



RECREATION PLAYBOOK

Magna Centre
Fitness Centre Option

Shape the way you play!





Recommendation from the Recreation Playbook – June, 2015

Explore development of an equipment -based, membership -oriented fitness facility to be run municipally or in a partnership facility at Magna Centre.



A Vision for a Fitness Centre



Staff are seeking approval from Council to convert the existing restaurant space into a fitness centre with the following key operating principles:

- This fitness centre would provide a holistic approach to health and wellbeing, welcoming all members of the community regardless of age, ability, or financial circumstance.
- Membership based facility that would also sell day passes
- Memberships will be sold to individuals aged 16 and up. Youth ages 13 to 15 would be able to participate upon completion of a specialized training program.
- A special Cardiac Rehab Membership will be created in partnership with Southlake Hospital
- Membership fees would be affordable while still competing in the market place
- A financial assistance model would be developed to ensure those who cannot afford a membership are still able to participate
- Benefits of membership would include access to group fitness classes, aquafitness, lane swimming, and walking track at no additional charge
- Family memberships will be offered that extend access to public swimming and skating for children
- Equipment and programming will focus on drawing a variety of participants. This will be a fitness centre where all would feel welcomed regardless of age, ability or gender.



Operating Model



Fitness Operating Model - First Three Years Operating Summary			
Revenue	Year One	Year Two	Year Three
Memberships	\$200,582.00	\$362,682.00	\$420,351.00
Joining Fees	\$18,000.00	\$21,000.00	\$25,000.00
Personal Training & Programming	\$31,000.00	\$33,080.00	\$35,000.00
TOTAL Revenue	\$249,582.00	\$416,762.00	\$480,351.00
Expenses	Year One	Year Two	Year Three
Personnel	\$227,000.00	\$235,000.00	\$242,000.00
Non Personnel	\$131,800.00	\$136,250.00	\$132,550.00
TOTAL Expenses	\$358,800.00	\$371,250.00	\$374,550.00
NET	-\$109,218.00	\$45,512.00	\$105,801.00



Operating Model Proposed Membership Prices



Membership Category	Monthly Fee		
	Year 1	Year 2	Year 3
Single Adult	\$30.00	\$31.50	\$33.00
Cardiac Rehab	\$20.00	\$21.50	\$23.00
Single Student (16 years of age and older)	\$20.00	\$21.50	\$23.00
Household (Up to 2 adults, children living in same house)	\$55.00	\$58.00	\$60.00
Single Adult Assisted (for those who qualify to receive financial assistance through income test)	\$17.00	\$18.00	\$19.00
Single Student Assisted (for those who qualify to receive financial assistance through income test)	\$12.00	\$13.00	\$14.00
Household Assisted (Up to 2 adults, children living in same house, for those who qualify to receive financial assistance through income test)	\$30.00	\$31.00	\$32.00
Day Passes	\$8.00	\$9.00	\$10.00



Operating Model Projected Year End Membership Numbers



Membership Category	Total Number of Members at Year End		
	Year 1	Year 2	Year 3
Single Adult	175	230	260
Cardiac Rehab	130	150	160
Single Student	70	80	90
Household (assumes 2 Adults only in this projection)	400	530	570
Single Adult Assisted	70	80	90
Single Student Assisted	35	35	35
Household Assisted (assumes 2 adults only in this projection)	120	170	180
TOTAL (excludes day passes)	1,000	1,275	1,385



Operating Model Proposed Staffing Expenses

The operating model focusses on a very lean staffing model. There is one additional full time position identified – a Fitness Programmer. This full time position would be supported by one desk staff attendant during all hours of operation. Hours of operation for the purpose of this projection is from 6:00 am to 11:00 pm.

All personal training and programming is based on an assumption of a commission based approach where staff only get paid for services rendered.



Operating Model Proposed Non-Personnel Expenses



Non Personnel Expense Category	Annual Expense		
	Year 1	Year 2	Year 3
Supplies (office, first aid, fitness balls, bands)	\$6,000	\$7,000	\$5,000
Maintenance and Cleaning supplies	\$2,800	\$3,750	\$3,050
Membership Software Expense (CLASS)	\$1,000	\$1,000	\$1,000
Marketing Expenses	\$3,000	\$4,000	\$3,000
Cleaning Contract or Additional Cleaning Staff part time	\$24,000	\$25,000	\$25,500
Equipment Lease	\$60,000	\$60,000	\$60,000
Lost Revenue (end of current lease)	\$35,000	\$35,000	\$35,000
Total	\$131,800	\$136,250	\$132,550



Municipal Comparisons



There are many municipalities that offer Fitness Centres as part of the service delivery within the Recreation Department. Staff investigated operations with all of the following Municipalities that currently operate Fitness Centres: Bradford, Aurora, Vaughan, Richmond Hill, Markham, King Township, Whitchurch-Stouffville, Barrie, Mississauga, Brampton, Ajax, Oshawa and Whitby.

Lessons learned from this research:

- All operate Fitness Centres that generate a net operating surplus annually in years of normal operation
- Pricing and service delivery varied dramatically from municipality to municipality depending upon market place conditions, municipal pricing philosophies and program packaging
- Some municipalities had a very high price point and offered an overall experience comparable to a high end private club
- Other municipalities offered services at a more affordable range that included a cross section of programming
- The most relevant comparisons are Bradford and Aurora. Bradford operates with a model very similar to what is being proposed in the Newmarket operating model. Their price point ranges from \$26 to \$32 per month depending upon membership type. Bradford reached 2,000 members. Aurora is a higher price point in their newly reopened Fitness Centre with fees in the \$50 to \$60 range. They have hit 1,000 members within their first year of operation.



Questions



Newmarket