

ImOn Arena

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IMON ARENA

Budget Highlights	FY 2024	FY 2025	FY 2026	% Change From FY 2025 Budget
	Actual	Budget	Requested	
<u>Expenses</u>				
Employee Expense	\$ (1,523)	\$ —	\$ —	0.0 %
Supplies and Services	\$ 402,324	\$ 411,929	\$ 400,984	-2.7 %
Machinery and Equipment	\$ —	\$ 16,100	\$ 9,700	-39.8 %
Total Expenses	\$ 400,801	\$ 428,029	\$ 410,684	-4.1 %
Debt on Projects paid with Sales Tax Fund (20%)	\$ 183,849	\$ 372,587	\$ 470,837	26.4 %
Property Tax Support	\$ 400,801	\$ 428,029	\$ 410,684	-4.1 %
Percent Increase (Decrease)				-4.1 %

Significant Line Items

Background

1. The Dubuque Community Ice Center (now known as ImOn Arena), was designed, developed, and built under a Development Agreement between the Dubuque Community Ice & Recreation, Inc. (DICE), the City, the Dubuque Racing Association (DRA), and Battlefield Dubuque, LLC commencing October 30, 2009. Opened September 18, 2010, the building is owned by the City and was leased in a 25-year lease agreement to DICE. DICE, a 501(c)(3) non-profit organization, raised all funds to build the Ice Center. DICE managed and operated the Ice Center on a day-to-day basis. The City of Dubuque received notice from DICE on June 17, 2021, of its intent to relinquish its leaseholder rights. DICE agreed to continue operating the Ice Center through September 5, 2021.

The Development Agreement outlined the steps to be taken in the event the lease was terminated. These steps ended with the City taking ownership of all assets and commencing with full Ice Center operations on September 6, 2021. This was to continue ice operations to avoid disruption of ice usage for all user groups involved. As the City took over the operations and focused on the short-term needs of running the facility, they continued to consider what would be the best management model for the ice center in the long term.

The City and the DRA discussed the opportunity to move the day-to-day operations of the Ice Center to the DRA. This led to an interim staffing agreement between the City of Dubuque and the DRA executed on January 1, 2022, in which the DRA would provide interim staffing to operate the facility. All operating expenses were charged to the City. Only the direct employee expenses were included in the monthly expenses. Indirect employee costs incurred during the term of the interim staffing agreement was provided by the DRA and not billed to the City. All other costs and operations continued to be the responsibility of the City during the term of that agreement.

The facility was renamed Dubuque Ice Arena in October of 2022. A Management Agreement was adopted between Schmitt Island Development Corporation (SID) and the City on October 20, 2022. The agreement provides for a management fee to SID similar to the fee to the management firm for Five Flags and Grand River Center as well as the City's reimbursement of operating loss. A management agreement with SID was established with a term of January 1, 2024 through December 31, 2033, with a potential renewal of an additional 5 years. The facility was renamed ImOn Arena on August 21, 2023 as part of a naming rights agreement, which provides \$100,000 in revenue to go towards SID's Ice Arena operating budget with the goal of reducing the City's property tax support.

Supplies and Services

2. Pay to other Agency decreased from \$382,673 in FY 2025 to \$355,832 in FY 2026. This line item represents money paid to Schmitt Island Development Corporation (SID) for the fixed annual management fee (FY 2026 is estimated to be \$104,545) and the operating loss coverage paid to SID (FY 2026 is estimated to be \$251,287).

Fixed Annual Management Fee

The management agreement with SID establishes that the fixed management fee is \$100,000 in the first year (January 1, 2024 through December 31, 2025), and adjusted in each subsequent year according to the Consumer Price Index (CPI). The management agreement outlines the January CPI is used to increase the fixed management fee. This results in both the current fiscal year and proposed budget fiscal year being estimates of the January CPI. Using a January CPI results in estimates that incorporate two different Consumer Price Indexes (CPI) in a fiscal year.

