

# **Servus Place Quarterly Report**

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**Third Quarter 2011**  
(Un-Audited)

# Servus Place Quarterly Report Third Quarter 2011

## City of St. Albert Servus Credit Union Place Income Statement of Revenue and Expenditures (Un-Audited) For the Period Beginning July 1, 2011 to September 30, 2011

|   | 2011<br>Q3<br>Actual | 2011<br>Q3<br>Budget | 2011<br>Q3<br>Variance | 2011<br>YTD<br>Actual | 2011<br>YTD<br>Budget | 2011 YTD<br>Variance | 2011<br>Revised<br>Budget | 2011 YE<br>Forecast* |
|---|----------------------|----------------------|------------------------|-----------------------|-----------------------|----------------------|---------------------------|----------------------|
| Memberships                                   | \$ 556,602           | \$ 527,000           | \$ 29,602              | \$ 1,894,225          | \$ 1,846,000          | \$ 48,225            | \$ 2,426,300              | \$ 2,485,000         |
| Admission Fees                                | 259,329              | 301,900              | (42,571)               | 861,297               | 950,700               | (89,403)             | 1,270,500                 | 1,180,500            |
| Lesson Fees                                   | 257,006              | 271,400              | (14,394)               | 704,485               | 647,600               | 56,885               | 834,200                   | 904,200              |
| Rentals - Facility                            | 301,575              | 319,300              | (17,725)               | 1,104,408             | 1,083,600             | 20,808               | 1,537,500                 | 1,547,500            |
| Advertising/Sponsorship                       | 140,424              | 144,400              | (3,976)                | 416,568               | 411,000               | 5,568                | 554,200                   | 560,000              |
| Sale of Goods (Commission & Vending)          | 13,756               | 19,100               | (5,344)                | 57,307                | 64,300                | (6,993)              | 184,300                   | 150,300              |
| Miscellaneous Revenue                         | 2,095                | -                    | 2,095                  | 23,915                | -                     | 23,915               | 13,800                    | 43,800               |
| <b>Total Revenue</b>                          | <b>\$ 1,530,787</b>  | <b>\$ 1,583,100</b>  | <b>\$ (52,313)</b>     | <b>\$ 5,062,205</b>   | <b>\$ 5,003,200</b>   | <b>\$ 59,005</b>     | <b>\$ 6,820,800</b>       | <b>\$ 6,871,300</b>  |
| Personnel Costs                               | \$ 1,008,514         | \$ 1,133,700         | \$ (125,186)           | \$ 3,016,060          | \$ 3,309,900          | \$ (293,840)         | \$ 4,439,700              | \$ 4,159,700         |
| Contracted & General Services                 | 176,730              | 207,300              | (30,570)               | 496,126               | 539,400               | (43,274)             | 763,000                   | 773,000              |
| Utilities                                     | 178,389              | 194,500              | (16,111)               | 677,115               | 611,600               | 65,515               | 827,700                   | 958,000              |
| Materials, Goods & Supplies                   | 95,123               | 105,300              | (10,177)               | 294,032               | 318,600               | (24,568)             | 454,100                   | 454,100              |
| Transfer to Reserves                          | 9,020                | 10,500               | (1,480)                | 37,091                | 37,600                | (509)                | 51,500                    | 51,500               |
| Transfer to Operations - Aquatics             | 181,213              | 197,600              | (16,387)               | 573,633               | 564,400               | 9,233                | 756,800                   | 756,800              |
| Transfer to Operations - Public Works         | 140,855              | 179,700              | (38,845)               | 495,451               | 546,300               | (50,849)             | 732,600                   | 732,600              |
| <b>Total Expenditure</b>                      | <b>\$ 1,789,844</b>  | <b>\$ 2,028,600</b>  | <b>\$ (238,756)</b>    | <b>\$ 5,589,508</b>   | <b>\$ 5,927,800</b>   | <b>\$ (338,292)</b>  | <b>\$ 8,025,400</b>       | <b>\$ 7,885,700</b>  |
| <b>Net Surplus (Deficit)</b>                  | <b>\$ (259,057)</b>  | <b>\$ (445,500)</b>  | <b>\$ 186,443</b>      | <b>\$ (527,303)</b>   | <b>\$ (924,600)</b>   | <b>\$ 397,297</b>    | <b>\$(1,204,600)</b>      | <b>\$(1,014,400)</b> |
| Recovery Rate                                 | 86%                  | 78%                  |                        | 91%                   | 84%                   |                      | 85%                       | 87%                  |
| <b>Cost Centre 3171<br/>(from Recreation)</b> |                      |                      |                        |                       |                       |                      |                           |                      |
| <b>Total Revenue</b>                          | <b>\$ 86,311</b>     | <b>\$ 89,400</b>     | <b>\$ (3,089)</b>      | <b>\$ 328,311</b>     | <b>\$ 315,900</b>     | <b>\$ 12,411</b>     | <b>\$ 479,900</b>         | <b>\$ 479,900</b>    |
| <b>Total Expenses</b>                         | <b>33,857</b>        | <b>33,600</b>        | <b>257</b>             | <b>102,476</b>        | <b>103,600</b>        | <b>(1,124)</b>       | <b>137,600</b>            | <b>137,600</b>       |
| <b>Operating Surplus (Deficit)</b>            | <b>\$ 52,454</b>     | <b>\$ 55,800</b>     | <b>\$ (3,346)</b>      | <b>\$ 225,835</b>     | <b>\$ 212,300</b>     | <b>\$ 13,535</b>     | <b>\$ 342,300</b>         | <b>\$ 342,300</b>    |
| <b>Total Operating Surplus (Deficit)</b>      | <b>\$ (206,603)</b>  | <b>\$ (389,700)</b>  | <b>\$ 183,097</b>      | <b>\$ (301,468)</b>   | <b>\$ (712,300)</b>   | <b>\$ 410,832</b>    | <b>\$ (862,300)</b>       | <b>\$ (672,100)</b>  |

\* Forecast as of August 2011. For more detailed information on the 2011 Forecast, please see page 39 of this document.

# Servus Place Quarterly Report Third Quarter 2011

## Department Overview – Quarter 3 – 2011

The Servus Place deficit for the third quarter (Q3) 2011 is \$259,057. The recovery rate for the third quarter is 86%.

2011 Quarterly Forecast was completed in August and submitted to the CPS General Manager. The Servus Place Business Plan, Strategic Plan and all Project Charters and Business Cases were updated to reflect any changes that were made through the SLT review process.

### Revenue Analysis

Total revenue for Q3 2011 is \$1,530,787 against a budget of \$1,583,100. Total revenue variance for Q3 2011 is \$52,313 (-3.3%) below budget projections. Servus Place is beginning to see a slow down in revenue growth as the facility begins to hit thresholds in members and users.

- Memberships are above budget projections by \$29,602 (5.6%).
- Admission Fees are below budget projections by \$42,571 (-14.1%).
- Lesson Fees are below budget projections by \$14,394 (-5.3%).
- Rentals - Facility are below budget projections by \$17,725 (-5.6%)
- Advertising/Sponsorship is below budget projections by \$3,976 (-2.8%)
- Sale of Goods (Commission & Vending) is below budget projections by \$5,344 (-28.0%)
- Miscellaneous Revenue is above budget projections by \$2,095

The trend of slightly higher than budgeted membership revenues is anticipated to continue throughout the year. The increase in membership revenue may be contributing to the decrease in admission fee revenue with a conversion of the paid pass users to membership.

Lesson fees are slightly lower than budget in Q3 due to lower than anticipated summer camp registrations but is anticipated to end the year above budget due to an increase in demand for both fitness programs and fitness services.

Facility rental revenue is over budget primarily due to use of the parking lot by CTEC Motorcycle Training School throughout July, August and September. Use by CTEC will continue until October, resulting in higher than anticipated meeting room rental revenue at year end.

Commission and vending revenue is currently under budget due to lower than anticipate locker and vending commission revenue. This account is anticipated to end the year under budget.

The year to date revenue is above budget by \$59,005 (1.2%).

# Servus Place Quarterly Report Third Quarter 2011

## Expense Analysis

Total expenses for Q3 2011 are \$1,789,844 against a budget of \$2,028,600. Total expense variance for Q3 was \$238,756 (-11.8%) below budget projections.

- \* Personnel Costs are below budget projections by \$125,186 (-11.0%).
- \* Contracted & General Services are below budget projections by \$30,570 (-14.7%).
- \* Utilities are below budget projections by \$16,111 (-8.3%).
- \* Materials, Goods & Supplies are below budget projections by \$10,177 (-9.7%).
- \* Transfer to Reserves is below budget by \$1,480 (-14.1%).
- \* Transfer to Operations - Aquatics is below budget projections by \$16,387 (-8.3%).
- \* Transfer to Operations - Public Works is below budget projections by \$38,845 (-21.6%).

Personnel costs are lower than budgeted due to staff vacancies as well as lower than anticipated enrollment in programs resulting in a reduction in the required number of casual hours.

Contracted and general services is substantially under budget for the quarter but is anticipated to come in over for 2011. Several initiatives planned in Q3 will be carried out in Q4.

Although the Q3 actuals for utilities are under budget, these numbers are based on estimates due to the timing of the billing cycles. Actual charges are anticipated to come in above budget for year end.

Materials, goods and supplies are below budget for the quarter but will end the year on budget. This variance is due to timing of initiatives in operating supplies, uniforms and equipment, and bank charges.

Transfer to Aquatics and Public Works are both under budget for Q3 but will end the year on budget.

Year to date expenses are under budget by \$338,292 (5.7%).

## Servus Place Quarterly Report Third Quarter 2011

### Guest Services

Q3 saw lower than budgeted day admissions but memberships achieved slightly higher numbers than were budgeted. The Family category achieved the highest increase, and there was a notable increase in the Senior category for this quarter.

The Guest Services Associate – Host & Monitors was moved from Operations to Guest Services in order to continually improve the operational efficiencies of the facility. Working under the Guest Services Coordinator, this position spends approximately 80% of the time on the floor and 20% performing administration tasks, which has allowed increased opportunities for coaching, mentoring and direct supervision for their casual staff team. This move has also allowed for casual staff resources to be saved by having this permanent staff member on the floor for approximately 24 hours per week.

### Membership

| Memberships                 | Q3 2009 Actual   | Q3 2010 Actual   | Q3 2011 Actual   | Q3 2011 Budget    | Q3 2011 Variance | 2011 YTD Actual    | 2011 YTD Budget    | 2011 YTD Variance |
|-----------------------------|------------------|------------------|------------------|-------------------|------------------|--------------------|--------------------|-------------------|
| Adult                       | 2,535            | 2,681            | 2,594            | 2,376             | 218              | 2,934              | 2,775              | 160               |
| Child                       | 601              | 470              | 332              | 406               | -74              | 370                | 474                | -104              |
| Family                      | 1,836            | 2,095            | 2,240            | 1,739             | 502              | 2,297              | 2,030              | 267               |
| Senior                      | 509              | 604              | 628              | 580               | 49               | 741                | 677                | 64                |
| Student                     | 422              | 485              | 386              | 406               | -19              | 439                | 474                | -34               |
| Youth                       | 371              | 356              | 322              | 290               | 32               | 345                | 338                | 6                 |
| <b>Total Members</b>        | <b>6,275</b>     | <b>6,691</b>     | <b>6,503</b>     | <b>5,795</b>      | <b>707</b>       | <b>7,127</b>       | <b>6,768</b>       | <b>358</b>        |
| Total Paid Membership Units | 4,826            | 5,037            | 4,733            | 4,427             | 306              | 5,314              | 5,170              | 144               |
| Corporate Memberships       | 1,876            | 2,070            | 1,841            |                   |                  | 1,952              |                    |                   |
| <b>Membership Revenue</b>   | <b>\$512,837</b> | <b>\$567,118</b> | <b>\$556,602</b> | <b>\$ 527,000</b> | <b>\$ 29,602</b> | <b>\$1,894,225</b> | <b>\$1,846,000</b> | <b>\$ 48,225</b>  |

Membership revenue for Q3 2011 is \$556,602 which is 5.6% above budget. It is expected that this trend of slightly higher than budgeted membership revenues will continue until the end of the year based on the increases in the Family membership category, which also has the highest membership rate.

