questions from coaches, managers, and the membership in general.
- Committee Members. I prefer the board to appoint the following positions to the committee rather than having it be volunteers. This will ensure that the board members whose areas of responsibility are most impacted by the facilities are at the table, as well as the specific executive leadership directors needed for significant decisions.
 - President or VP Operations
 - Treasurer or Bookkeeper
 - Administrator
 - Equipment Director
 - North Head Coach or North Development Director
 - South Head Coach or South Development Director
 - Ice Cats Head Coach or Ice Cats Development Director
 - Mite Director or Development Director
 - Sponsorship Director or Coordinator
 - Ice Director
 - Tournament Director
- I would also like our operations managers, Nick and Brennan, to attend the LHA monthly board meetings during the regular season to respond to general operating needs, concerns, or questions as they arise. This would allow us to serve LHA better and consistently communicate on smaller daily operating items, such as rumors, procedures, ice conditions, and other misc. things throughout the regular season.

Hasse Matching Grants Commitment

At our last Arenas Board Meeting, after I provided an update on the Pavilion Rink Amenities Construction, the board asked me to contact the LHA board regarding LHA's past indications that they would assist in funding the amenities that were not part of the original construction funds approved for the new Allina Health Pavilion Rink. The mayor also approached me at Hockey Day Lakeville and inquired about the status of any assistance.

I should first provide everyone with a snapshot of the project's history and progression, as most of you were not part of the board when it began. LHA proposed the project idea to me at the start of 2021 due to a shortage in ice time. Many LHA teams traveled to arenas outside Lakeville and as far away as Shattuck St. Mary's in Faribault. The weather was also a contributing factor, as the warmer trends in recent years have been challenging for ice at the outdoor natural ice rinks in the parks.

I did not favor a covered outdoor rink due to the higher operating expenses, lower rental fees, losses that would need to be absorbed elsewhere, and all the other problems associated with operating these facilities. However, I did support the project as it provided for the replacement of the existing ice plant that was failing. I believed it would be a positive investment in our partnerships with LHA and move us closer to a 4th indoor sheet of ice as it would be built with footings in place to be fully enclosed someday. So, I took the idea to Justin Miller, the city administrator and member of the Arenas Board.

LHA agreed to contribute approximately 1.5 million of the estimated 4.5 million needed. Rather than requiring an upfront payment, the city agreed to finance LHA's contribution over a long-term agreement like the one that had just been paid off by LHA in 2019 for Ames Arena and the new one agreed to in 2019 by LHA for Ames's Parking lot renovation. The city amended the new parking lot agreement to include the new Pavilion Rink commitment. It spread the payments out so that the annual fee is approximately the same as the original Ames Arena agreement payment that LHA had made up to 2019, thus not adding any additional burden onto LHA families than already existed.

During negotiations, it was also known that many of the amenities and equipment needed were not included in the estimated 4.5 million to build the base structure, which included construction of the ice plant, the roof structure, the rink piping and surface, and the dasher boards surrounding the rink. LHA verbally assured the Arenas board and the city that they would assist with additional funds needed for the amenities and equipment necessary to operate the facility once they were known.

With these basic understandings in place, the city agreed to include the project in the park's referendum, which would be voted on in the upcoming November elections. The referendum then passed, and our construction management company started completing the drawings so that estimated costs could be accurately calculated and the next phase of bidding could begin.

By the time drawings were completed in early 2022, construction costs had increased to nearly 7.5m due to supply chain shortages and inflation, and the project was in jeopardy. Negotiations with LHA on a new user agreement and the amended agreement for LHA's annual payment continued. LHA continued to assure us that they would help when the time came for amenities. The city agreed to move forward on the project but to do so; they had to find and take the additional 2.5m needed from another source in the city capital budget, as the referendum only included the original 4.5m estimated that could be used towards the Pavilion Rink, which they did.