- In FY 2024 the fixed management fee was \$100,000
- In FY 2025 the fixed management fee is estimated to be \$101,500
- In FY 2026 the fixed management fee is estimated to be \$104,545

Amount to Cover the Operating Loss

The management agreement with SID establishes that the City will cover the operating loss of ImOn Arena, which is the difference between all revenues and expenses for the ImOn Arena. In FY 2026, the amount to cover the operating loss is expected to be \$251,287.

This number is projected per a budget provided by SID.

- In FY 2025 the operating loss is budgeted at \$282,673
- In FY 2026 the operating loss is expected to be \$251,287

FY 2024 operating loss is not comparable due to half of the fiscal year being under a management agreement with different terms and conditions.

3. Building Maintenance increased from \$0 in FY 2025 to \$15,000 in FY 2026. This expense is required by the management agreement and represents building additions, alterations, repairs, or improvements where the cost for the expenditure is greater than \$5,000 and the depreciable life of the applicable item is in excess of one year. This expense was not budgeted in prior years as the agreement was not finalized at the time of prior budgets.

Machinery & Equipment

4. Equipment replacement items include (\$9,700):

Ice Center Machinery and Equipment	
Refrigerator	\$1,500
Hot Dog Warmer	\$200
Electric Edger	\$8,000
Total Equipment	<u>\$ 9,700</u>

Debt Service

5. FY 2026 Annual debt service is as follows (\$470,837):

Amount	Debt Series	Payment Source	Purpose	Final Payment	Call Date
\$ 374,199	2023A	Sales Tax 20%	Ice Settling Remediation	2043	
\$ 96,638	2025B	Sales Tax 20%	Ice Arena Dehumidification	2045	
\$ 470,837 Total Ice Center Center Annual Debt Service					

For ImOn Ice Arena Performance Measures, see Five Flags Civic Center Outline

Recommended Operating Revenue Budget - Department Total
28 - ICE CENTER

Fund/Account/Account Title	FY23 Actual Revenue	FY24 Actual Revenue	FY25 Adopted Budget	FY26 Recomm'd Budget
100 - General				
4A - Charges for Services				
45021 - Credit Card Tips	0	0	0	0
45032 - Public Skate	0	0	0	0
45033 - Hockey Ice Rent	0	0	0	0
45034 - Ice Rental	(25,000)	0	0	0
45037 - Ice Rental	(10,693)	0	0	0
45038 - Free Style Ice Rent	0	0	0	0
45039 - Skate Rental	0	0	0	0
45440 - Events	0	0	0	0
45443 - Gift Certificates	0	0	0	0
45450 - Meeting Room Fee	0	0	0	0
45455 - Program Fee	0	0	0	0
45500 - Miscellaneous Chg for Svcs	0	0	0	0
47100 - Reimbursements	(15,911)	0	0	0
47500 - Merchandise Sales	0	0	0	0
47510 - Beer	0	0	0	0
47511 - Food	0	0	0	0
47512 - Liquor	0	0	0	0
47513 - Beverage/Ice	(647)	0	0	0
47514 - Gift Cards	0	0	0	0
4A - Charges for Services Total	(52,252)	0	0	0
4O - Eliminated for GW				
47115 - Sales Tax Collection	0	0	0	0
4O - Eliminated for GW Total	0	0	0	0
4N - Transfers				
49304 - Transfer in Sales Tax 20%	0	(183,849)	(372,587)	(470,836)
4N - Transfers Total	0	(183,849)	(372,587)	(470,836)
ICE CENTER - Total	(52,252)	(183,849)	(372,587)	(470,836)