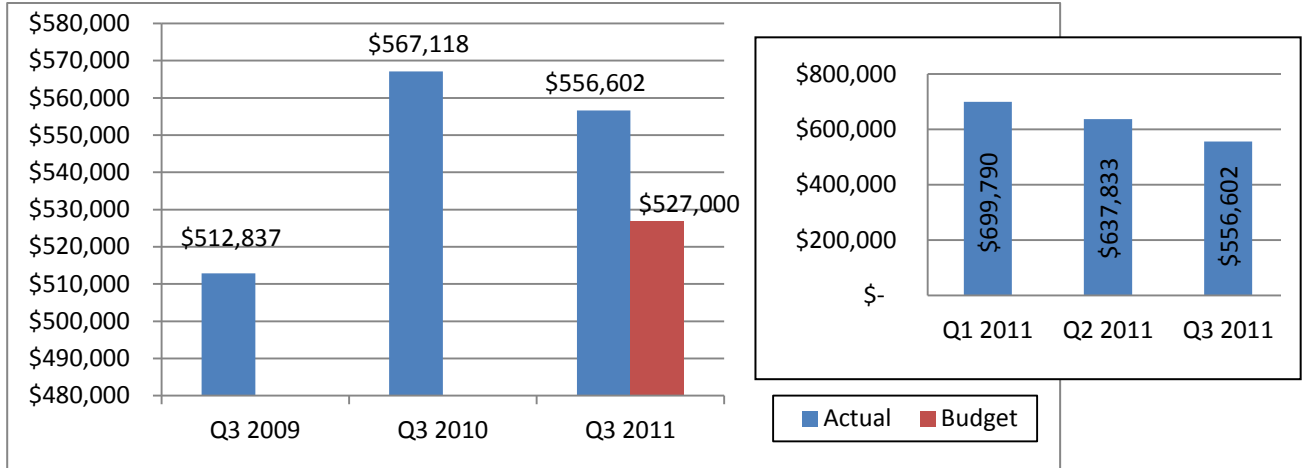
Membership totals are slightly higher than plan for the quarter which has been the trend throughout all of 2011. The child membership category continues to be lower than anticipated however the family category has experienced strong growth and has seen the largest category increase. There has also been stronger than anticipated Adult and Senior membership growth for the quarter.

In Q1 2011, the average Servus Place member used the facility 5.1 times. In Q2, it was 3.9 and in Q3 on average, each member used the facility 3.5 times per month. The increasing number of annual members ensures that although the average number of uses fluctuates month to month, the revenue received from these memberships is steady throughout the year.

There were 1,841 corporate members in Q3 2011. The corporate members in Q3 2011 make up 28.3% of the total members.

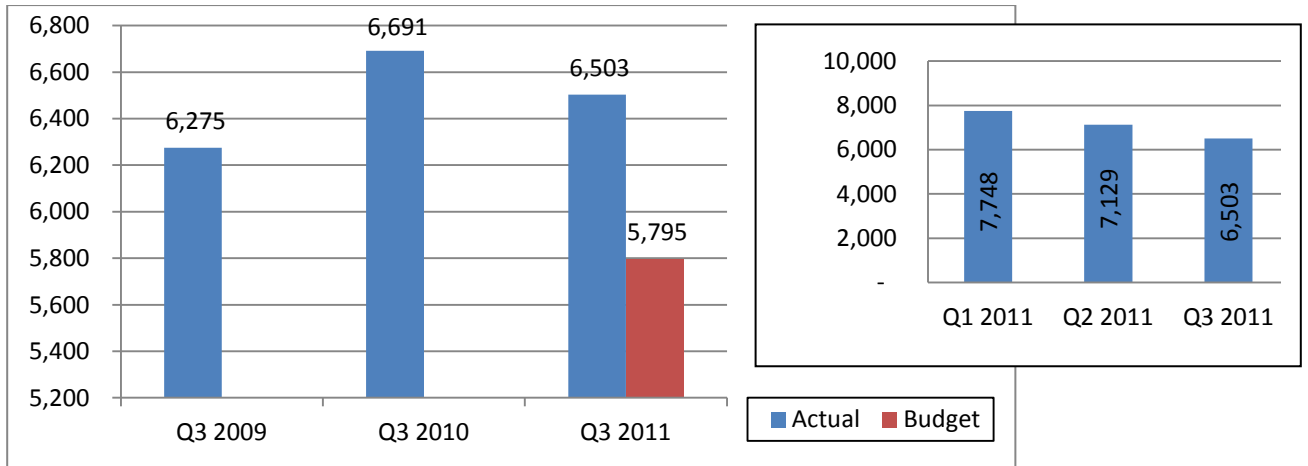
# Servus Place Quarterly Report Third Quarter 2011

## Membership Revenue



The 2011 budget is based on a blended rate of \$39.68. The actual blended rate for Q3 2011 is \$39.20. The Q3 blended rate is slightly below budget but \$1.67 over the blended rate for Q3 2010 (\$37.53). The blended rate has increased over previous years due to increases in the higher value family and adult membership categories as well as slight fee increases.

## Total Members



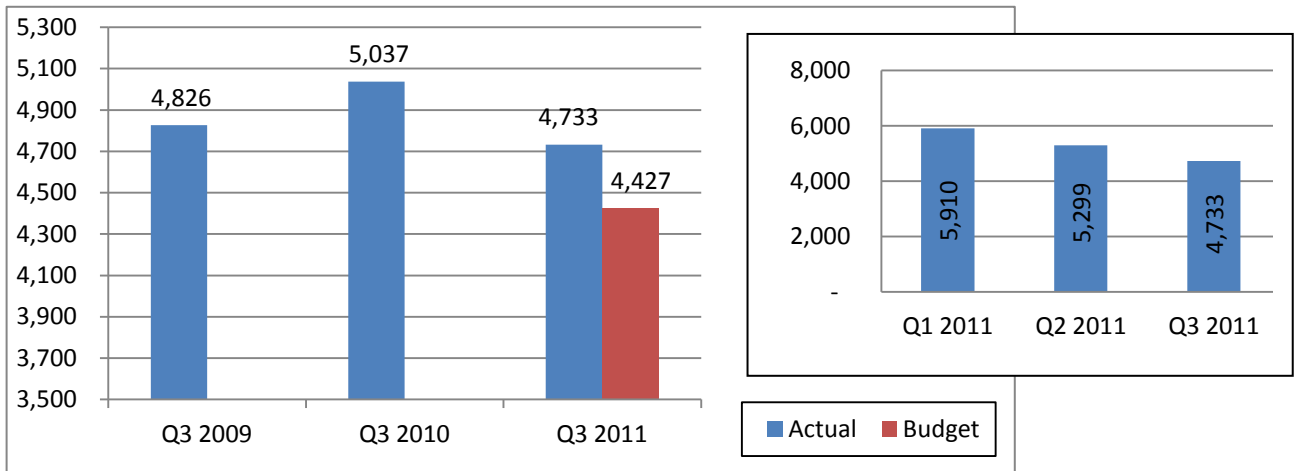
\* In 2009, there was no budget for members, only membership units.

In Q3 2011, there was an average of 6,503 members per month, which is 12.2% above budget. Actual members for Q3 2011 were above budget due to the increase in the family membership category.

The average number of family membership units per month for Q3 2011 is 471, which equates to 4.8 individual members per family membership unit.

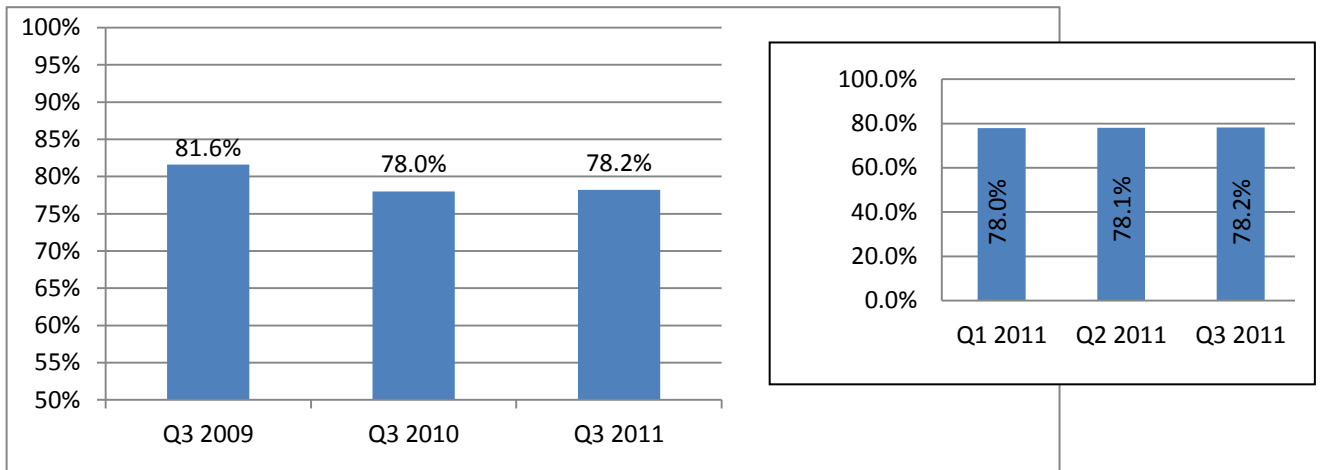
# Servus Place Quarterly Report Third Quarter 2011

## Membership Units



Membership units for Q3 2011 are 4,733 which are 6.9% above budget but slightly lower than Q3 2010.

