

ENROLLED ORDINANCE 177-70

ACCEPTANCE OF ICE ARENA OPERATIONAL PLAN
RELATING TO ORIGINAL CONSTRUCTION LOANS

WHEREAS, Enrolled Ordinance 142-178, Allocate Monies for the Construction of the Waukesha County Ice Arena Project in 1988, and Enrolled Ordinance 149-134, Appropriate Additional Funds for the Construction of the Naga-Waukee Ice Arena Project in 1995, allowed for the construction of Eble Ice Arena and Naga-Waukee Ice Arena; and

WHEREAS, the previous ordinances authorized loans from the General Fund and Golf Course Funds to cover building costs; and

WHEREAS, Golf Course Fund balance was used for the Naga-Waukee Ice Arena construction since a significant fund balance was accumulated for the construction of an additional golf course by the County and was no longer proceeding; and

WHEREAS, Enrolled Ordinance 158-60 in 2003 delayed debt interest payments until the end of the current loan term; and

WHEREAS, Enrolled Ordinance 162-33 in 2007 delayed principal payments to allow user fee rate charges to be maintained at a competitive level and continue to avoid direct taxpayer subsidy for ice arena operations until no later than the year 2013 or the year in which projections indicate that at least five years of principal payments can be made without exhausting Ice Arena cash reserves, whichever is sooner; and

WHEREAS, Enrolled Ordinance 167-33 in 2012 delayed principal payments until 2020. Enrolled Ordinance 175-20 delayed principal payments until 2022 and required the Department of Parks and Land Use to present an Ice Arena operational plan to the Waukesha County Board of Supervisors, no later than December 2022, which includes a plan for the resolution of Ice Arena debt; and

WHEREAS, audited financial statements for year-end 2021 show outstanding loan balances of \$1,639,984 owed to the General Fund and \$461,609 owed to the Golf Course Fund; and

WHEREAS, Waukesha County Ice Arenas have generated sufficient user revenues so as to not require tax levy contribution for annual operations and non-capital maintenance; and

WHEREAS, the Department of Parks and Land Use, through consultant services completed a detailed ice arena facility assessment in 2022; and

WHEREAS, projected routine maintenance and repair can continue to be funded through annual budgets without requiring tax levy contribution; and

WHEREAS, capital expenditures, with typical lifecycles of 25-35 years, cannot be funded through ice arena fund balance due to the rate of fund balance accumulation; and

WHEREAS, the original pro-forma for the construction of the second ice arena projected a positive cash flow to cover annual operating cost and maintenance, but not generate sufficient fund balance for capital project repair and maintenance.

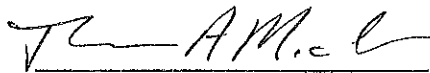
THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that the Ice Arena operational plan, including the resolution of the Ice Arena debt be accepted with the following provisions:

1. Defer the General Fund loan until use levels and revenue recovery declines, which would prompt a discussion to preserve or sell the Naga-Waukee Ice Arena. The potential sale of the property would be used to repay the General Fund loan. Any additional equity from a potential sale could be distributed to the Ice Arena Fund balance.
2. The loan from the Golf Fund is waived as the funds loaned were for the construction of an additional golf course, no longer being pursued.
3. The annual budget will continue to allocate funds for routine maintenance and repair without requiring the use of tax levy.
4. Capital project funding will be proposed as necessary using funds from the Waukesha County Parkland Management and Land Acquisition Funds (Tarmann Fund) placing a priority on the maintenance of existing high use facilities versus the expansion of park system land holdings.

