



CITY OF ST. ALBERT ADMINISTRATIVE BACKGROUNDER

TITLE: SERVUS PLACE MEMBERSHIPS

PURPOSE OF REPORT

On January 21, 2019 Councillor Hansen provided notice in accordance with Section 23 of Procedure Bylaw 3/2018 of her intention to make the proposed motion below.

In order for Council to debate the motion, it must be formally moved.

PROPOSED MOTION(S):

That a walking track only membership be offered at Servus Place to individuals on a monthly and annual basis.

That further, Servus Place and Fountain Park offer free full memberships to St. Albert residents who are 80 years and older.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

N/A

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

Track Facility (Servus Place Indoor), for the provision of running/walking track and amenities required for field training activities.

- Available for spontaneous or programmed use only.
- Open in alignment with Servus Place hours of operation.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

N/A

BACKGROUND:

Servus Place Track Only Membership

Administrations understanding of the motion is that a track only membership, which would be limited to use only for the Servus Place Fitness Track, be offered as a Servus Place membership option.

Current Operating Model

The current operating model, at Servus Place, like most other multiplex facilities in Alberta, is structured to give users access to a bundle of facility amenities, via a day admission or membership pass. This allows a patron of any age to access spontaneous use for a variety of activities, to multiple facility areas, for the entire day.

The original design of the facility was structured to allow the spontaneous use amenities in various areas, in which the user, with a proof of paid admission wristband can move to one amenity to another without separate control points. The model has proven to be effective in terms of managing multiple use spaces with high volumes of users, requiring fewer staff and resources to manage. Servus Place has a budget expectation of a cost recovery between 85 - 90%. Changes to the existing operating and fee models that offer discounted, or free admission fees has the potential to impact cost recovery expectations.

The current operating model, and pricing structure fall under the auspices of the City of St. Albert Policy C-FS-16, Municipal Fees & Charges. The policy states that:

- “The City supports a user pay philosophy, such that wherever possible the user of a particular program or service shall pay the cost of delivering or providing that program or service.”
- “All fees and charges are maintained at a level that both ensure financial sustainability and are at a market level that encourages and provides social benefit for the community. Overall rates and fees are structured to promote accessible recreation and fitness opportunities for all ages.”

Operational Impacts

The Track use only membership would be priced at a fee less than a full access regular membership, with the intent being the lower cost will alleviate the financial barrier for people to become more active.

If approved, the new membership option and fees would become part of the fees and charges policy, Schedule “9”, Servus Credit Union Place User Fees and would take affect September 1st, 2019, in alignment with the fees and charges schedule.

- A Track only use membership could potentially erode the current pricing structure, and operating model. It is anticipated other members will inevitably demand a similar single amenity fee privilege for other use areas (Fitness Centre, Aquatics Centre, Gymnasium, Leisure Ice etc.).

- Financial impacts anticipated include revenue losses resulting from existing and new members opting for the cheaper track only membership, and minor expenses from additional wristbands, and additional monitoring of the track. Based on the use numbers experienced by the Tri Leisure Centre, and Dow Centennial Centre, the financial impacts would be marginal in the short term but could grow depending on the volume of users.

Regional Comparators

Administration researched two known venues that currently offer a Track Only Use membership option, TransAlta Trileisure Centre in Spruce Grove, and Dow Centennial Centre in Fort Saskatchewan. Each of these facilities although similar to Servus Place, have distinct amenity offerings, operating models, and less cost recovery expectations.

TransAlta Trileisure Centre

- Track only memberships are available for all age categories except families.
- Track only memberships are available for an annual, or month to month membership, no daily admission is offered.
- Track only membership does not provide access to the cardio equipment or activity areas around the track lanes.
- Fee for the Track only membership is priced at 50% of the regular memberships. (e.g. Senior Monthly regular monthly membership is \$41.00/month, Track Only membership is \$21.00/month).
- 296 monthly track only memberships.

Dow Centennial Centre

- Track only memberships are available for all age categories except families.
- Track only membership are available on a monthly membership, or single use daily fee, no annual membership.
- Track only membership does not provide access to the cardio equipment or activity areas around the track lanes.
- Fee for track only membership is priced at approximately 30% of the regular membership (E.g. Senior monthly is \$36.25 regular monthly, \$10.00/ month for Track Only admission).
- 133 monthly track only memberships.

If the motion is approved, Administration will model the membership structure, and pricing similar to these facilities, while maintaining consistency with the City of St. Albert Fee policy, and budgetary expectations.

Free Membership to St. Albert residents 80 years of age and older.

Administration's understanding of the motion is that a free, individual membership for Servus Place and Fountain Park Recreation Centre be provided to any St. Albert resident, that is 80 years and over. Administration bases the free membership offering to remove the financial barrier, promoting an active lifestyle to our most senior population.

Current Operating Model and Operational Impacts

Based on the 2018 census, St. Albert has a total of 2,814 people aged 80 and over, representing approximately 4% of the total population. Servus Place currently has 66 members aged 80+ and Fountain Park has 17.

If the motion should pass, the immediate financial impact will be a revenue loss of approximately \$30,000/year, based on current membership numbers.

Regional Comparators

Administration researched two known venues that currently offer a free membership for users that are 80+ years of age:

- TransAlta Trileisure Centre - 203 free 80+memberships.
- Leduc Recreation Centre (recently reduced free membership to 75+ from 80+) – 127 free 80+ memberships.

If the motion is approved, Administration would implement the change to become effective September 1st, 2019 to be aligned with the fees and charges schedule.

Financial Considerations

It should be considered that the comparators provided for in this background report (with exception of Spruce Grove) represent municipalities that have significant differences in their split of residential to non-residential assessment bases. Reductions of fee revenue in have a higher impact on our residential taxpayers in St. Albert. The below chart summarizes these significant differences.

	<u>Residential</u>	<u>Non-Residential</u>
Spruce Grove	82%	18%
Fort Saskatchewan	55%	45%
Leduc	66%	34%
St. Albert	85%	15%

*Based on 2018 Assessment data

Report Date: February 19, 2019
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