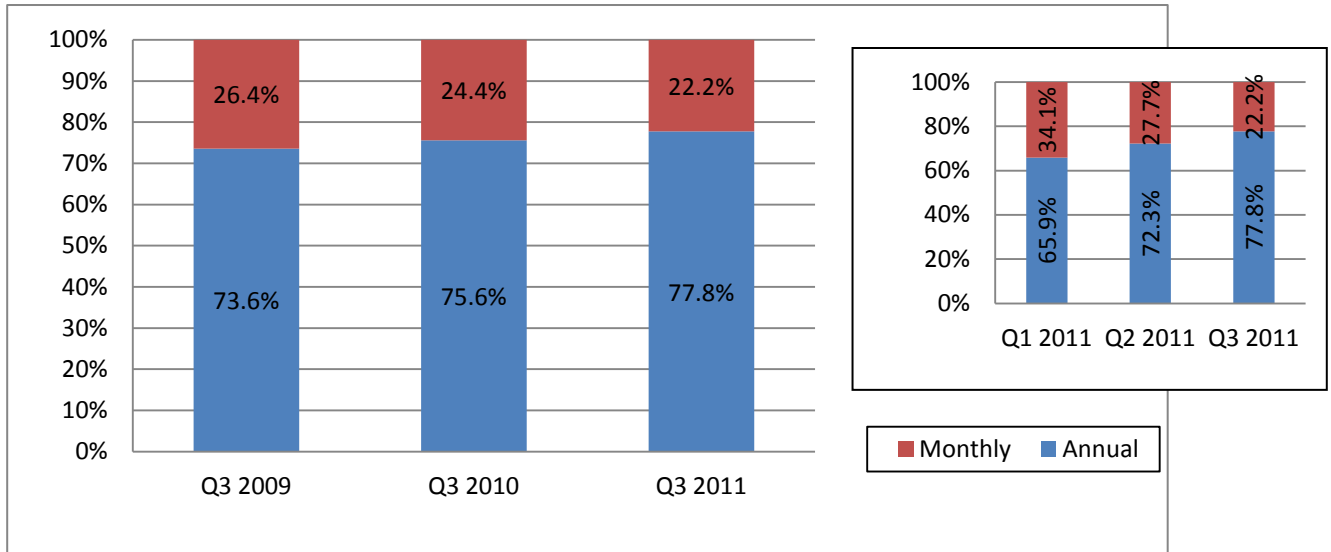
## Percentage of Members who are St. Albert Residents



In Q3 2011, the average percentage of members who are St. Albert residents is 78.2%.

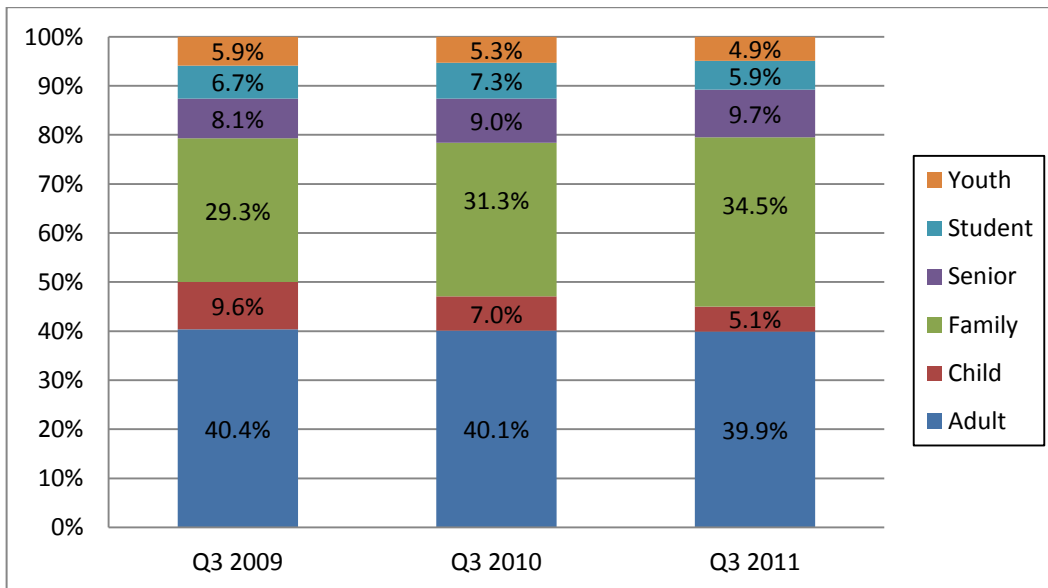
# Servus Place Quarterly Report Third Quarter 2011

## Members by Type



In Q3 2011, annual memberships accounted for 77.8% of the total memberships. This percentage of annual members continues to see increases since 2005. Annual membership totals are the key indicators of sustained monthly revenues throughout the entire year, specifically during the summer months when usage traditionally decreases.

## Members by Demographic



In Q3 2011, the demographic breakdown of members illustrates the shift from individual memberships to family memberships. Since Q3 2010, there has been a 3.2% increase in the number of family members and a correlating decrease in the number of youth (-0.4%), student (-1.4%), child (-1.9%) and adult (-0.2%) memberships. There has been a slight increase in the percentage of senior members (0.7%)

# Servus Place Quarterly Report Third Quarter 2011

## Day Admissions

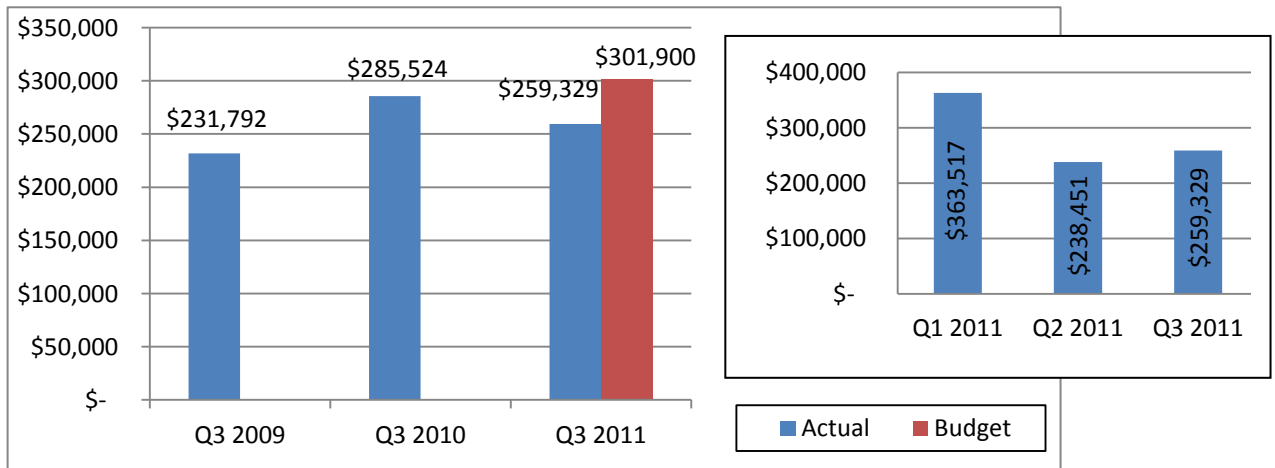
| Day Admissions                      | Q3 2009 Actual   | Q3 2010 Actual   | Q3 2011 Actual   | Q3 2011 Budget   | Q3 2011 Variance  | 2011 YTD Actual  | 2011 YTD Budget  | 2011 YTD Variance |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Adult                               | 9,359            | 11,050           | 10,068           | 11,485           | -1,417            | 35,265           | 35,891           | -626              |
| Child                               | 12,776           | 15,799           | 13,384           | 15,932           | -2,548            | 43,621           | 49,786           | -6,165            |
| Family                              | 3,298            | 4,350            | 3,451            | 4,445            | -994              | 10,660           | 13,894           | -3,234            |
| Senior                              | 838              | 776              | 876              | 742              | 134               | 2,613            | 2,317            | 296               |
| Youth                               | 3,219            | 4,318            | 3,924            | 4,445            | -521              | 13,887           | 13,894           | -7                |
| <b>Total Paid Pass Units</b>        | 29,490           | 36,293           | 31,703           | 37,049           | -5,346            | 106,046          | 115,782          | -9,736            |
| Total Membership Swipes             | 64,758           | 75,927           | 68,494           |                  |                   | 271,369          |                  |                   |
| <b>Total Day Uses</b>               | 94,248           | 112,220          | 100,197          |                  |                   | 377,415          |                  |                   |
| <b>Total Paid Passes</b>            |                  |                  | 43,110           |                  |                   | 140,157          |                  |                   |
| Total Complimentary Passes          | 1,729            | 1,582            | 1,475            |                  |                   | 4,515            |                  |                   |
| Paid Pass Revenue                   | \$ 223,334       | \$ 277,252       | \$ 248,356       | \$ 293,400       | \$ (45,044)       | \$ 822,853       | \$ 919,200       | \$ (96,347)       |
| Childminding Revenue                | \$ 7,220         | \$ 8,272         | \$ 10,139        | \$ 7,000         | \$ 3,139          | \$ 36,195        | \$ 28,800        | \$ 7,395          |
| Community Drop-In Program Rev       | \$ 1,238         | \$ -             | \$ 834           | \$ 1,500         | \$ (666)          | \$ 2,249         | \$ 2,700         | \$ (451)          |
| <b>Total Admission Fees Revenue</b> | <b>\$231,792</b> | <b>\$285,524</b> | <b>\$259,329</b> | <b>\$301,900</b> | <b>\$(42,571)</b> | <b>\$861,297</b> | <b>\$950,700</b> | <b>\$(89,403)</b> |

Paid pass revenue is \$259,329, which is 14.1% below budget. The day admission revenue variance is due to lower than anticipated admission totals. This trend has remained constant and is expected to continue for the duration of 2011. This decrease may be contributing to the slight increases in membership totals with a conversion of these individuals to regular membership access.

For Q3 2011, one family paid pass unit equates to 4.3 paid passes. Paid passes are the number of individuals who access the facility.

Weather has historically had some influence on facility usage trends. The above seasonal temperature in August and September could have attributed to a decrease in facility traffic.

**Total Admission Fees Revenue**



# Servus Place Quarterly Report Third Quarter 2011

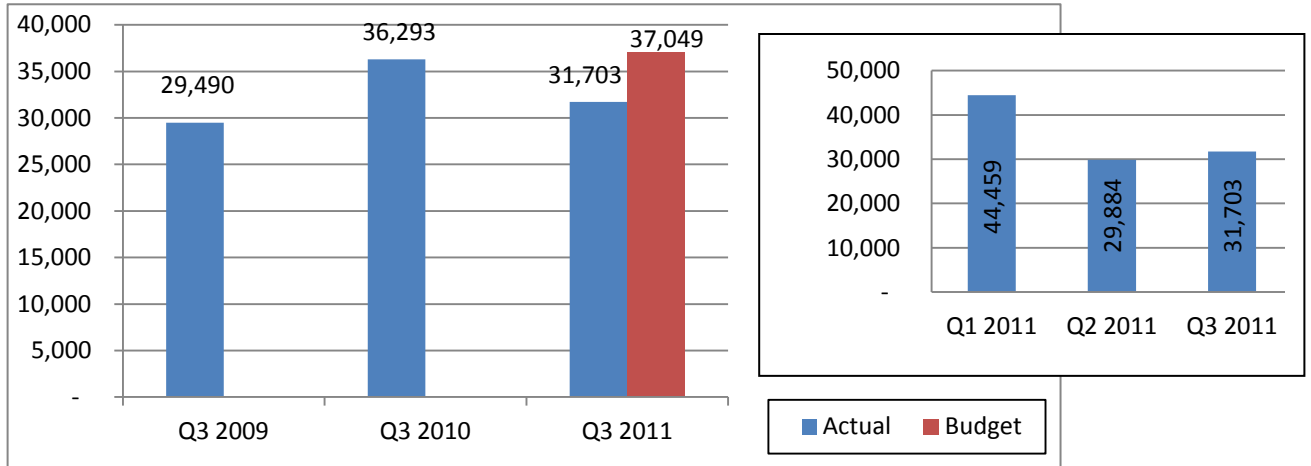
## Servus Place Day Admissions - Postal Code Breakdown for Q3 2011

| Servus Place Day Admissions<br>Postal Code Breakdown** | Q3 2009     | Q3 2010     | Q3 2011     |
|--|-------------|-------------|-------------|
| Edmonton   | 25%         | 20%         | 18%         |
| Morinville   | 4%          | 2%          | 3%          |
| Not provided   | 15%         | 4%          | 2%          |
| Outside Alberta  | 1%          | 1%          | 1%          |
| St. Albert   | 46%         | 65%         | 68%         |
| Sturgeon   | 1%          | 1%          | 1%          |
| Other Areas of Alberta*                                | 8%          | 6%          | 7%          |
| <b>Total</b>   | <b>100%</b> | <b>100%</b> | <b>100%</b> |

\* Other areas of Alberta includes Stony Plain, Fort Saskatchewan, Sherwood Park, Spruce Grove and various locations around Alberta.

