



CITY OF NOVI
Finance and Administration Committee Meeting
July 22, 2026, 5:30 p.m.
Novi Ice Arena | 42400 Nick Lidstrom Dr
(248) 347-0445

CALL TO ORDER: 5:32 p.m.

ROLL CALL: Mayor Fischer, Mayor Pro Tem Casey, Councilmember Staudt

STAFF LIAISON: Victor Cardenas, City Manager

ALSO PRESENT: Jeff Muck, Parks, Recreation, and Cultural Services (PRCS) Director
Tracy Ringle, Deputy PRCS Director
Tom Schultz, City Attorney
Katherine Oppermann, Recording Secretary
Tom Anastos, Suburban Sports Group
Lyle Phair, Suburban Sports Group
Jeff Mitchell, Suburban Sports Group

APPROVAL OF AGENDA

Motion: Casey; Seconded: Fischer; Approved: 3:0

APPROVAL OF MINUTES – June 1, 2026

Motion: Casey; Seconded: Fischer; Approved: 3:0

PURPOSE OF THE MEETING

Mayor Fischer opened the meeting and asked PRCS Director Jeff Muck to give a brief history regarding the Ice Arena locker room use by the Novi Community School District (NCSD). Mr. Muck stated that in the past there were monies paid by the Novi High School teams to renovate the locker rooms and since that time the City no longer charged the teams rent for the locker room space. He further clarified that they do pay for upkeep and ice time, but not a rental fee. Councilmember noted that he expects that were the roles reversed that NCSD would charge the City fees for room rental. Mr. Muck said that PRCS is a user group for the schools and that they submit a permit for space use at the schools and that NCSD then executes a use agreement. Councilmember Staudt further commented that in conversations with some residents and parents of NCSD students he has observed some misunderstandings regarding ownership of the facility, he thinks that ownership should be clearly communicated and that the NCSD teams use the Novi Ice Arena facility as guests.

1. Tour of Novi Ice Arena

At approximately 5:40 p.m. the Suburban Ice Group representatives proceeded to take the group on a tour of the coaches' e Arena building including: the Northville Public School locker room, NCSD locker room, Northville Public School locker room,

general use locker room (for traveling teams, tournaments, etc.), Ice Skater/Dancer room, Suburban Ice program coaches room, Skating Club room, and the Novi Youth Hockey Association (NYHA) office space. During the tour it was noted that the Northville Public School hockey team pays for considerably more ice time than the NCSD team, that the Northville team coach is also very involved with the NYHA and passionate/active in promoting the sport, as well as some use concerns regarding the Novi Skate Club room that require addressing by the use group that, if not addressed, could cause Suburban to pull their room use. Following the tour conclusion at 6:06 p.m. the group reconvened in the Ice Arena conference room once more to proceed with their conversation.

2. Novi Ice Arena Discussion

Councilmember Staudt started the conversation by asking what the next expected big capital expenditure will be for the Ice Arena. Mr. Mitchell said it will be the parking lot, Copeland quoted at just under \$300,000. Mr. Anastos followed up that beyond that the HCAC is still being addressed and given the age of the facility it is a matter of "holding your breath" on the refrigeration plan and floor. They've done some work but a full replacement would be north of \$1M. Mayor Fischer asked if those were in the current projection for the next ten years and the Suburban Ice team indicated overall no, only some components are (the compressor). They service the rest each year and hope a full replacement will not be necessary. They also briefly noted their replacement schedule for Zamboni machines, which is staggered with one machine being replaced every five years accommodating the expected ten-year life cycle.

Mayor Fischer then asked how the revenue from the "Learn to Skate" program works. Mr. Muck said that it gets added to the funds for the Ice Arena operations, as all programs there do. Mayor Fischer then asked if for Suburban Ice run programs they effectively rent the space for themselves, at a market rate. The suburban Ice representatives said yes, for a few programs they run this is the model and that the City reviews all of it annually both internally and through their 3rd party auditor (currently Rehmann). It was noted that Suburban owns a few facilities in the area outright and also that over the last 20 years there has been a decrease in ice participation from Novi. Mayor Fischer acknowledged that prior to Suburban Ice taking over the Novi Ice Arena was in trouble, very much in the red. Mr. Anastos agreed and noted that he has been involved from day one with taking over management and turning it around to be self-sustaining. 70% of the Ice Arena as a business is supported by hockey, and they briefly went over the three primary tiers (travel hockey, in-house league, traditional recreational programs) of junior hockey. That said youth hockey has dropped off somewhat and there is area competition for user groups as there are higher expectations for the facilities. Mayor Fischer noted that the Novi resident usage may be slightly higher than statistics show since the numbers are based on mailing address, not residency. Some brief discussion was had regarding the Novi Youth Hockey Association (NYHA), a volunteer organization, as they have been in decline for several years but also have not taken steps to advertise, hire new coaches, etc. That said, there has been a recent change of leadership at NYHA and they are trying to make some positive change.

