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Hello Ann,

I've now had a chance to study the Program Review, and to compare what I read there to one specific category of the review that I know something about -- outdoor compressor-cooled ice rinks. You suggested that I send you my questions before we meet. I've put the actual uestions in red:

1. page 7 says that the Review looked at 40 outdoor A.I.R.'s. The City has 49 of them.

Which nine did the Review not count?

2. based on the costs cited in the Program Review, and the actual number of outdoor rinks sorted into their categories (13 double, 16 "leisure skate" civic or minor i.e. no hockey boards, and 20 single pad <http://cityrinks.ca/wiki/wiki.php?n=ListOfRinks.FrontPage>), the following would be the total costs of the **outdoor A.I.R.s:**

Total direct cost: **\$3,759,795.87**

Total full cost for PFR: **\$5,768,229.63**

Total full cost for City: **\$12,063,600.11.**

There is certainly quite a spread there! And none of the figures match the \$160,000 number given out as the cost of opening the rinks on time Dec.8 2007, instead of Jan.1 2008, during last year's budget crisis. Nor do they match the \$2.5 million the mayor's office said the rinks cost per season [The Globe and mail:No new taxes, no early rinks, mayor warns](#), even though these Program Review numbers are dated Dec.12 2007, only a few months later.

What happened there?

3. Individual rink cost numbers may be more meaningful than an average or a multiple of the different categories, at least when calculating staffing cost. For example, Ledbury, your "leisure skate" sample outdoor rink in the Program Review, is unusually well staffed by local 416 operators, who as you may know earn about \$27 an hour. The 9 "minor" (without boards) Etobicoke rinks have a fraction of that staffing. There are 11 central-Toronto rinks that are built the same way as Sir Adam Beck, your single-pad outdoor rink example, but 10 of them have just as little Local 416 staffing as the 9 "minor" Etobicoke rinks. I did the multiplication in #2 above based on the Program Review's numbers, not based on what we know about the actual rinks and their actual staffing. So there may be a fairly large inaccuracy in the staffing costs, and certainly the "cost per operational hour" average on page 8 is not useful for measuring actual costs.

4. On page 14 there is a list describing how "direct costs" and "indirect costs" were arrived at. The materials and supplies list includes rec supplies and equipment, janitorial supplies, etc. and lastly, "utility costs." That one must be by far the largest cost in that category, but it's tricky to nail down. When we were trying to figure out outdoor rink utility costs in our own calculations <http://cityrinks.ca/wiki/wiki.php?n=RinksByTheNumbers.FrontPage>, we used the official outdoor rinks baseline numbers for the Arena Energy Retrofit Project, but many of those numbers seem implausible: [AIR Energy Efficiency Retrofits](#)

Did the Program Review use a more recent, complete and reliable source of utility numbers? Could you send me that spreadsheet?

5. When Shirley Hoy introduced last year's operating budget to the public, she said she was very proud of the completed Program Reviews, including this one, and she certainly looked proud (I was among the spectators in the council chamber). I'm guessing she was pleased because the Review was meant to set the course for councillors to consider the new user fees and program fees, to help balance the budget. However, using the outdoor rinks as our example, the guidance these Program Review numbers can give to councillors may be less than was hoped.

6. If the full PFR cost is to be used, am I right that the revenue from the outdoor rinks that are permittable is a tiny percentage of costs? A little reminder: **could you send me the permit income for the 42 individual permit-able outdoor rinks from the 2007/2008 season, and also any instructional revenue figures for the individual outdoor rinks for the same season?** We need to see the pattern and also to add up the real numbers.

7. Outdoor rinks have so many different variables that it's hard to even imagine how they could bring in the recommended 58% to 71% of PFR full cost in revenue. I think many of the Board of Management Arenas

may already bring that in, but it's a big stretch to ask the outdoor rinks to bring in between \$3.3 - \$4 million permit revenue per 3-month season.

The Program Review says that other municipalities do much better in getting permit revenue. Could you list which of the non-Toronto outdoor compressor-cooled rinks used for comparison do better, so we can visit them and see what they're like?

8. In particular, we have noticed that the main characteristic of the outdoor rinks in Toronto that have permits as Job One is that they have a very low per capita rink usage. They have so little public skating time, and they often have their doors locked outside of the programmed public skating times when there's no permit <http://cityrinks.ca/wiki/wiki.php?n=ReportCards.FrontPage>. That means that their hospitality/community-meeting-place characteristics are minimal. At the same time, they don't seem to make a lot more money than rinks that are much more available to their neighbourhoods.

We note, however, that on page 23 the Program Review evaluates non-permitted, i.e. leisure-skating rinks (Ledbury) as having "0% capacity utilization." In fact, Ledbury is a hugely popular rink in North York and we have never seen it empty. **Did the Program Review make any effort to count rink usage?**

9. If a re-analysis of the PFR program review shows that #8 above is correct, that might help Council to re-orient their discussions toward more promising ways to generate revenue and to help the outdoor rinks work better. CELOS has lots of ideas, based on our experiences at some of the rinks.

I look forward to our meeting, to understand this outdoor rinks aspect of the Program Review better. Chris Gallop from Councillor Giambrone's office says he's interested in attending as well (Ward 18 has three outdoor rinks), so I've cc'd him here. I would much getting appreciate getting the revenue and utilities numbers before we meet. The other questions can wait for our discussion, scheduled at a time that works for you.

Jutta Mason

Ann Ulusoy wrote: Hi Jutta,

It would be very helpful to our meeting if you share your figures with me in advance. I expect them to be different as Full Costing Review allocated overhead and capital expenditures to each location, which is not readily available in SAP.

For outdoor permit revenues, there is no need for you to apply to Corporate Access. I have asked staff to run the 2008 outdoor rink permit revenues for me. I will e mail it to you when it's available.

Ann

Jutta Mason wrote January 7, 2009

Thank you very much -- you're right, it would be helpful to me to discuss my questions with you. Today I'm working on assembling a lot of current citywide outdoor rink cost material, collected over some years. I will compare my figures with yours (and send them to you, if you like) and then it would be interesting to use that comparison as one of our talking points.

By way of preparation for me, is there any public information about **more recent outdoor rink permit-revenue numbers**, by district and/or by rink, or should I apply to Corporate Access for that?

Jutta

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