\*\*Servus Place began collecting postal code information for day passes sold in May of 2009.

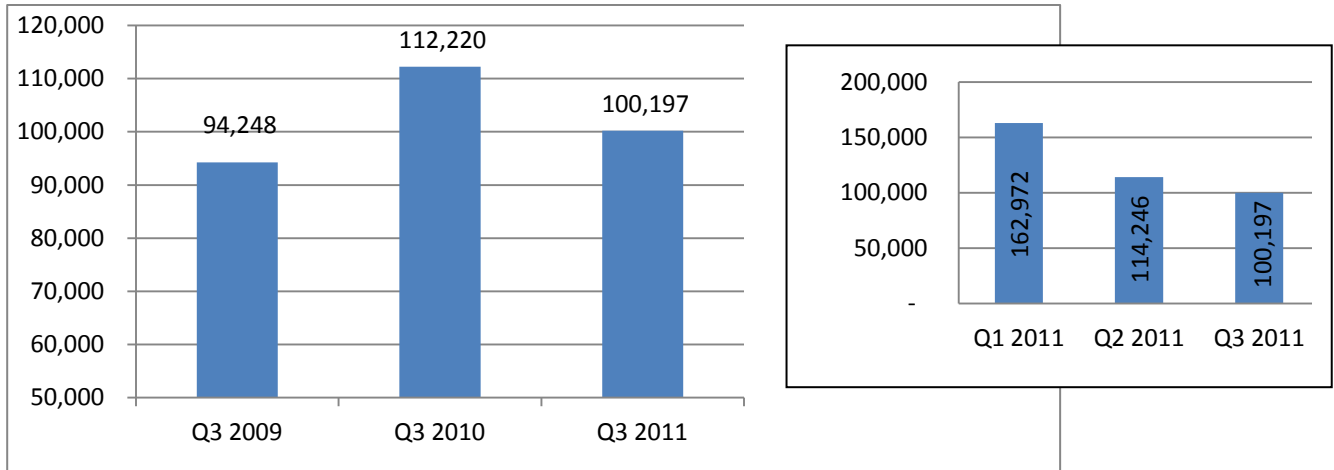
### Paid Day Pass Units



In Q3 2011 total paid day pass units are 31,703, which is 14.4% below budget. This variance is due in part to the five day closure of the Landrex Water Play Centre while the Air Handling Unit #6 was replaced. Day admission revenues for the week of the shutdown (September 26 to October 2) were 67% lower than the previous week.

# Servus Place Quarterly Report Third Quarter 2011

## Total Day Uses



Total paid day uses include both membership swipes and paid pass units. For Q3 2011, there were 100,197 day uses, which is a 10.7% decrease from Q3 2010.

In Q3 2011, the average number of paid day admissions was 1,089 per day. The highest admission days in Q3 were July 10-12. This Sunday to Tuesday period accommodated over 5,500 day uses.

# Servus Place Quarterly Report Third Quarter 2011

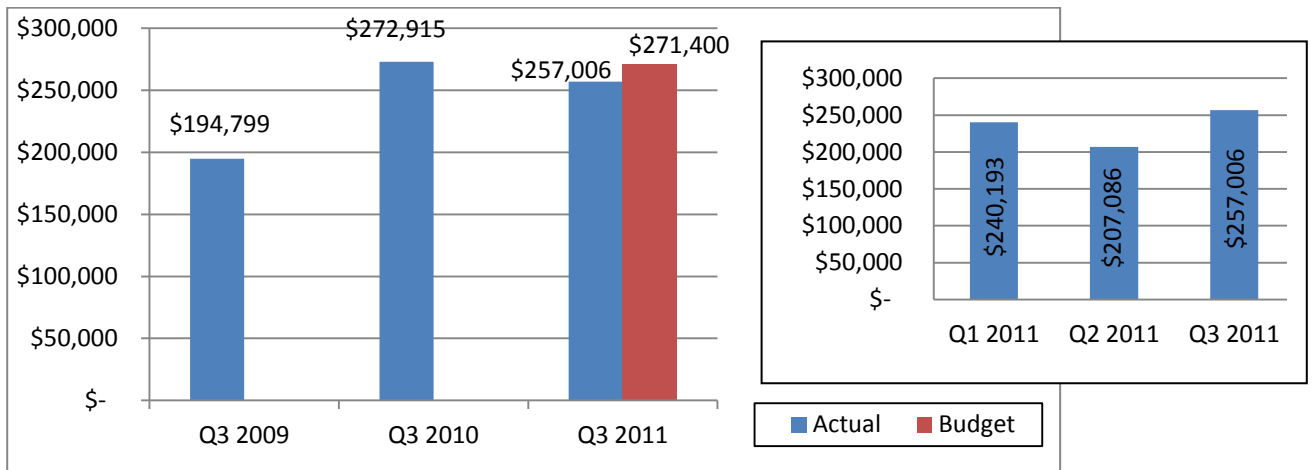
## Lesson Fees

| Lesson Fees        | Q3 2009 Actual    | Q3 2010 Actual    | Q3 2011 Actual    | Q3 2011 Budget    | Q3 2011 Variance   | YTD 2011 Actual   | YTD 2011 Budget   | YTD 2011 Variance |
|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|
| Fitness            | \$ 74,384         | \$ 99,607         | \$ 95,504         | \$ 87,600         | \$ 7,904           | \$ 445,926        | \$ 378,700        | \$ 67,226         |
| Recreation         | \$ 120,415        | \$ 173,308        | \$ 161,502        | \$ 183,800        | \$ (22,298)        | \$ 258,559        | \$ 268,900        | \$ (10,341)       |
| <b>Net Revenue</b> | <b>\$ 194,799</b> | <b>\$ 272,915</b> | <b>\$ 257,006</b> | <b>\$ 271,400</b> | <b>\$ (14,394)</b> | <b>\$ 704,485</b> | <b>\$ 647,600</b> | <b>\$ 56,885</b>  |

Lesson fee revenue is below budget for Q3 2011. A combination of increased fitness program registration and lower than anticipated summer camp registration in August, resulted in the Q3 variance. Lesson fees are anticipated to end the year above budget due to an increase in demand for both fitness programs and fitness services.

The variance between 2009 and 2010 recreation program lesson fees is due to the fact that in 2010, all City run summer recreation programming was moved to Servus Place. Beginning in 2010, revenue and expenses for these programs was recognized in the Servus Place budget, whereas in 2009, it was recorded under a separate cost centre.

Lesson Fees Revenue

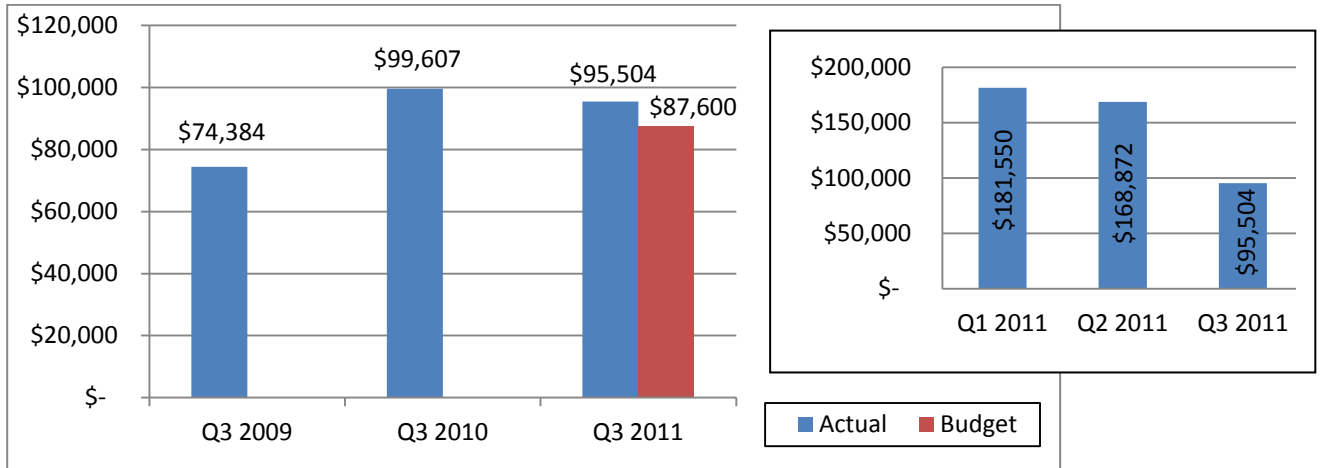


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## Fitness

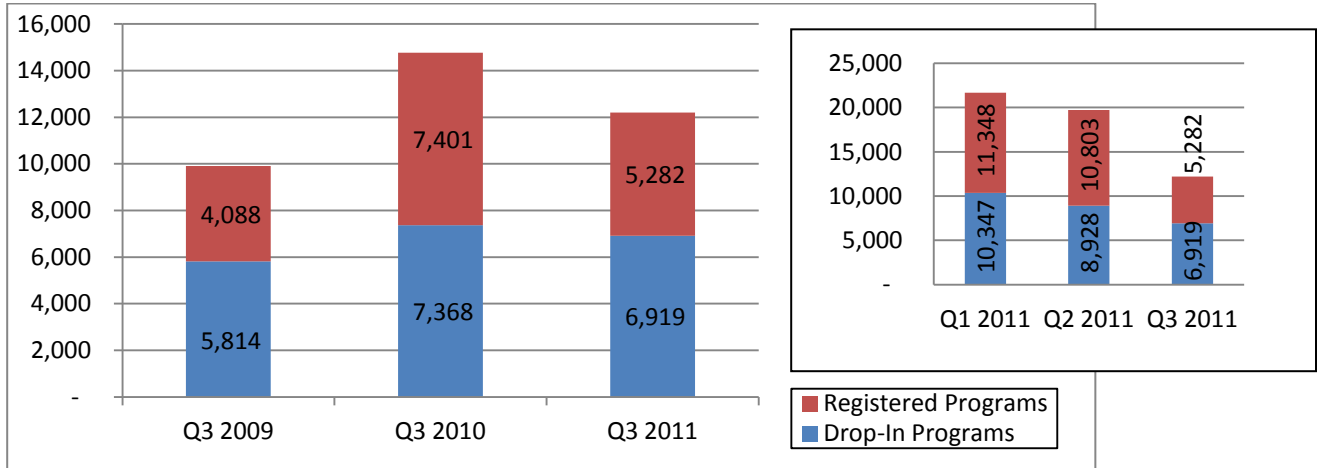
In Q3 2011 fitness program revenue is \$95,504 which is 9.0% above budget. Fitness program revenue variance can be attributed to strong fitness services and dry land training services.