Recommended Operating Expenditure Budget - Department Total
28 - ICE CENTER

Fund/Account/Account Title	FY23 Actual Expense	FY24 Actual Expense	FY25 Adopted Budget	FY26 Recomm'd Budget
6A - Salaries & Wages				
100 - General				
60100 - Salaries-Regular Full Time	0	0	0	0
60200 - Salaries - Regular Part Time	0	0	0	0
60300 - Hourly Wages - Temp/Seasonal	5,115	(568)	0	0
60400 - Overtime	0	0	0	0
6A - Salaries & Wages Total	5,115	(567)	0	0
6B - Employee Benefits				
100 - General				
61100 - FICA - City Contribution	391	(43)	0	0
61300 - IPERS - City Contribution	0	0	0	0
61510 - Health Insurance	0	0	0	0
61540 - Life Insurance	0	0	0	0
61700 - Unemployment Compensation	912	(912)	0	0
61992 - Physicals	447	0	0	0
6B - Employee Benefits Total	1,750	(955)	0	0
6D - Repair/Maint/Util				
100 - General				
63100 - Building Maintenance	4,683	0	0	15,000
63400 - Equipment Maint/Repair	3,108	0	0	0
63710 - Electricity	45,732	0	0	0
63711 - Natural Gas	2,929	0	0	0
63720 - Refuse	1,632	0	0	0
63730 - Telecommunications	410	0	0	0
63742 - Stormwater	2,349	0	0	0
6D - Repair/Maint/Util Total	60,842	0	0	15,000
6E - Contractual Svcs				
100 - General				
64020 - Advertising	149	0	0	0
64062 - Refunds	81	0	0	0
64080 - Insurance - Property	0	40,494	29,256	30,152
64083 - Insurance - Other	0	0	0	0
64130 - Payments to Other Agencies	334,693	361,830	382,673	355,832
64150 - Rental - Equipment	387	0	0	0
64180 - Sales Tax Expense	(1,611)	0	0	0
64185 - License/Permit/Fees	0	0	0	0

Recommended Operating Expenditure Budget - Department Total
28 - ICE CENTER

Fund/Account/Account Title	FY23 Actual Expense	FY24 Actual Expense	FY25 Adopted Budget	FY26 Recomm'd Budget
64190 - Technology Services	2,835	0	0	0
64195 - Credit Card Charge	0	0	0	0
64900 - Other Professional Service	0	0	0	0
64975 - Equip Maint Cont	4,099	0	0	0
6E - Contractual Svcs Total	340,633	402,324	411,929	385,984
6F - Commodities				
100 - General				
65025 - Program Materials	20	0	0	0
65033 - Food Products	4	0	0	0
65034 - Beer Products	13,395	0	0	0
65035 - Liquor Products	0	0	0	0
65036 - Beverage/Ice	65	0	0	0
65037 - Pro Shop Merchandise	0	0	0	0
65045 - Technology Equipment	0	0	11,000	0
65050 - Other Equipment	0	0	5,100	9,700
65056 - Traffic Security Cameras	0	0	0	0
65060 - Office Supplies	701	0	0	0
65965 - Janitorial	0	0	0	0
65999 - Cash Over and Short	0	0	0	0
6F - Commodities Total	14,185	0	16,100	9,700
6G - Capital Outlay				
100 - General				
67230 - Heavy Equipment	0	0	0	0
67250 - Office Equipment	0	0	0	0
6G - Capital Outlay Total	0	0	0	0
6H - Debt Service				
200 - Debt Service				
68010 - Principal Payment	0	0	151,968	187,429
68020 - Interest Payments	0	183,849	220,619	283,408
6H - Debt Service Total	0	183,849	372,587	470,837
ICE CENTER - TOTAL	422,526	584,650	800,616	881,521

Recommended Expenditure Budget Report by Activity & Funding Source
28 - ICE CENTER

Fund/Activity	FY24 Actual Expense	FY25 Adopted Budget	FY26 Recomm'd Budget
2801 - Ice Center Admin			
100 - General			
6A - Salaries & Wages	-567	—	—
6B - Employee Benefits	-955	—	—
6C - Staff Development	—	—	—
6D - Repair/Maint/Util	—	—	15,000
6E - Contractual Svcs	402,324	411,929	385,984
6F - Commodities	—	16,100	9,700
6G - Capital Outlay	—	—	—
2801 - Ice Center Admin Total	400,801	428,029	410,684
2880 - Ice Center Debt Service			
200 - Debt Service			
6H - Debt Service	183,849	372,587	470,837
2880 - Ice Center Debt Service Total	183,849	372,587	470,837
ICE CENTER TOTAL	584,650	800,616	881,521

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