Mayor Fischer said that he appreciates all of the information that has been provide but noted that he doesn't want to get "too in the weeds", the main crux of this discussion and the decision to be made is that the City owns the Ice Arena building and have to operate as a break-even enterprise (in opposition to privately run facilities which have greater ability to increase revenue). He wants there to be other revenue options for the facility such as naming rights for the arena and other spaces. He suggested that there was an early intent that surplus profits from the Ice Arena could feed back to the City. The biggest hurdle if they wanted to sell the Arena would be the existing user groups. What could be done, if the arena was sold, to ensure continued use/access by those groups? Mr. Anastos commented that he does not put merit in the concept of the original group as they were largely disconnected from operational reality. He said that there are revenue opportunities, and they have been learning from another regional group about ice arena assets, and they expect to have more information about revenue options soon. Regarding continued user group access, he would need to get expertise from a salesperson and have them evaluate the possibility. He said that restaurant/bar service is not a business that Suburban is currently in, they focus entirely on ice sport. They have looked at the concept of having a white box space for a restaurant/bar that could be leased to a 3rd party operation, but the numbers don't appear to be worth the endeavor. He also said that they examined a pro shop option but were unsuccessful as the equipment manufacturers limit where they allow their brands to be stocked, and an area retailer already carries their items. Ultimately the only function of the building today, without significant investment, is the two existing ice rinks. As such activity is critical to making the building successful, and they do operate at a very high level for a 2-sheet ice rink. The Arena debt is paid off and with the current trajectory they should continue to generate cashflow, with the unknown being capital expenditures. Programming, especially hockey programming, will continue to be critical, and the Novi Ice Arena is under market on ice time comparatively. Suburban Sports Group owns Suburban Ice in Macomb, Rochester, and Farmington Hills and they manage John Lindell Ice Arena in Royal Oak, in addition to the Novi Ice Arena. Mayor Fisher asked if Royal Oak was looking at selling their facility and Mr. Anastos said no, not that they've shared with Suburban. Mr. Anastos continued that Novi charges \$355 while other locations are at \$400, there is a high level of service expected for these rates. They also encourage that the ice sheet be shared among multiple teams where viable, which saves individual teams money on the overall ice fee, but many associations don't tend to embrace that model.

Councilmember Staudt spoke briefly on the difference between operating and owning and then asked how much it would cost to fully build an ice arena like Novi's today. Mr. Anastos said that when he spoke with a construction firm a 2-sheet facility like Novi's, which was originally built at \$6M would cost \$12M today, a 3-sheet would be \$24M. Councilmember Staudt noted that the value is in the land, not in the building. From a construction/capital standpoint he doesn't know how anyone could choose to own it with the risk. Mr. Anastos said that they are in a niche business that they are passionate about and there are efficiencies that they can take advantage of due to other nearby facilities, but programming is key. Councilmember Staudt spoke on the fiduciary responsibility the City has and asked what would happen if there was a catastrophic failure of the cooling system – would it have to be funded out of the City operating budget. Mr. Anastos said that if it came to that point, you

would likely either shut down the building or bond it. If it was a building Suburban owned, they would develop a plan, they are a long-term operator, not a private equity firm. Suburban has reserves, lines of credit, established relationships, etc. that they can leverage. Councilmember Staudt said that in discussions between the Mayor and himself they have talked about the potential risk of the Novi Ice Arena facility. To him it is just putting money into a fund to spend on maintenance that doesn't benefit the full city and as a business asset he still hasn't figured it out. He continued that if [Suburban] were to buy this place, they wouldn't have to make the same considerations. He thinks it is not to the benefit of the City to own such a facility and for Suburban to manage, rather than own it themselves since the City ownership restricts them. Mr. Anastos remarked that the management role has been good for them. Councilmember Staudt said that he thinks that if Suburban owned the facility they would continue to invest in it while the City operates only to maintain. Mr. Anastos said that the cost amount of activity would be the same, they run the Novi Ice Arena as if they own it. Mayor Fischer remarked that he was disappointed in the lack of recognition of the existing Ice Arena user groups and ensuring their access in the MOU provided by Suburban. Mr. Anastos said that they wouldn't want to make a commitment that would ultimately limit their operations. Mr. Cardenas asked how Suburban would change operations at the Novi Ice Arena to match their revenue generation at other facilities. Mr. Anastos said that most would be similar, though at their other facilities they do not have a 3rd party youth hockey association, other main difference would include the base financial structure (municipal vs private) wherein the City doesn't capitalize items as a non-taxable entity. Councilmember Staudt asked where they get money for capital and improvements. Mr. Anastos said that they have capital and that they run as an organization rather than as a facility which allows for different prioritization. They are generally conservative with their spending.

