



Presented To: Community Services Committee

Presented: Monday, Aug 12, 2013

Report Date: Thursday, Aug 01, 2013

Type: Presentations

Request for Decision

Fitness Centre Membership Fees - Recommendation

Recommendation

WHEREAS at the February 4, 2013, Community Services Standing Committee meeting, Council approved an increase in fitness centres fees to realize a 75% net operating cost recovery resulting in a revenue increase estimated at \$120,706.00, and;

WHEREAS a new fitness membership fees structure has been established for all City owned and operated fitness centres to meet the approved cost recoveries target;

THEREFORE BE IT RESOLVED THAT the new membership fees rate structure be approved and implemented as of January 1, 2014, and;

THAT the incremental increase in user fees be adjusted in the 2015 operating budget, and;

THAT a fitness equipment replacement reserve fund be established, and;

THAT the expected increase in 2014 user fees of \$20,000 be reserved into the fitness equipment replacement reserve fund, and;

THAT an annualized amount of \$20,000 be reserved for the fitness equipment replacement reserve fund.

Signed By

Report Prepared By

Cindy Dent
Manager of Recreation
Digitally Signed Aug 1, 13

Division Review

Real Carre
Director of Leisure Services
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Recommended by the Department

Catherine Matheson
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Recommended by the C.A.O.

Doug Nadorozny
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Finance Implications

If approved, the fitness fee membership increase at the cost recovery of 75% represents an expected additional revenue of approximately \$120,700. Given that the uptake of memberships with the new fee structure is uncertain at this time, and membership renewals may vary, the 2015 operational budget will be adjusted to reflect the actual revenue in 2014. Also, 2014 additional fees generated up to \$20,000 will be placed in reserve. In addition, an annual contribution of \$20,000 will be made to the Fitness Equipment Replacement Reserve Fund, from the increase in user fee revenue realized.

Background

The purpose of the report is to provide the Community Services Committee with a recommendation on fitness fee increases and fees structure in order to achieve a 75% net operating cost recovery. The following resolution was passed on February 4, 2013:

CS2013-10: WHEREAS, at the December 3, 2012, Community Services Committee meeting, Council requested additional information on the City operated Fitness Centres related to user fees, net operating cost recoveries and fee comparisons with other fitness facility operators;

AND WHEREAS additional information has been provided as requested along with options for revenue increases to meet specific cost recovery targets;

THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury approve Option 3 (That the fitness centres fees be increased resulting in a 75% net operational cost recovery) to increase overall revenues at fitness facilities in order to increase the net cost recoveries;

AND THAT staff be requested to review the current fitness membership fees structure at all City owned and operated fitness centres and recommend increases to realize approved net cost recoveries as noted above;

AND THAT the user fee increases, once approved, be implemented for the 2014 season.

Fitness Centres

There are 6 fitness centres operating directly from City owned facilities. The City directly operates 5 centres which include:

- Rayside-Balfour Workout Centre
- Howard Armstrong Recreation Centre (HARC)
- Dowling Leisure Centre
- Falconbridge Wellness Centre
- Capreol Millennium Centre

The McClelland Squash and Fitness Centre located at the McClelland Arena is operated by a community based, non-profit organization. On average, the City operated fitness centres have approximately 2,000 monthly members.

Fitness Membership Fees/Structure

A review of current membership fees revealed disparities between membership fees and facilities/programs available to members at different City of Greater Sudbury fitness centres.

The membership fees review and recommendation provides an opportunity to redesign the membership structure taking into consideration the facility amenities (space, equipment, programs, etc.). Members have requested flexible memberships for use at other City operated fitness centres.

The recommended structure would include establishing 3 levels of memberships based upon the following information.

Facilities/Programs Included in Membership

Membership Structure	Weight / Cardio	Change Room / Shower	Gym / Studio	Sauna	Squash	Track	Recreation Swim	Drop in Fitness
Level 1 Membership	X	X	X	X	X	X	X	X
Level 2 Membership	X	X	X	X				
Level 3 Membership	X	X						

Membership Levels/Fitness Centres

Level 1 Membership

Howard Armstrong Recreation Centre
Dowling Leisure Centre/Onaping Falls Community Centre - Pool

Level 2 Membership

Rayside Balfour Workout Centre

Level 3 Membership

Capreol Millennium Centre
Falconbridge Wellness Centre

Major Changes to Membership Include:

- Harmonization and alignment of fees
- Flexible membership for use at other City operated fitness centres
- Recreational swims at Onaping Pool will be added to the membership for the Dowling Leisure Centre
- Drop in fitness classes will be added to Dowling Leisure Centre
- Fitness punch cards will be added to Dowling Leisure Centre
- Squash will be included in the membership Dowling Leisure Centre and HARC and will not be a separate membership category
- Swimming lessons will not be part of membership at HARC
- 10 visit pass for each centre
- The 6 and 9 month membership option will no longer be available

Recommended fee structure: The following is the recommended fitness membership fee structure:

Membership Fees

Level 1 Membership	Daily	10 Visits	Monthly	3 Months	Yearly
Adult	\$ 10.00	\$ 70.00	\$ 50.00	\$ 135.00	\$ 480.00
Senior	\$ 9.00	\$ 63.00	\$ 45.00	\$ 121.50	\$ 432.00
Student / Youth	\$ 9.00	\$ 63.00	\$ 45.00	\$ 121.50	\$ 432.00
Junior / 2nd Member	\$ 7.00	\$ 49.00	\$ 35.00	\$ 94.50	\$ 336.00
3rd and Subsequent Family Members	\$ 5.00	\$ 35.00	\$ 25.00	\$ 67.50	\$ 240.00
Level 2 Membership	Daily	10 Visits	Monthly	3 Months	Yearly
Adult	\$ 9.00	\$ 63.00	\$ 45.00	\$ 121.50	\$ 432.00
Senior	\$ 8.10	\$ 56.70	\$ 40.50	\$ 109.35	\$ 388.80
Student / Youth	\$ 8.10	\$ 56.70	\$ 40.50	\$ 109.35	\$ 388.80
Junior / 2nd Member	\$ 6.30	\$ 44.10	\$ 31.50	\$ 85.05	\$ 302.40
3rd and Subsequent Family Members	\$ 4.50	\$ 31.50	\$ 22.50	\$ 60.75	\$ 216.00
Level 3 Membership	Daily	10 Visits	Monthly	3 Months	Yearly
Adult	\$ 8.00	\$ 56.00	\$ 40.00	\$ 108.00	\$ 384.00
Senior	\$ 7.20	\$ 50.40	\$ 36.00	\$ 97.20	\$ 345.60
Student / Youth	\$ 7.20	\$ 50.40	\$ 36.00	\$ 97.20	\$ 345.60
Junior / 2nd Member	\$ 5.60	\$ 39.20	\$ 28.00	\$ 75.60	\$ 268.80
3rd and Subsequent Family Members	\$ 4.00	\$ 28.00	\$ 20.00	\$ 54.00	\$ 192.00

***Membership fees do not include HST.**

City of Greater Sudbury Adult 2012-2013 Rates

Facilities	Daily	1 Month	3 Months	6 Months	9 Months	Annual
HARC	\$5.53	n/a	\$68.14	\$127.43	\$162.83	\$185.84
Rayside Balfour	\$6.19	\$41.59	\$105.31	\$181.42	n/a	\$331.86
Capreol	\$3.10	\$25.66	\$63.72	\$115.93	\$167.26	\$221.24
Dowling	\$3.10	\$36.28	\$92.04	\$175.22	\$256.64	n/a
Falconbridge	\$3.10	\$25.66	\$63.72	\$115.93	\$167.26	n/a

Fee Comparisons

The following is a summary of fitness fee comparators charged by other Municipalities and the private sector. The membership fees do not include H.S.T.

Municipality	Daily	1 Month	3 Months	6 Months	Annual
Ajax	\$8.85	n/a	\$153.00	\$237.00	\$407.00
Oakville	\$8.63	n/a	\$146.02	n/a	\$384.96
Barrie	\$6.14	\$52.50	n/a	n/a	n/a
Espanola	\$8.48	\$29.75	\$79.00	\$140.25	\$245.75
Thunder Bay	\$8.19	\$60.00	n/a	n/a	\$522.00
Private Fitness Centres					
YMCA	\$11.42	\$53.86	n/a	n/a	n/a
Laurentian	\$11.50	n/a	\$175.00	\$325.00	\$600.00
McClelland Fitness Centre	\$ 4.42	\$44.25	\$106.19	\$176.99	\$265.49
Good Life Fitness Centre	\$13.27	\$50.00	\$150.00	\$300.00	\$600.00
Snap Fitness	\$ 8.85	\$49.95	\$149.85	\$299.70	\$551.40

Average Adult Fitness Membership Fee Comparators (2012/2013 : *2014)

Comparator	Daily	1 Month	3 Months	6 Months	9 Months	Annual
City of Greater Sudbury	\$4.20	\$32.30	\$78.59	\$143.19	\$188.50	\$246.31
* Proposed 2014	\$9.00	\$45.00	\$121.50	n/a	n/a	\$432.00
Municipally Operated	\$8.06	\$47.42	\$126.01	\$188.63	n/a	\$389.93
Private Sector	\$9.89	\$49.52	\$145.26	\$275.42	n/a	\$504.22

C.G.S. Adult Fitness Fee Rate Percentage Increase (2012/2013)

Facilities	Daily			Monthly		
	2012-2013	New	% of Increase	2012-2013	New	% of Increase
Howard Armstrong Rec Centre	\$5.53	\$10.00	80.83%	n/a	\$50.00	n/a
Dowling Leisure Centre	\$3.10	\$10.00	222.58%	\$36.28	\$50.00	37.82%
Rayside-Balfour Workout Centre	\$6.19	\$9.00	45.40%	\$41.59	\$45.00	8.20%
Capreol Millennium Centre	\$3.10	\$8.00	158.06%	\$25.66	\$40.00	55.88%
Falconbridge Wellness Centre	\$3.10	\$8.00	158.06%	\$25.66	\$40.00	55.88%

Facilities	3 months			Yearly		
	2012-2013	New	% of Increase	2012-2013	New	% of Increase
Howard Armstrong Rec Centre	\$68.14	\$134.00	96.65%	\$185.84	\$480.00	158.29%
Dowling Leisure Centre	\$92.04	\$135.00	46.68%	n/a	\$480.00	n/a
Rayside-Balfour Workout Centre	\$105.31	\$121.50	15.37%	\$331.86	\$432.00	30.18%
Capreol Millennium Centre	\$63.72	\$108.00	69.49%	\$221.24	\$384.00	73.57%
Falconbridge Wellness Centre	\$63.72	\$108.00	69.49%	n/a	\$384.00	n/a

Conclusion

The new membership structure and rates will assist with realizing the approved net cost recovery at 75%. Options are being considered to accommodate a payment plan for ease of payment. As part of additional revenues generated from the membership fee increases, it is recommended that \$20,000.00 be transferred to a fitness equipment replacement reserve fund in order to purchase new fitness equipment and upgrade existing fitness facilities. At the present time, allocated funds are budgeted for repairs and maintenance for fitness equipment only. A resolution has been prepared for Council's consideration.