

South Tahoe ice rink losing money, lacks marketing plan

Publisher's note: *This is the second of a two-part series about the South Lake Tahoe Ice Arena.*

By Kathryn Reed

In the 2010-11 South Lake Tahoe budget the "Recreation Summary" calls for projected revenues to be \$996,200, expenditures \$2,073,558. This equals a deficit of \$1,077,358. The majority of expenses are for personnel services – \$1,472,855.

Specific ice arena figures can be found in Working Papers B that were supplied to *Lake Tahoe News*. The revenue estimate is \$618,000 from skating fees, class fees, renting equipment, rent of the ice, and sales of product. Expenditures for the rink include: personnel services, \$430,662; other expenses at \$134,669 which include laundry, communications, printing and binding, merchandise for resale, general supplies, program supplies, clothing-uniform, medical supplies, gas, electricity, fuel.



Skating is part of the Lake Tahoe Unified fourth-grade curriculum.

Photos/Kathryn

Reed

In 2009-10 the top three revenue generators were: public skate 26 percent of the budget, facility-ice rentals 25 percent, and skating programs 11 percent.

Rob Swain, supervisor of the South Lake Tahoe Ice Arena, said the projected deficit for this fiscal year is about \$35,000 for the ice rink. The deficit for 2009-10 came in at \$78,000.

"I'm not proud of it. It's horrible in my opinion," Swain of last year's numbers.

He could not answer the questions: Why was the deficit so large last fiscal year? And why do you anticipate it being less than half of that this fiscal year?

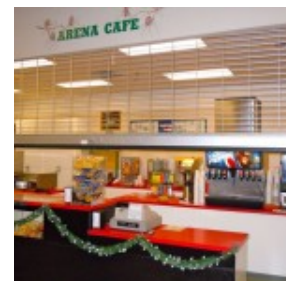
One budget item that will be cut this year is utilities, which came to more than \$60,000 last fiscal year. This is because of the cogeneration plant being installed.

Another expense that has been cut is staff. Swain said 1.7 full-time employees operate the arena. A slew of part time people are part of the staff, as well. Swain remarked that with the furlough days he and others are mandated to take – an average of three a month – he doesn't consider himself a full-time employee.

The café is seldom open. Swain said there is not the volume of customers to do so. He also does not want to change the policy that allows outside food and drink. He said at one time he shopped at Costco to stock the cafe, but then ex-City Manager Dave Jinkens said no more shopping off the hill. He has met with local grocery stores to get a deal on food items he would resell, but said the stores were not open to that idea.

At one point the café was losing \$900 a month, Swain said.

However, Nancy Kerry envisions a restaurant where people could watch the skaters. She was asked by City Manager Tony O'Rourke to do an assessment on the rink after parks and rec staff said they were too busy to do it themselves.



The cafe at the South Tahoe rink is seldom open.

The retail store once had an outside operator, but no longer. Rink staff run it. It's full of items for hockey players and figure skaters, as well as T-shirts and fleece vests the general public would wear.

A positive at the rink is the number of skate school participants has been on the upswing the past few years.

The peak was 684 in 2002 – the year the rink opened. And it opened in May. For the next five years participation numbers for skate school decreased; the low point of 150 was in 2007. Swain attributes the drop to when to two elementary schools in Lake Tahoe Unified School District closed and the economic downturn.

Since then the numbers have been increasing, with 349 participants this year as of the end of November.

Money v. customers

Swain sounds like a man more worried about the bottom line more than the quality of service customers are getting.

“If I can rent the facility, it is easy money,” he said. “It brings people to the community, where everyone benefits.” He means heads in beds, meals served, gas in tanks and other residual expenditures involved with people in town for hockey tournaments and camps. (Swain is a hockey player.)

He has rented the rink for winter clothing catalog shoots as well as to the government to test tires.

Swain said the two words that will put the ice rink on solid ground are cooperation and compromise.

But it's customer service the city manager wants him to focus on.

“We are in the service business,” O'Rourke said. “We are here for our customers, not ourselves. We have to meet their expectations and their needs.”

Swain said after last week's focus group meeting he immediately implemented three changes people wanted – all in the name of customer service. One was to post the calendar at the facility in a manner people preferred, another was to offer coffee. He couldn't remember the third.

When it comes to the public using the rink, school schedules are a contributing factor – so are windy days on the slopes.

“We are very weather driven,” Swain said. A public session on a rainy day can bring in five times the amount of money the figure skaters generate, he said.

With the rink being built with Measure S bond money – a measure residents still see on property tax bills – Swain said the philosophy is to provide as much ice time to the public as possible.

Rink is secret to many

One problem with getting the public to use the rink is there

is no marketing budget. Interim parks Director Chris Hawken said money for such endeavors is taken from other parts of the budget instead of being a separate line item.

Part of the recent discussions involve getting the word out to the public about the various skating programs – including curling, birthday parties, youth and adult hockey leagues, skills and drills, broomball, and figure skating.

Until meeting with *Lake Tahoe News*, no one in the media had been told about the free Dec. 18 holiday event that starts at 5:30pm.

Most of the information being distributed about rink activities is directed to current users.

When the weather is nasty, Swain said hotels in the area are sent faxes telling them to suggest to their guests to come to the ice rink.

But Kerry wants a more proactive approach to getting tourists to know about the rink.

Hawken said new this year is having a coupon inserted in card key holders for hotel guests to use.

Going after hockey tournaments and camps are other ways to get people to know about the rink.

The flip side is letting locals know so they could attend the various events on this NHL size sheet of ice.

But the rink is not all that inviting. It's drab. The holiday tunes on the sound system are not peppy. The 300-seat stands are cold. Heaters above them have to be pointed out they even exist. It is incredibly cold – colder than other rinks. The party room is tucked into a corner in what looks like an after thought. There is no view of the ice from there.

Swain volunteers he likes the outdoor rink at Heavenly Village

with its decorative snowflakes and the vibe it puts off. He thinks doing more things like that would be good for the indoor rink. But he quickly points out the continued reduction in staff has him and others wearing many hats which is stretching them thin and causing some things to fall by the wayside and never get done.

One thing that might free up time for Swain and Hawken is the city attorney will be handling the bulk of contracts. This is to ensure consistency and eliminate the multiple contracts for various user groups. It is also designed to create a more even playing field and bring oversight and accountability to what is being offered people.

When Stan Sherer comes on board in January as Parks and Rec director the ice rink will be at the top of his list in terms of making sure it is run correctly and customer satisfaction is in check. Some cities lease their rink to an outside vendor instead of having staff run it. This could be an option in South Lake Tahoe.