As the project manager for Lakeville Arenas, I cut or saved approximately 330,000.00 through change orders with our contractors. The Lakeville Arenas Board agreed to put that money towards the amenities. In addition, we depleted our capital reserve fund by approximately 365k to pay for a new Zamboni and the other equipment needed to operate and maintain the rink.

In 2023, the Hasse Family extended their naming rights agreement on Hasse Arena and requested that we try to get others to match those funds. So, we announced the 250,000 in matching grants program to our primary users, in which we would match any funds donated for facility improvements.

Below is a summary of the approximate funding, the amenities under construction, and the amenities needing funding to maximize the facility's year-round use and cash flow so that operating costs do not need to be subsidized through increased indoor ice rates and other methods.

Base Project Budget

Original Referendum Funding from the City:	3,100,000.00
<u>LHA & HFSC Contribution:</u>	<u>1,500,000.00</u>
Total Estimated Base Budget:	4,600,000.00

<u>Additional Funding Contributed from City:</u>	<u>2,500,000.00</u>
Total Base Project Funded:	7,100,000.00

Equipment Expenses

New Zamboni:	210,000.00
New Skid Steer & Attachments:	90,000.00
New John Deere & Attachments:	60,000.00
New Equipment Trailer:	15,000.00
Total Equipment purchased by Lakeville Arenas:	365,000.00

Current Estimated Amenity Expenses Under Construction by Arenas Staff

Project Savings approved by the Lakeville Arena Board:	330,000.00
5 - Warming Houses:	-120,000.00
Zamboni Shed & Storage Areas:	-150,000.00
Seeding & Sodding:	- 10,000.00
Windscreens (North & West):	- 50,000.00
Lakeville Arena Staff Labor (TBD & getting paid out of arena's operating fund)	0.00
Balance Remaining:	0.00

Additional Priority Amenities Estimates in order of Priority

Additional Sunscreens: 50,000.00

Sunscreens/windscreens are needed along the east and south sides for ice conditions. When the temperatures get near or above freezing, the surface in the direct sunlight melts, resulting in ponding until the sun goes down, when it then freezes back up immediately.

Security/Wind Fencing: 50,000.00

Perimeter Fencing is needed for security, but it was also discovered that the south and east sides of the building need additional wind protection below the sunscreens on warmer, windy days. The wind blows to the boards, through gates, cracks, and up and over, which melts the ice surface when it gets near or above freezing and makes it challenging to re-freeze the ice even after the sun goes down. It also warms the poly on the dashers, which then melts the edges around the boards, which melt deep, leaving a dangerous gap that isn't easy to fill even after freezing back up.

Bleachers: 40,000.00

Gas Lines & Radiant Heaters: \$75,000.00

Gas lines are needed to heat the warming houses more efficiently than electricity. We are also placing radiant heaters above the player boxes, penalty boxes, scorekeeper boxes, and bleachers. In conjunction with the windscreens, this will help eliminate cancelations on colder days, ultimately affecting our expenses

and losses that need to be passed on through ice rates internally and externally. We also need gas for firepits in the patio area, future concessions, and a catering kitchen for spring and summer, which will help offset winter losses.

Patio-Play Area-Concessions-Catering: \$75,000.00

The patio and play area are essential for spring and summer activities and dry-floor events. Initially, there will be a patio area with firepits and tables for year-round use during events. A play area, a concession container, and a community catering kitchen will be added for dry-floor activities and events. The entire area will create a fun and comfortable gathering area year-round on cold and warm days. It will be especially valuable in the spring and summer seasons for attracting and hosting various dry-floor activities and events that will help offset the winter losses and keep ice rates low.

Covered and screened walkways between the buildings: 30,000.00

A roof will cover the walkway to and from Hasse Arena, and windscreens will be installed to protect skaters and fans moving between the buildings.