**Fitness Program Revenue**



# Servus Place Quarterly Report Third Quarter 2011

## Fitness Program Participants



Fitness services and dry land training services are very strong in Q3, these services bring in revenue, but they are not calculated under the program participants reflected in the chart above.

The new “Tabata” program premiered this fall and is running at 100% capacity. This program incorporates high intensity interval training for maximum results. “Yoga for Children” is also new this fall and invites children from ages 6 to 11 to participate in enhancing their flexibility, strength and coordination while helping concentration and creating a sense of calm and relaxation. New “Zumba Toning” was introduced to a full capacity. This combination of Zumba Latin dance moves along with the use of a toning bar, targets various muscles on the body while moving up a storm.

Servus Place worked with Shaw Cable to implement the province wide changes in the provision of cable into the cable delivery system at Servus Place. Vecima digital signal decrypter has been installed in the Fitness Centre to allow all 48 pieces of cardio equipment to receive the upgraded digital signal.

There were 347 drop-in programs in Q3, averaging 20 participants per class. Drop-in programs are included with membership or day admission to Servus Place and can be directly attributed to supporting the overall membership growth.

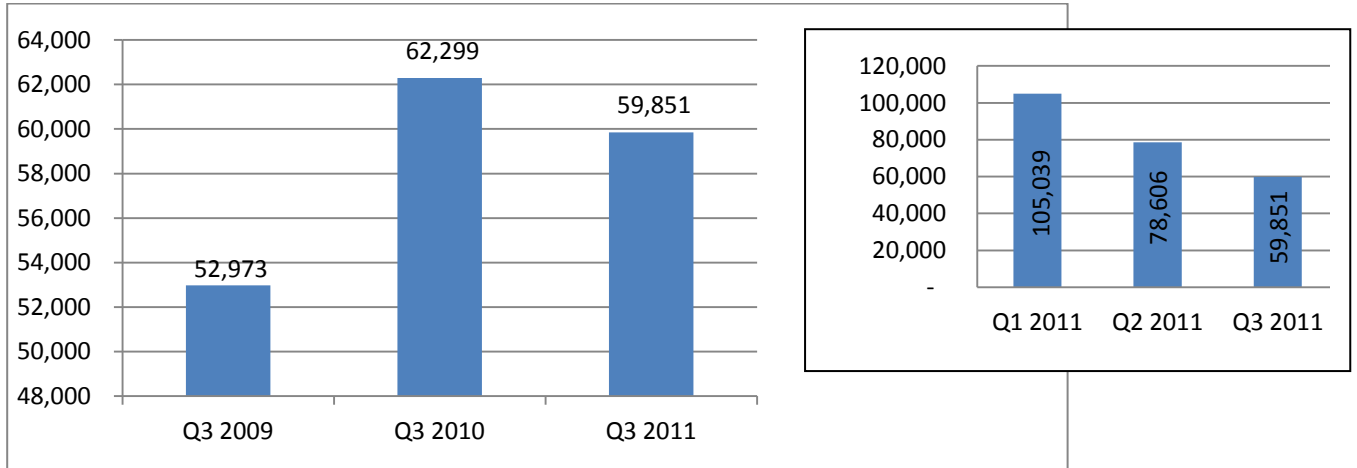
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## Fitness & Wellness Centre

| Fitness & Wellness Centre       | Q3 2008<br>Actual | Q3 2009<br>Actual | Q3 2010<br>Actual | Q3 2011<br>Actual | YTD 2011<br>Actual |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Fitness & Wellness Centre Users | 45,164            | 52,973            | 62,299            | 59,851            | 243,496            |
| Daily Average                   | 492               | 577               | 680               | 650               | 903                |

In Q3 2011, there were 59,851 users of the Fitness & Wellness Centre. Fitness Centre shows a slight users show a 3.9% decrease from Q3 2010 but year to date Fitness Centre users are 1.1% over the same period in 2010 (240,614).

**Fitness Centre Users**

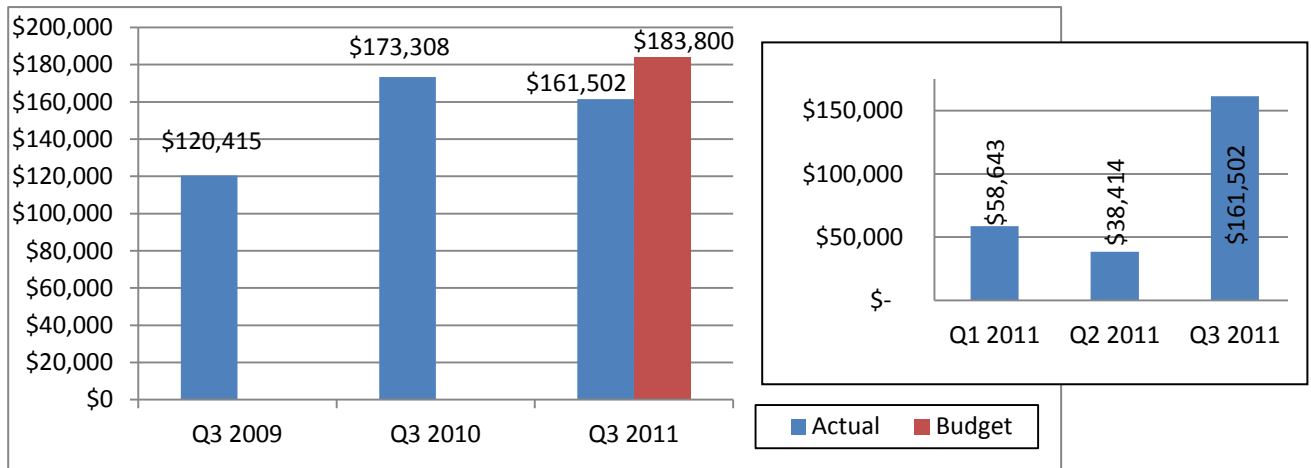


# Servus Place Quarterly Report Third Quarter 2011

## Recreation

Recreation program revenue for Q3 2011 is \$161,502. The variance in Recreation program revenue is largely due to the lower than anticipated summer camp registration in August.

**Recreation Program Revenue**



\* In 2009, all City run recreations programming was moved to Servus Place. However, the revenue and expenses for these programs has only been recognized as part of the Servus Place since 2010, thusly, 2009 is not an accurate comparison for recreation program revenue.

## Servus Place and Community Summer Camps

Summer 2011 camp participation was down in registered programs offered at Servus Place but up in community programs. Overall recreation summer programs including Servus Place and community had a total of 4,893 participants throughout the entire summer session including half day, full day and preschool camps for a 71% fill rate.

Cruisin' Clubhouse operated (even through the rain and the mosquitoes) at 10 sites for 30 program hours each week throughout St. Albert in July and August. There were approximately 4,400 participants in the Cruisin Clubhouse throughout the summer.

Servus Place Recreation partnered with the St. Albert Tennis Club for the first time in providing recreational tennis day camp programs and FPRC in offering day camps that also provided swimming lessons at Grosvenor Park Pool.

Recreation summer camps have piloted the use of electronic evaluations instead of the traditional paper evaluations. Over 300 recreation summer program participants completed their program survey via Survey Monkey. This is a 28% return rate as compared to 18% in 2010 while utilizing only paper surveys. Feedback was immediate and gave a great opportunity to be proactive in increasing the participant satisfaction for the following week.

Fifty two "Leaders In Training" (LIT) were trained and provided a approximately 1250 volunteer hours of camper staff supervision support for camps throughout July and August.

Five summer programmers and five LITs supported the City of St. Albert Canada Day celebration at Lion's and Millennium Parks by providing recreation games and crafts.

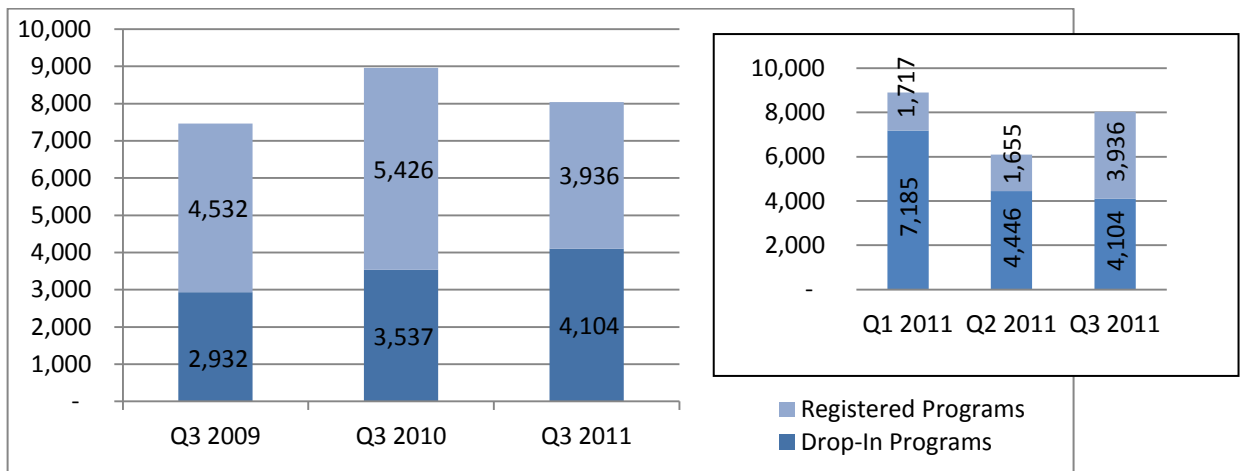
# Servus Place Quarterly Report Third Quarter 2011

## Servus Place Recreation Programs

Adult dodgeball was introduced this fall and is running at 100% capacity. All Preschool programs including the Active Kids Preschool continue to see very strong participation numbers.

Child minding participation experienced a decrease during the summer months but September participation saw the anticipated increase as the fall program session began. This trending was expected with the quarterly average of 705 children per month.

**Participants in Servus Place Recreation Programs**

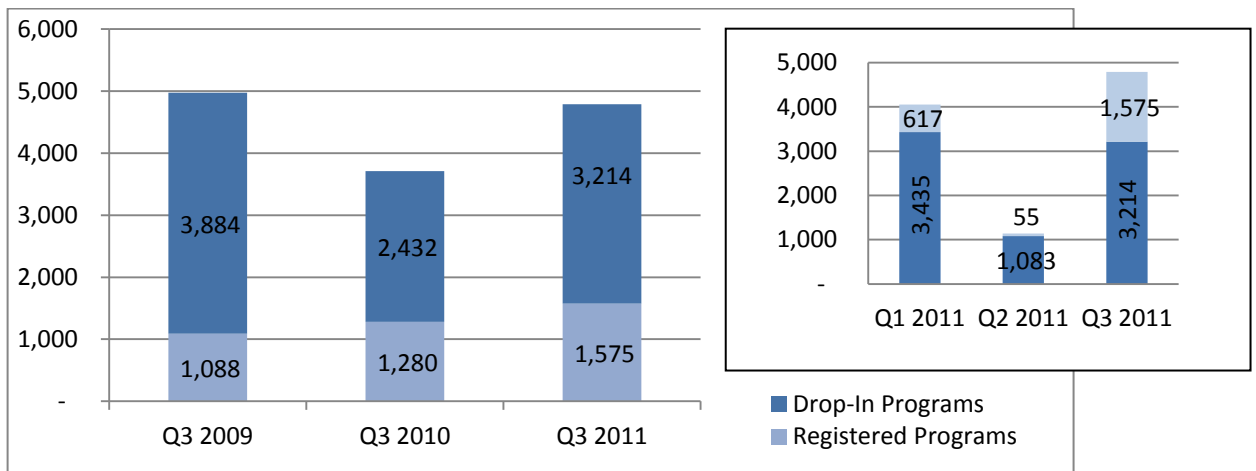


# Servus Place Quarterly Report Third Quarter 2011

## Community Recreation Programs

The third quarter of 2011 saw good participation in all community based registered preschool and swim camp combo camps over the summer. Fall community preschool programs located at both Akinsdale and Lacombe clubhouses also continue to provide quality community programs to strong participant totals.