Mayor Fischer asked what the cell tower revenue is. The exact number was not available but estimated at approximately \$127,000. Councilmember Staudt asked who pays the utilities, the response was that it ultimately comes out of the enterprise fund and the largest cost is for electrical.

Mayor Fischer thanks the representatives from the Suburban Sports Group and said that they could stay or leave at their own preference for the remainder of the meeting.

3. Use of Facilities Policy Draft Review

Mr. Muck said that at the last meeting it was discussed that there were multiple use policies in place and that it was desired that those should be reduced down/consolidated to a single document. City Attorney Schultz has put together the current draft before the Committee.

Mayor Fischer asked if it allowed the Ice Arena to have alcohol and Mr. Muck said that they always could, if they filed a permit. Mr. Schultz said that changes were made to include all possible facilities. The updated facilities list also would fall under the included updated alcohol use policy. There was a question of how park shelters fell under this and the Lakeshore Park Building restrictions. Councilmember Staudt

asked what the State handles regarding alcohol on the properties, Mr. Schultz said nothing other than it cannot be sold without a permit from the State. Some further discussion regarding various scenarios that would or wouldn't require a permit. Mr. Schultz also stated that if the Ice Arena wanted to sell alcohol, then we would need to have a license in place, and there is a specific type for municipalities. Councilmember Staudt asked if there was a catering kitchen or food service ability here, at the Ice Arena. Mr. Anastos said that they serve snack food and they Suburban has safety concerns organizationally about the possibility of involving alcohol. Their programs (particularly hockey) often already have high tempers present and the introduction of alcohol wouldn't be worth the safety issues or risk for their staff or the public in their opinion. Councilmember Staudt noted his interest in selling at other venues such as Power Park for softball events. Mayor Fischer said that is not interested in the City entering the business of selling alcohol but that he simply wants to make it so it isn't illegal for people to have a beer on-site. Mr. Muck said that we would have to change park policy for that, which they don't favor. He also noted that you currently can't have for-profit activities or fundraisers, which is only waived for Pour on the Shore.

Mayor Fischer asked about the differences between Lakeshore Park, Lakeshore Park Shelter, and the Lakeshore Park Building/Lakeshore Lodge. He also noted that Novi Northwest Park was missing from the list. He said that there are some further clarifications to make and asked for opinions regarding the opening up of the Lakeshore Park Building/Lakeshore Lodge for rental. Councilmember Staudt thought it should be opened up and that it is currently underutilized. Mayor Pro Tem Casey said she would also be fine with it being open for rental. Deputy PRCS Director Ringle said that Lake Shore Park building use would need to be seasonally limited due to the small parking area and PRCS programs that use the space, presumably being available from October to April.

A brief discussion was also had regarding discounted rental fees for Homeowners Associations, particularly those located in the north end of the City as a gesture of good will. Ms. Ringle suggested that they have limited availability for discounted nights (IE non-prime rental times). Mayor Fischer said parameters of that nature would be fine. Councilmember Staudt asked when they can start renting the facility and Ms. Ringle suggested January 1, 2027 (to give sufficient time to finalize new policy, set up staffing structure, etc.). Councilmember Staudt asked how many individuals would staff the building and Ms. Ringle said most likely one or two. Councilmember Staudt said it would be great to see the building in more regular use. He also asked if the catering kitchen would be available for use and Ms. Ringle said yes. Mayor Fischer said that he would expect that the rental/use fees for the Lakeshore Park building to be higher than the typical room rate in other facilities given the high quality and unique atmosphere of the facility.

Mayor Fischer said that the Committee has given their direction and that they welcome additional details being provided and for the staff/City Attorney to come back with their suggestions. Mr. Muck asked if the Committee views the new Policy document as time sensitive, to be rolled out as soon as possible, and also noted that there is a plan to increase the park shelter rental fee soon. Mayor Fischer said that

yes, the document is high priority, and that the increase to park shelter rental fees can go straight to City Council.

AUDIENCE COMMENTS – None

ADJOURNMENT: 7:36 p.m.

Motion: Casey; Seconded: Fischer; Approved: 3:0

DRAFT