

Conclusions of the MAC Operational Review 2016

1. ***The MAC is a major public amenity that plays a significant role in the vitality of the St. Cloud area.***
 - a. Amateur and youth sports are important to families of all income levels and are a critical competitive factor for the City and area.
 - b. The MAC provides venues for high schools, colleges and universities allowing them to incorporate athletics without the expense of constructing and operating separate facilities.
2. ***The MAC is also a significant contributor to the hospitality sector in our community.***
 - a. The MAC is the site for a growing number of tournaments that bring visitors to the community.
 - b. The MAC is an important source of hotel occupancy year-round.
 - c. The MAC is also used by for-profit businesses, helping to defray costs for community users and diversifying our local economy.
3. ***The MAC is a significant element in the community's inventory of athletic facilities that promote community wellness and lifelong activity.***
4. ***There are opportunities to make the MAC an even more important facility for community quality of life, but they will require public-private cooperation and partnership. City capital investment is a necessary component.***
 - a. Improvement of the ice arena by the addition of training and locker room facilities would cement the value of the facility to user groups and the wider community.
 - b. The opportunity to convert one or both baseball fields to artificial turf would significantly increase the number of usable days, allowing the MAC to accommodate more local users and more tournaments, and perhaps to add sports other than baseball.
 - c. There is potential for significant corporate financial support in the form of naming rights, if the City addresses deferred maintenance needs.
5. ***The current financial model at the MAC is not sustainable.***
 - a. MAC management does a commendable job of operating with scant resources.
 - b. Operating budgets are insufficient to properly staff the facility and strain the ability to perform proper maintenance.
 - c. The MAC is overwhelmingly supported by user fees – 95% of operating budgets in a typical year come from user fees.
 - d. User fees cannot be raised to sufficient levels to cover all operating needs – much less capital needs. The MAC is a significant public amenity and is deserving of subsidy from tax sources, in the same manner that parks and recreation programming is.
 - e. Deferred capital maintenance is a major concern and should be addressed very soon, including some items that must be addressed immediately.
 - f. There are clear programmatic trends: the ice arena typically cash flows, but baseball and golf operations usually do not.
 - g. The practice of diverting funds from the River's Edge Convention Center to subsidize the MAC leaves that facility short on its own operating needs and is not a good long-term solution.

Recommendations of the MAC Operational Review 2016

1. ***Put operations budgets on a sounder financial footing.***
 - a. Increase the level of operating subsidy to the facility in an amount sufficient to adequately staff operations and maintain the facility;
 - b. Consider General Fund and Hotel/Motel tax as sources for subsidy;
 - c. Continue to carefully raise fees periodically;
 - d. Adjust fees regularly in order to keep the facility's rates consistent with the market.
 - e. Consider variable rates for different kinds of users and different times of the day and year;
 - f. Approach the Veterans Administration about adjusting some terms of the existing lease to allow golf operations to be more profitable;
 - g. Approach MNSCU institutions about increased payments for their use of the MAC in lieu of capital contributions;
 - h. Continue to work creatively with the Rox as the next contract period is negotiated;
 - i. Urge CVB to invest in soliciting tournaments to the MAC;
 - j. Continue to pursue a naming rights sponsor;
 - k. Carefully negotiate contracts with users to ensure that City operating needs are met;
 - l. Consider funding a portion of the MAC operations cost through the General Fund, as is done for parks and recreation.

2. ***Address capital needs aggressively, both deferred maintenance and enhancements.***
 - a. Strongly consider borrowing in order to catch up on deferred maintenance needs;
 - b. Budgeting should provide for the realistic needs of the facility, including annual contributions to a capital reserve;
 - c. Urge MNSCU contributions to capital efforts;
 - d. Leverage City capital investments to secure user group investments and contributions;
 - e. Apply for Mighty Ducks grant program;
 - f. Include MAC expansion in the City's next bonding request.

3. ***Operations and management***
 - a. Continue to review and refine management and operations, adjusting as appropriate;
 - b. Review the current dependence on part-time employees; consider additional full-time position;
 - c. Establish stadium and arena user groups that will meet periodically to advise management;
 - d. Work collaboratively with users and advisory groups to improve operations;
 - e. Improve website and social media efforts.