**Participants in Community Recreation Programs**



# Servus Place Quarterly Report Third Quarter 2011

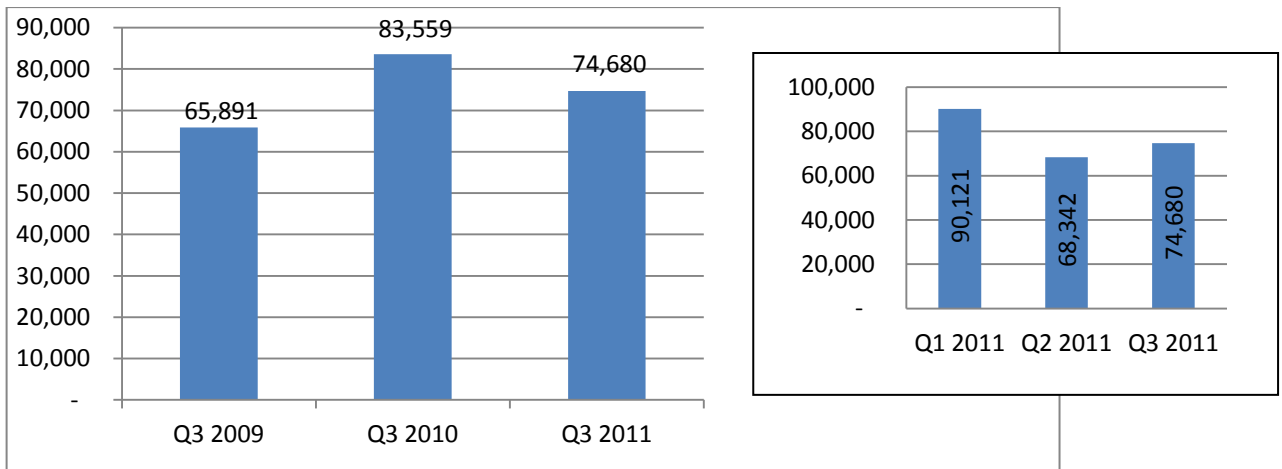
## Aquatics

| Landrex Water Play Centre Use                  | Q3 2008 Actual | Q3 2009 Actual | Q3 2010 Actual | Q3 2011 Actual | YTD 2011 Total |
|--|----------------|----------------|----------------|----------------|----------------|
| Water Play Centre Users                        | 63,073         | 65,891         | 83,559         | 74,680         | 233,143        |
| Daily Average                                  | 2,052          | 715            | 907            | 847            | 891            |
| Servus Place Annual Member Swipes at FPRC      | 6,426          | 5,439          | 5,943          | 6,421          | 18,484         |
| Servus Place Annual Member Swipes at Grosvenor | 1,686          | 1,082          | 980            | 1,254          | 1,309          |
| <b>Total</b>                                   | <b>8,112</b>   | <b>6,521</b>   | <b>6,923</b>   | <b>7,675</b>   | <b>19,793</b>  |

In Q3 2011, there were 74,680 users of the Landrex Water Play Centre (LWPC). The highest attendance days were July 10 and 12 and September 18 (Celebration of Play).

The Landrex Water Play Centre was closed from September 26-30 to accommodate the repairs to Air Handling Unit #6. This repair was accommodated with minimal disruption to users.

**Water Play Park Users**

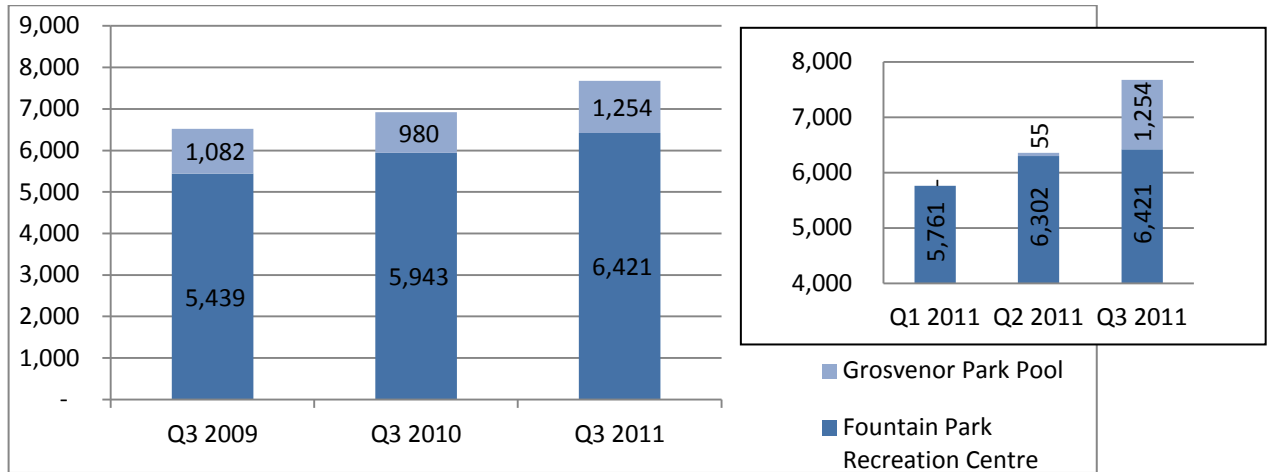


This decrease in users in Q3 2011 as compared to Q3 2010 can be attributed in part to the temporary closure of the LWPC while Air Handling Unit #6 was repaired. The week before the shut down (September 18-24) had 4,304 users in the LWPC.

The impact of the one week closure of the Landrex Water Play Centre reflects the importance of this amenity in the overall operation of the facility.

# Servus Place Quarterly Report Third Quarter 2011

## Servus Place Annual Member Swipes at Fountain Park Recreation Centre and Grosvenor Park Pool



In Q3 2011, member uses were recorded at 6,421 at Fountain Park Recreation Centre and uses at Grosvenor Park Pool were 1,254. Both numbers are substantial increases over Q3 2010.

The increase in the number of Servus Place users at FPRC also corresponds with the fact that during the closure for the AHU#6 replacement, monthly members were granted access to FPRC. During the five day closure, 507 Servus Place members, both annual and monthly, accessed Fountain Park Recreation Centre.

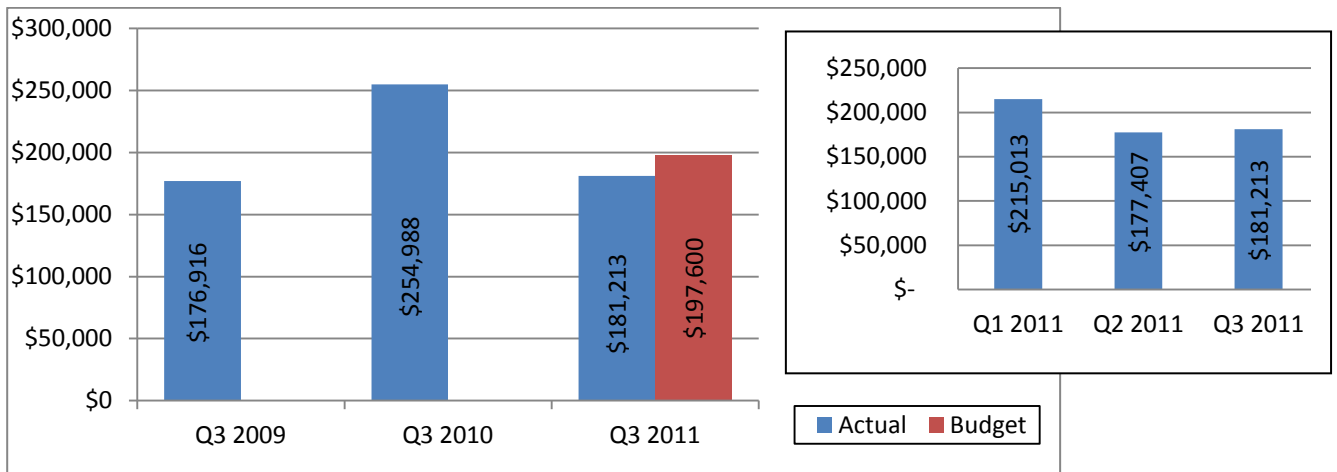
## Servus Place Quarterly Report Third Quarter 2011

### Aquatics Internal Contracts

| Aquatics Internal Contracts | Q3 2009 Actual | Q3 2010 Actual | Q3 2011 Actual | Q3 2011 Budget | Q3 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|-----------------------------|----------------|----------------|----------------|----------------|------------------|-----------------|-----------------|-------------------|
|                             | \$ 176,916     | \$ 254,988     | \$ 181,213     | \$ 197,600     | \$ (16,387)      | \$ 573,633      | \$ 564,400      | \$ 9,233          |

Aquatics internal contracts are slightly under budget for Q3. This variance can be partially attributed to the five day closure of the Landrex Water Play Centre while the Air Handling Unit #6 was repaired. Aquatics internal contracts are currently projecting to be on budget at the end of the year.

**Aquatics Internal Contracts**



## Servus Place Quarterly Report Third Quarter 2011

### Booking & Events

Booking & Events has worked with Business & Marketing on the design of an online event request form which has been added to the website. This form will ensure that specific information is gathered prior to the initial contact with the customer to streamline efficiencies.