Event Deck & Banquet Equipment for Expanded Community Use: 220,000.00

To fully utilize the facility in the summer, an event deck is needed to keep the turf, flooring, and other items off the concrete surface that can and will attract standing water. The equipment required will include tables, chairs, audio and visual equipment, stages, podiums, and other equipment that people will need and rent for the various activities and events. We will also need a forklift and other material-handling equipment. In addition, we will purchase pickleball equipment and flooring for an upscale pickleball facility experience that is rain-proof.

Total Estimate of Additional Arena Amenities Needed: 540,000.00

LHA 2025 Matching Grant Commitment: - 250,000.00

Lakeville Arenas Matching Grant: - 250,000.00

Remaining Funds Needed: 40,000.00

Community Use

The off-season expanded community use is crucial to the pavilion rink's success. It will directly affect LHA by offsetting the winter losses we will incur, which will help us continue to hold our ice rates and become one of the more affordable arenas in the area. Without the off-season success, we will likely need to keep our rates at or near the top of the surrounding rinks like Farmington, as we have done in the past.

In addition to the financial rewards of lower ice rates, community support for LHA and hockey will be more positive overall as the Pavillion Rink's off-season dry-floor use grows. Currently, hockey families equate to approximately 5% of Lakeville's population. Public opinion can be harsh and have dire consequences for elected officials when making decisions, such as spending over 6 million dollars on a small portion of the population. Future funding considerations will be affected depending on the results of this investment.

Without the success of our off-season amenities and the opportunities they will create for a more significant portion of the population, right or wrong, the majority could view us as a special interest group unfairly funded and impact future spending on our facilities and programs. However, with these amenities, we can be seen as a valuable resource for more than just hockey and figure skating, which can lead to more funding,

projects, and improvements. So, I encourage the LHA board to help us complete all the amenities, allowing us to maximize revenue and support our Hockey Homes at the Rinks.

Currently, we are asking for a letter of intent from LHA to contribute at least 250,000 in 2025 towards the additional amenities needed at the Allina Health Pavilion Rink so that we can complete the amenities work already started and the others that are required to cash flow and maximize the facility year-round.

2025-2026 Tournament Partnership

In addition to the off-season use of the pavilion rink at Hasse Arena, it will be crucial for us to maximize the Pavilion Rink during the season. LHA's primary needs are for weekday ice, with much lower demand on the weekends when ice is abundant, especially when there are no tournaments on the indoor rinks. We believe the best way to maximize the facility is to host weekend youth tournaments whenever LHA cannot purchase all the ice.

Therefore, we would like to partner with LHA to host and expand your current youth tournaments, taking much of the burden off your membership's shoulders while providing even greater value to LHA. As with all associations, weekend ice is generally abundant; running tournaments is one way to fill the ice time. I am proposing a similar scenario to what I did in Breezy Point to maximize that facility.

In Breezy's situation, we needed a tournament every winter weekend to maximize the ice time and fill the resort that owned the arena. However, doing so stresses the association's tournament director and parent volunteers too much. Therefore, we took over running all the winter youth tournaments for the association without any need for parents or volunteers to spend all day every weekend at the rink. The association made little or no money running the few they did, so they were happy to let us take them over. In addition, we made sure to schedule at least one tournament for nearly every level, and we provided every team in the association with one free entry into each 8-team tournament and two entries if it was a 16-team tournament. In Breezy's case, almost every team received two home tournaments to compete in.

We understand each association and the rink's needs are different, so I would like to start by proposing the following partnership with LHA here at Lakeville Arenas. Please understand that this is simply a starting framework that will benefit both the Arenas and LHA in maximizing the use of the Pavilion Rink to minimize operating losses during the short three-month season. If you want to pursue this further, we would like to meet with the proposed facilities committee to work through the details and other ideas to develop a partnership that will work for everyone.

The Arenas will run and staff the tournaments under a Letter of Memorandum.

LHA shall still employ a Tournament Director responsible for the following.

