

CLOQUET CITY COUNCIL WORK SESSION

Tuesday, February 16, 2016

Present: Bjerckness, Kolodge, Langley, Maki, Rock, Wilkinson

Absent: Mayor Hallback

Staff: Fritsinger, Klassen

Other: Jamie Lund, Pine Journal; Mick Maslowski and Jan Carson, Cloquet Area Hockey Association (CAHA)

CAHA

Mick Maslowski, President of CAHA, and Jan Carson, parent, were present to review and discuss the current financial situation and infrastructure issues with the ice arena. Mr. Fritsinger gave a summary of the 40 year history between the City, school district and CAHA. Mr. Fritsinger and Mr. Maslowski recently met to discuss the current 3 year cooperative agreement and the issues related to the agreement including finances. Mr. Maslowski reviewed with the Council information that was shared with the school board in regards to the history and where things stand to date.

- Mr. Maslowski reviewed revenue streams and operating expenses. The main revenue comes from the Lease Agreement with the Wilderness and ice time rental. Pull tabs sold at the Foundry was a major source of income, but since the Foundry closed, that is no longer a source of revenue and the association is looking for new site.
- Next reviewed were the operating expenses and expenditure on major projects. Every dollar made in profit has gone towards improving the infrastructure. Operating expenses were reduced wherever they could be. Expecting utility bills to increase by approximately \$35,000 over the next 3 years.
- The retail value of capital projects in 2 years was in excess of \$150,000. Many projects that were done will reduce future costs, i.e., the Zamboni at Pine Valley, lighting and new scoreboard.
- Future funding challenges include making up for the loss of pull tab revenue, annual increase in utilities, large capital items such as rubber roof replacement, dehumidification system, ice plant rebuild or replacement, LED lighting, keeping Pine Valley viable, and a possible minimum wage increase.
- Mr. Bjerckness questioned how much revenue is based on Pine Valley use? The hourly rate is 10% lower than at Northwoods. There was a study of the 2 facilities done 4 years ago that showed a number of issues at Pine Valley.
- Mr. Maslowski is concerned locker rooms at Northwoods may become an issue for the Wilderness.

- Mr. Fritsinger shared a cheat sheet showing the history of the Cloquet and CAHA relationship going back to 1975. Mr. Fritsinger reviewed leases and how they have changed in 40 years. It's time to start thinking about moving forward as more agreements will be entered to incur some of the capital improvements.
- Mr. Maslowski indicated that the lease with the school district goes up 4% per year.
- Mr. Fritsinger said the arrangement the City has with CAHA isn't a typical agreement. Other associations are renting facilities. We are clearly at a place where improvements are needed and a discussion needs to take place. One of the main issues is making up the loss of pull tab revenue. Mr. Fritsinger will review the statute on what is required for a pull tab location.

Other Discussion

- Mr. Langley has heard feedback for the idea of permanent hockey boards at Sunnyside Park. He suggested the rink be reduced in size as the current is overly large. Discussion on location and impact on baseball fields ensued.
- Mr. Rock brought up the point of the skate park being located at Athletic, community education soccer and t-ball will need to relocate. Mr. Fritsinger stated it was his understanding that T-ball had relocated to Braun Park.
- Ehlers will be at the March 15th meeting to talk about the Cloquet/Scanlon merger schedule. Mr. Fritsinger and Marshall Johnson will need to decide if there should be separate meetings or combined. Possibility of CAT7 televising for a larger audience. The purpose of the meeting is for getting the information out, not as an in-depth conversation.
- Mr. Kolodge asked what the thoughts are of Cloquet hosting Hockey Day MN? Mr. Fritsinger will do some inquiry to find out what's involved. Good question to talk to Mick and CAHA about.
- Ms. Wilkinson has received a citizen concern over sidewalk snow clearing up Big Lake Road. The issue is once the sidewalk is cleared, there's an expectation for it to always be cleared.

There being no further business, the meeting adjourned at 7:00 p.m.

Respectfully Submitted,

Brian Fritsinger
City Administrator