#### Q3 Events

- First Nations Hockey School - July 11-15
- 150th Anniversary Homecoming Registration - July 16
- Roller Derby - St. Albert vs. Saskatoon - July 23
- Edmonton Oilers Hockey School - July 25-29
- Edmonton Oilers Hockey School – August 1-12
- Roller Derby – August 13
- Steel Hockey School – August 15-19
- Steel Exhibition Games – August 26 and 30, September 3, 16, 23 and 27
- WHL - Edmonton Oil Kings Pre –Season Hockey Tournament – September 4-5
- St. Albert Heavenly Rollers – Roller Derby – September 10
- Servus Place Celebration of Play – September 18
- Furniture Show – September 23-25

The Celebration of Play was held on September 18 from 1:00PM – 4:00PM and experienced good participation by the public. This event offered guests, members and patrons an opportunity to see all that Servus Place has to offer. This event included a fitness challenge, facility tours, many different drop-in recreation activities and membership information, to name a few of the activities. Each of the Servus Place business partners also participated with free samples from Skybox Grill and Booster Juice, “fit” challenge from Dynamic Sports Physiotherapy, a storewide sale from Source for Sports and St. Albert Steel info.

| Facility Rental Revenue | Q3 2009 Actual    | Q3 2010 Actual    | Q3 2011 Actual    | Q3 2011 Budget    | Q3 2011 Variance   | YTD 2011 Actual    | YTD 2011 Budget    | 2011 YTD Variance |
|-------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------|
| Arenas                  | \$ 211,724        | \$ 181,311        | \$ 192,760        | \$ 212,000        | \$ (19,240)        | \$ 615,089         | \$ 626,400         | \$ (11,311)       |
| Fieldhouses             | \$ 18,997         | \$ 14,375         | \$ 28,027         | \$ 21,030         | \$ 6,997           | \$ 181,875         | \$ 176,865         | \$ 5,010          |
| Gymnasiums              | \$ 1,684          | \$ (1,122)        | \$ 1,930          | \$ 4,440          | \$ (2,510)         | \$ 24,577          | \$ 21,980          | \$ 2,597          |
| Meeting rooms           | \$ 11,532         | \$ 23,195         | \$ 20,150         | \$ 8,530          | \$ 11,620          | \$ 72,169          | \$ 30,085          | \$ 42,084         |
| Leaseholders            | \$ 39,819         | \$ 52,573         | \$ 48,323         | \$ 60,000         | \$ (11,677)        | \$ 165,747         | \$ 180,000         | \$ (14,253)       |
| Parties                 | \$ 4,488          | \$ 2,263          | \$ 1,364          | \$ 4,300          | \$ (2,936)         | \$ 7,861           | \$ 12,170          | \$ (4,309)        |
| Refurbishment Charges*  | \$ -              | \$ 7,872          | \$ 9,021          | \$ 9,000          | \$ 21              | \$ 37,092          | \$ 36,100          | \$ 992            |
| <b>Total</b>            | <b>\$ 288,244</b> | <b>\$ 280,467</b> | <b>\$ 301,575</b> | <b>\$ 319,300</b> | <b>\$ (17,725)</b> | <b>\$1,104,408</b> | <b>\$1,083,600</b> | <b>\$ 20,808</b>  |

\* In 2009, refurbishment charges were not broken out separately but included in the rental revenue for each floorplate.

The variance in meeting room rental is due to additional revenue received for use of the parking lot by CTEC Motorcycle Training School throughout July, August and September. Use by CTEC will continue until October, resulting in higher than anticipated meeting room rental revenue at year end.

# Servus Place Quarterly Report Third Quarter 2011

## Arena Rental

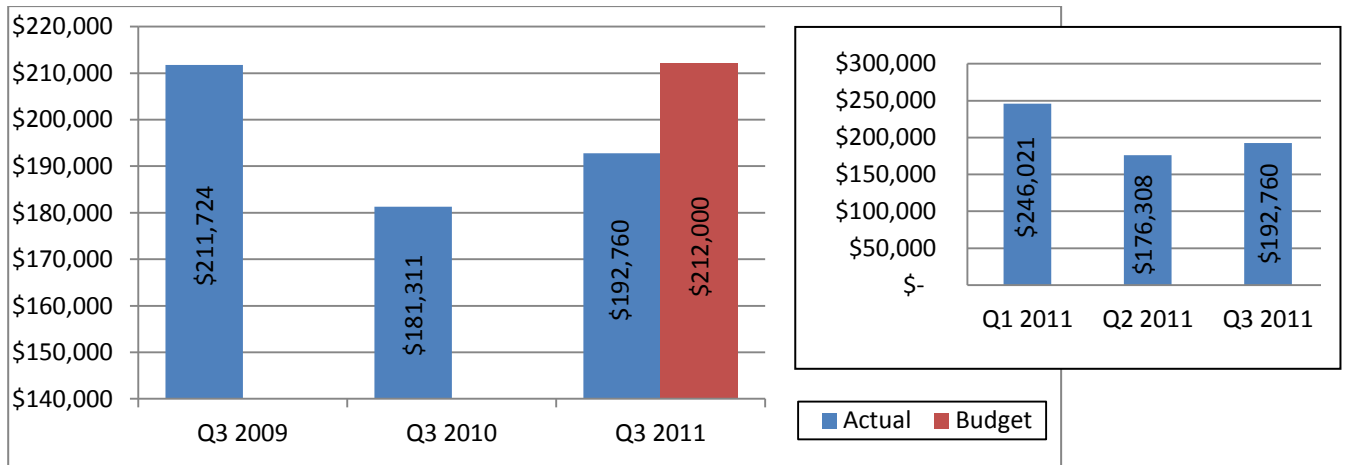
| Arena                           | Q3 2009<br>Actual | Q3 2010<br>Actual | Q3 2011<br>Actual | Q3 2011<br>Budget | Q3 2011<br>Variance | YTD 2011<br>Actual | YTD 2011<br>Budget | 2011 YTD<br>Variance |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|--------------------|--------------------|----------------------|
| Hours rented                    | 1,877             | 1,638             | 1,486             | 1,715             | -229                | 5,441              | 5,750              | -309                 |
| Hours programmed/maint.         | 204               | 772               | 970               | 770               | 200                 | 3,279              | 2,245              | 1,034                |
| Total hours used                | 2,081             | 2,410             | 2,455             | 2,485             | -30                 | 8,720              | 7,995              | 725                  |
| Total hours available           | 4,685             | 5,101             | 5,102             | 5,102             | -1                  | 15,138             | 14,687             | 451                  |
| <b>% Utilized Total</b>         | <b>44%</b>        | <b>47%</b>        | <b>48%</b>        | <b>49%</b>        | <b>-1%</b>          | <b>58%</b>         | <b>54%</b>         | <b>3%</b>            |
| Prime time hours rented         | 1,101             | 993               | 847               | 1,025             | -178                | 3,782              | 3,955              | -174                 |
| Prime time Hours program/maint. | 144               | 387               | 544               | 379               | 165                 | 1,609              | 1,039              | 570                  |
| Prime time hours used           | 1,245             | 1,380             | 1,391             | 1,404             | -13                 | 5,391              | 4,994              | 397                  |
| Prime time hours available      | 2,588             | 2,535             | 2,535             | 2,535             | 0                   | 7,547              | 7,534              | 13                   |
| <b>% Utilized Prime Time</b>    | <b>48%</b>        | <b>54%</b>        | <b>55%</b>        | <b>55%</b>        | <b>-1%</b>          | <b>71%</b>         | <b>66%</b>         | <b>5%</b>            |
| <b>Revenue</b>                  | <b>\$211,724</b>  | <b>\$181,311</b>  | <b>\$192,760</b>  | <b>\$212,000</b>  | <b>\$(19,240)</b>   | <b>\$ 615,089</b>  | <b>\$ 626,400</b>  | <b>\$(11,311)</b>    |

Booking & Events is slightly under budget for Q3 due to the impact of one week of July hockey school cancellation combined with the loss of ice in Troy Murray and Mark Messier Arenas from August 29 to September 9 to accommodate the installation of the new chiller and brine replacement.

The St. Albert Skating Wall of Fame was unveiled in the Performance Arena on September 5. Twenty-four inductees were honored for achieving national or professional accomplishments.

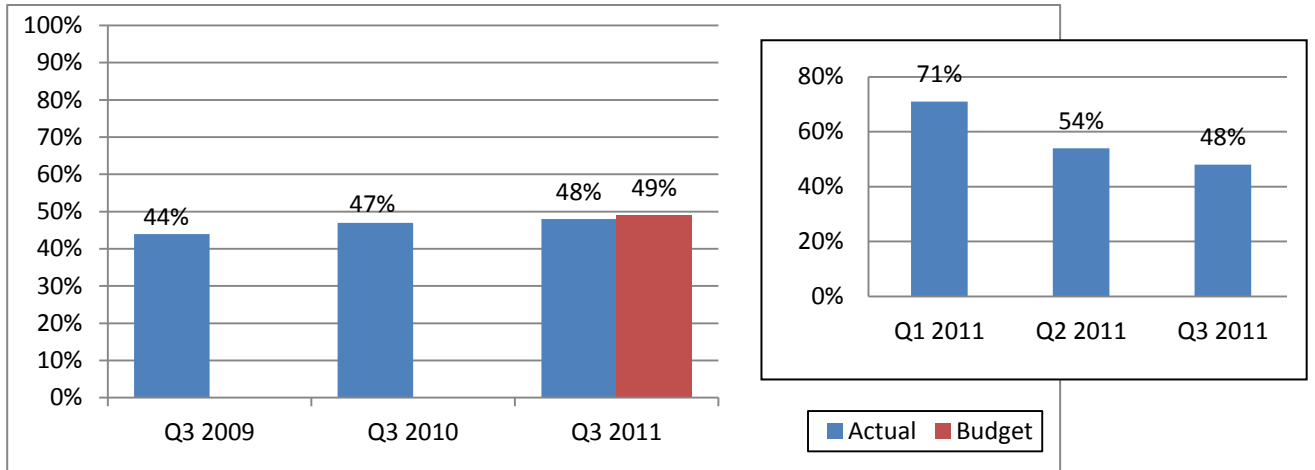
The increase in the number of programmed hours is primarily due to shinny being moved exclusively to Servus Place and no longer being programmed at Akinsdale or Kinex Arenas.