- Protecting LHA's interests by ensuring the Arenas operate the tournaments in a manner that best represents LHA's needs, values, and beliefs.
- Working with the Arenas Program Coordinator and the Facilities Committee on setting tournament dates and levels. Dates, levels, and tournament sizes will be set based on LHA's ice needs and ability to maximize ice usage on weekends.

- Reviewing, approving, signing, and submitting all MN Hockey Tournament Applications as approved by the Facilities Committee and Arenas Programs Coordinator.
- Administer, schedule, and pay the referees for all tournaments. (This will need to be done through LHA because of the red tape and the time it would take for referees to receive compensation)
- Assist the Programming Manager with marketing all the tournaments.
- Work as the Liaison between the Home LHA Teams for each tournament and any special events or activities they would like to do during their home tournament.
- The LHA tournament director shall provide administrative support as listed above and is not required to work the actual tournaments unless they request to.
- Should the LHA Tournament Director wish to work any of the actual tournament operations, they may, at the Arena's discretion, be hired by the Arenas as an operations worker or supervisor and receive additional hourly compensation from Lakeville Arenas and be scheduled as needed at the discretion of the Arenas Programming Coordinator.

Lakeville Arenas shall be responsible for the following.

- Providing up to 2 free LHA team entries per 16-team tournament and 1 per 8-team tournament.
- Reimbursing LHA for the LHA Tournament Director's annual agreed-upon salary.
- Reimbursing LHA for all referees and tournament permits.
- Managing registrations and collecting all fees.
- Managing the administration of all tournament operations, brackets, schedules, activities, events, and other needs.
- Schedule and pay for all required EMT's.
- Marketing and promoting the tournaments.
- Providing all awards.
- Providing a Tournament Site Manager for each tournament.
- Providing all tournament staff needed, including check-in/information greeters, scorekeepers, clock & video board operators, light show and music operators, camera operators, and other staff necessary to create a fun, exciting, and memorable experience for all tournament visitors.

Summary

While I know there is a significant amount of information and details to consider and work through, I hope you can move quickly on your initial responses at your board meeting tomorrow evening, as time is of the essence.

First, regardless of the amenities funding and tournament proposal outcome, I hope you will create the Facilities Committee at your board meeting tomorrow night. I believe this will be of great value to both of our organizations.

Second, we have started our budgeting, which will be completed over the next few months. Your decision regarding the matching grants commitment and the tournament proposal will significantly impact decisions on our budgets, staffing, and rates, as well as yours, I'm sure. This year, our rentals from the outdoor rink are approximately 55,000 for the season, and our preliminary estimate is that our added operating expenses are more than double that, if not closer to triple. However, we won't be able to calculate that until our season is completed and we have all the financial reports.

Regarding the matching grants program and the tournaments, we ask you to send them both to either the Facilities Committee, if you choose to form it, or another committee (s) that can ask questions, clarify details, and negotiate them further to provide a preliminary recommendation at your March meeting and then a final decision by the board at your April Meeting.

Regarding the matching grants, we would like to see a letter of commitment on amenities funding for 2025, whether for the whole 250k to complete the estimated priorities above or a lesser amount. We are also open to a more significant commitment if you want us to match additional dollars for other amenities, such as the 3on3 rinks at Hasse & Ames, a larger enclosed training outside of Hasse between the rinks, or other facility improvements you would like us to consider. We need this decision as soon as possible to complete most of our priorities before next season.

If you are interested in the tournament proposal, we will also need to move quickly through the committee. The tournament dates and levels must be determined in the next couple of months to advertise and open registrations sooner than usual. Many of them will be new tournaments without a following that we will need to build.

In closing, thank you for your time and consideration. If negotiated and agreed to, I believe these proposals will significantly and positively impact LHA, Lakeville Arenas, and the entire Lakeville Community.

Best Regards,



Joe Bergquist

Lakeville Arenas General Manager.