ACCEPTANCE OF ICE ARENA OPERATIONAL PLAN RELATING TO ORIGINAL CONSTRUCTION LOANS

Presented by: Land Use, Parks and Environment Committee

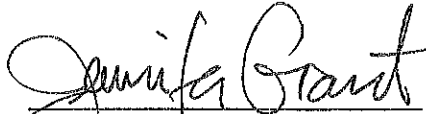
Approved by: Finance Committee



Thomas A. Michalski, Chair

Absent

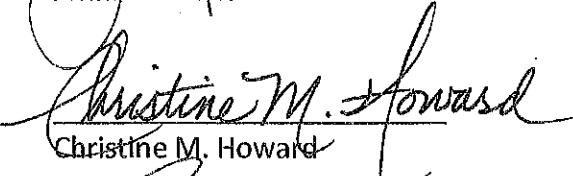
James A. Heinrich, Chair



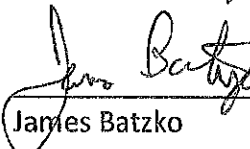
Jennifer Grant



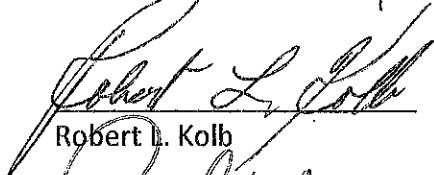
Larry Bangs



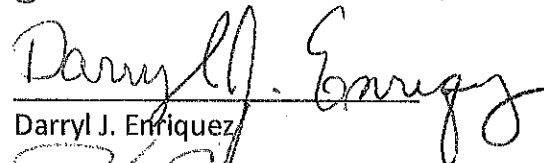
Christine M. Howard



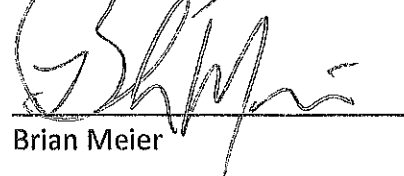
James Batzko



Robert L. Kolb



Darryl J. Enriquez



Brian Meier



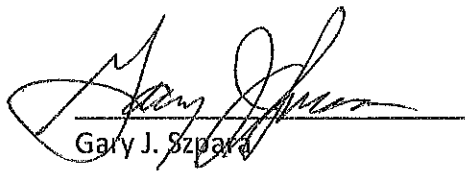
Tyler J. Foti

Absent

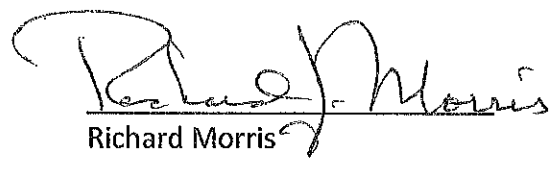


Chris Mommaerts

Joel R. Gaughan



Gary J. Szpara



Richard Morris

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 12/20/2022 
Margaret Wartman, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X
Vetoed: _____

Date: 12/21/2022 
Paul Farrow, County Executive

VOTE RESULTS >

21	YES	1	NO	0	ABSTAIN	3	ABSENT
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Ordinance 177-O-076

Ordinance 177-O-076: Acceptance Of Ice Arena Operational Plan Relating To Original Construction Loans -

Passed By Majority Vote

D1 - Foti	AYE	D10 - Thieme	ABSENT	D19 - Enriquez	AYE
D2 - Weil	AYE	D11 - Howard	AYE	D20 - Schellinger	ABSENT
D3 - Morris	AYE	D12 - Wolff	AYE	D21 - Gaughan	NAY
D4 - Batzko	AYE	D13 - Decker	AYE	D22 - Szpara	AYE
D5 - Grant	AYE	D14 - Mommaerts	AYE	D23 - Hammitt	AYE
D6 - Walz	AYE	D15 - Kolb	AYE	D24 - Bangs	AYE
D7 - LaFontain	AYE	D16 - Crowley	AYE	D25 - Johnson	AYE
D8 - Michalski	AYE	D17 - Meier	AYE		
D9 - Heinrich	ABSENT	D18 - Nelson	AYE		

FISCAL NOTE

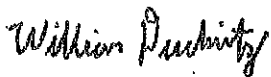
ACCEPTANCE OF ICE ARENA OPERATIONAL PLAN RELATING TO ORIGINAL CONSTRUCTION
LOANS

This ordinance accepts the Ice Arena operational plan and provisions regarding the resolution of General Fund and Golf Course Fund debt incurred by the Ice Arena Fund. The debt includes \$1,639,984 of General Fund obligations and \$461,609 of Golf Course Fund obligations. Per approval of this ordinance, the \$461,609 of Golf Course Fund debt owed by the Ice Arena Fund is waived and will no longer be recognized as a liability. The debt owed to the General Fund is deferred indefinitely, but not waived, to allow the possibility of recouping some or all of the debt if the Naga-Waukee Ice Arena is ever sold.

The plan also calls for the continuation of funding for routine maintenance, repair, and replacement of equipment through the operating budget, at approximately \$75,000 per year, which department management anticipates can be covered with operating revenues. Department management has also identified about \$2.2 million of near-term capital project needs for the facilities (current estimates, subject to change), which cannot be supported by current Ice Arena Fund balance levels. This plan assumes that these capital projects (which will be subject to future County Board approval) will be funded with Waukesha County Parkland Management and Land Acquisition funds (Tarmann Fund)

Previously, during 2016, the County Board approved enrolled ordinance 170-87 to allow the department to use Tarmann Fund balance for Parks and Land Use (PLU) capital projects, provided that a balance of \$4.0 million remained. Department management is recommending prioritizing Tarmann Fund balance for the maintenance of existing facilities (i.e., ice arenas) over the acquisition of new parkland. As of December 31, 2021, Tarmann Fund balance totaled \$4,078,097, and it is anticipated that this plan will decrease fund balance levels below \$4.0 million. (Though, the fund balance can be partially replenished each year through landfill siting fees collected in excess of amounts budgeted in other PLU program areas.)

Department management anticipates that Tarmann Fund balance will be sufficient to cover the near-term capital project needs. Longer-term infrastructure projects and unplanned system repairs could cause capital needs to exceed this funding source. This may require consideration of other funding sources through the capital plan, if Tarmann Funds are not available, similar to how other major park projects are funded.



William Duckwitz

Budget Manager

11/18/2022

AK