

July 15, 2014

Merrill Sanford, Mayor
City and Borough of Juneau

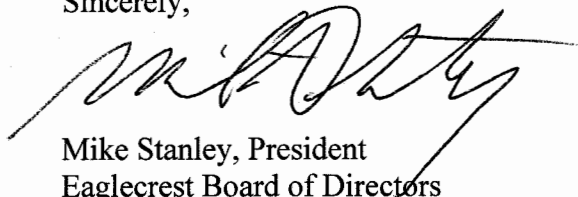
Re: Ordinance No. 2014-41

Dear Mayor Sanford and Assembly Members:

The Eaglecrest Board of Directors wants to thank the Assembly for the opportunity, at your finance committee meeting on July 9, to discuss the subject ordinance and the proposed transfer of management and operating responsibility of the Treadwell Ice Arena to the Eaglecrest board. The board further considered this proposal at its regularly-scheduled meeting on July 10. After lengthy discussion and public comment by several representatives of skating groups that use the arena, the Eaglecrest board voted (6 in favor, 1 excused) not to endorse or support placing this ordinance on the ballot for this year's municipal election in October. The board believes there are too many questions and uncertainties surrounding the transfer of authority for Treadwell and that we are not in a position, at this point in time, to make an informed decision on this matter. A list of these questions that we have identified to date is enclosed. The Eaglecrest board is prepared to assist the Assembly explore this, and possibly other, options for managing Treadwell going forward, and to contribute our experience as a special revenue fund with an empowered board to this discussion.

We intend to present an expanded explanation of our thinking on this matter during the public hearing on this ordinance at your meeting on July 21, and would be happy to engage the Assembly in further dialogue regarding the questions and issues we have identified concerning the ordinance.

Sincerely,



Mike Stanley, President
Eaglecrest Board of Directors

cc: Kim Keifer, City Manager

Eaglecrest Board of Directors
Questions and Issues re: Assuming Control of Treadwell Ice Arena

The proposed ordinance would amend the CBJ Charter to require that the Eaglecrest Board of Directors assume management and operating responsibility for Treadwell Ice Arena. If approved, changes likely would be required to the CBJ Code chapter 67.05, but none are proposed at this point. What changes will be made to this ordinance?

For instance, section 67.05.010 provides for a board of seven members. Will this have to be revised, e.g., by expanding the number of members? Will seats be allocated between the skiing and skating communities? What expectations would the skating community have for representation on the board?

What are the Assembly's expectations for cost recovery for Treadwell? What level of subsidy is the Assembly prepared to commit to? What is the mandate and timeline to increase cost recovery at Treadwell?

How will funding for Treadwell and Eaglecrest be handled? Would annual budgeting and requests for funding be combined? Would there be one central account and shared funds? Or would budgeting and accounting for the two facilities be handled separately?

How would major funding for projects/maintenance be handled? Eaglecrest is finally starting to rebuild its reserves. Would those reserves have to be applied to Treadwell needs/losses in the near/intermediate term?

Treadwell, as part of Parks and Rec, does not now pay any full cost allocation for CBJ services, but Eaglecrest does. Would Eaglecrest have to pay full cost allocation for Treadwell, too? How much would this be?

Treadwell (like Eaglecrest) was built with Land Water Conservation Funds which has restrictions/limitations on operations. Does this pose any impediments to Eaglecrest taking over Treadwell?

What would be the impact on existing Treadwell staff? What role would current Eaglecrest staff have in operating Treadwell?

Unlike Eaglecrest's provision of management services for the Dimond Park Field House, which can be terminated, the charter provision requiring Eaglecrest to take over Treadwell is mandatory. What happens if the merger does not work out or results in unforeseen problems or adverse impacts to one or both facilities?

What is the proposed timeline? When would Eaglecrest take over operations? Would it be better to study the proposed merger for a year and bring it before the voters in 2015, so that questions and concerns can be answered and an informed decision can be made?