### Arena Rental Revenue

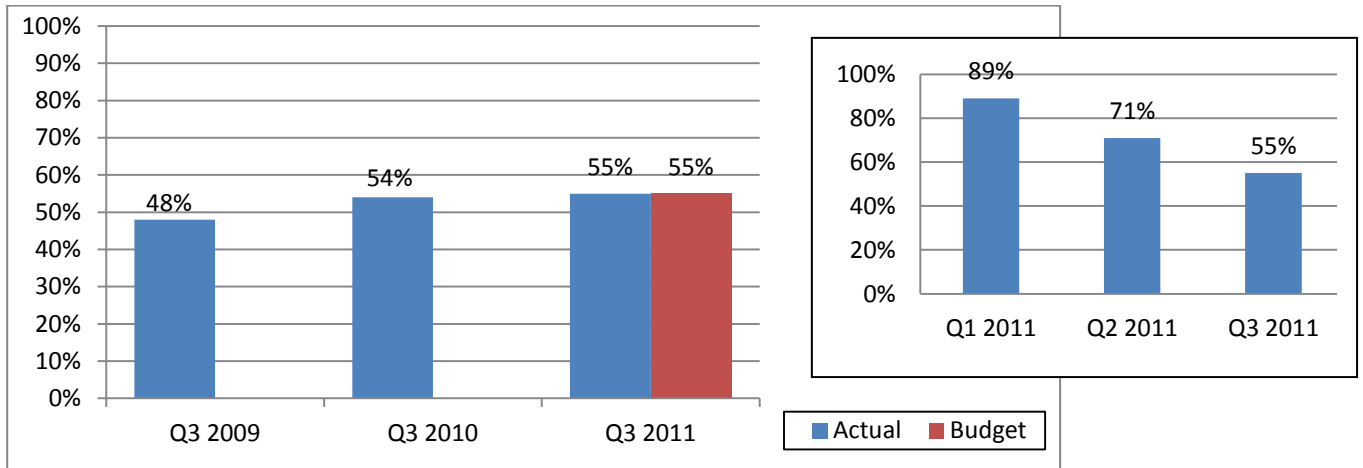


# Servus Place Quarterly Report Third Quarter 2011

## Arena Total Utilization



## Arena Primetime Utilization



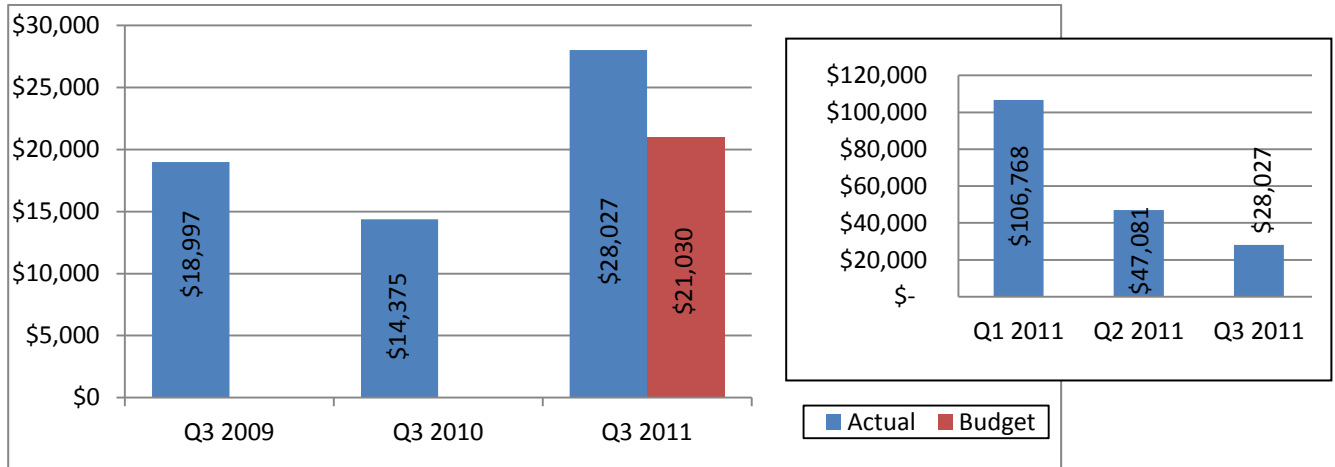
## Servus Place Quarterly Report Third Quarter 2011

### Fieldhouses Rental

| Fieldhouse                      | Q3 2009 Actual   | Q3 2010 Actual   | Q3 2011 Actual   | Q3 2011 Budget   | Q3 2011 Variance | YTD 2011 Actual  | YTD 2011 Budget  | 2011 YTD Variance |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Hours rented                    | 495              | 367              | 409              | 328              | 81               | 2,768            | 2,642            | 126               |
| Hours programmed/maint.         | 723              | 541              | 614              | 650              | -36              | 1,470            | 1,511            | -41               |
| Total hours used                | 1,218            | 908              | 1,023            | 978              | 45               | 4,239            | 4,153            | 85                |
| Total hours available           | 3,107            | 3,229            | 3,349            | 3,156            | 193              | 9,912            | 9,261            | 651               |
| <b>% Utilized Total</b>         | <b>39%</b>       | <b>28%</b>       | <b>31%</b>       | <b>31%</b>       | <b>0%</b>        | <b>43%</b>       | <b>45%</b>       | <b>-2%</b>        |
| Prime time hours rented         | 226              | 193              | 178              | 246              | -69              | 1,994            | 1,846            | 148               |
| Prime time Hours program/maint. | 309              | 149              | 142              | 46               | 97               | 495              | 540              | -45               |
| Total Prime time hours used     | 535              | 342              | 320              | 292              | 28               | 2,489            | 2,386            | 103               |
| Prime time hours available      | 1,708            | 1,705            | 1,690            | 1,677            | 13               | 5,023            | 4,893            | 130               |
| <b>% Utilized Prime Time</b>    | <b>31%</b>       | <b>20%</b>       | <b>19%</b>       | <b>17%</b>       | <b>2%</b>        | <b>50%</b>       | <b>49%</b>       | <b>1%</b>         |
| <b>Revenue</b>                  | <b>\$ 18,997</b> | <b>\$ 14,375</b> | <b>\$ 28,027</b> | <b>\$ 21,030</b> | <b>\$ 6,997</b>  | <b>\$181,875</b> | <b>\$176,865</b> | <b>\$ 5,010</b>   |

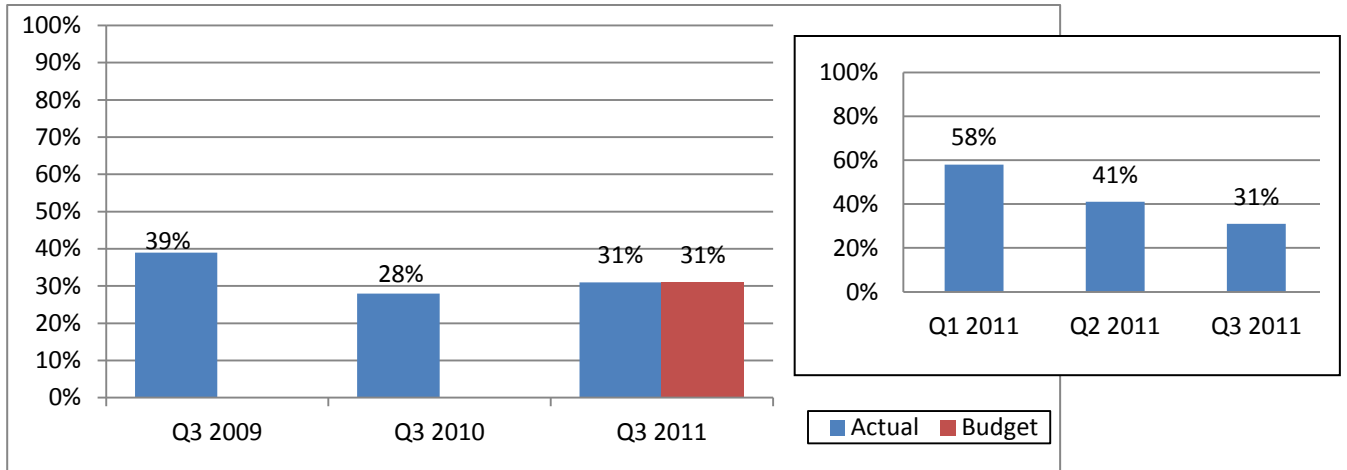
Fieldhouse revenues for the third quarter are above budget projections. Dry land training for hockey schools, Roller Derby and the Furniture Show all contributed to additional revenue generation.

#### Fieldhouse Rental Revenue

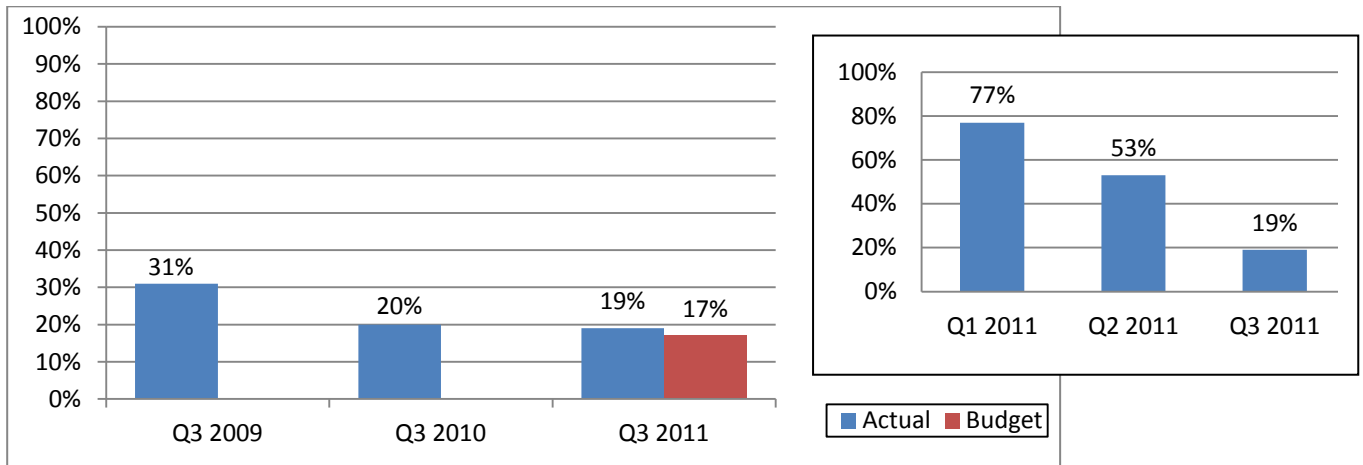


# Servus Place Quarterly Report Third Quarter 2011

## Fieldhouse Total Utilization



## Fieldhouse Primetime Utilization



# Servus Place Quarterly Report Third Quarter 2011

## Gymnasium Rental

| Gymnasiums                      | Q3 2009 Actual  | Q3 2010 Actual    | Q3 2011 Actual  | Q3 2011 Budget  | Q3 2011 Variance  | YTD 2011 Actual  | YTD 2011 Budget  | 2011 YTD Variance |
|---------------------------------|-----------------|-------------------|-----------------|-----------------|-------------------|------------------|------------------|-------------------|
| Hours rented                    | 33              | 147               | 50              | 101             | -51               | 717              | 529              | 188               |
| Hours programmed/maint.         | 1,195           | 1,064             | 1,163           | 1,016           | 147               | 2,910            | 2,968            | -58               |
| Hours of spontaneous use        | 1,454           | 2,012             | 1,914           | 1,088           | 826               | 6,216            | 3,136            | 3,080             |
| Total hours used                | 2,682           | 3,223             | 3,126           | 2,205           | 921               | 9,843            | 6,633            | 3,210             |
| Total hours available           | 4,363           | 4,614             | 4,614           | 3,156           | 1,458             | 13,689           | 9,156            | 4,533             |
| <b>% Utilized Total</b>         | <b>61%</b>      | <b>70%</b>        | <b>68%</b>      | <b>70%</b>      | <b>-2%</b>        | <b>72%</b>       | <b>72%</b>       | <b>-1%</b>        |
| Prime time hours rented         | 32              | 114               | 44              | 101             | -57               | 512              | 529              | -17               |
| Prime time Hours program/maint. | 516             | 449               | 333             | 681             | -347              | 1,367            | 1,989            | -621              |
| Prime time hours of spont use   | 820             | 1,478             | 1,239           | 1,125           | 113               | 3,313            | 3,475            | -163              |
| Total Prime time hours used     | 1,368           | 2,040             | 1,616           | 1,907           | -291              | 5,192            | 5,993            | -801              |
| Prime time hours available      | 2,459           | 2,890             | 2,358           | 2,709           | -351              | 7,020            | 8,196            | -1,176            |
| <b>% Utilized Prime Time</b>    | <b>56%</b>      | <b>71%</b>        | <b>69%</b>      | <b>70%</b>      | <b>-2%</b>        | <b>74%</b>       | <b>73%</b>       | <b>1%</b>         |
| <b>Revenue</b>                  | <b>\$ 1,684</b> | <b>\$ (1,122)</b> | <b>\$ 1,930</b> | <b>\$ 4,440</b> | <b>\$ (2,510)</b> | <b>\$ 24,577</b> | <b>\$ 21,980</b> | <b>\$ 2,597</b>   |

The variance in Q3 gymnasium rental revenue can be attributed to the loss of revenue from a regular event moving to an alternate facility. Gymnasium revenue is anticipated to end the year on budget.

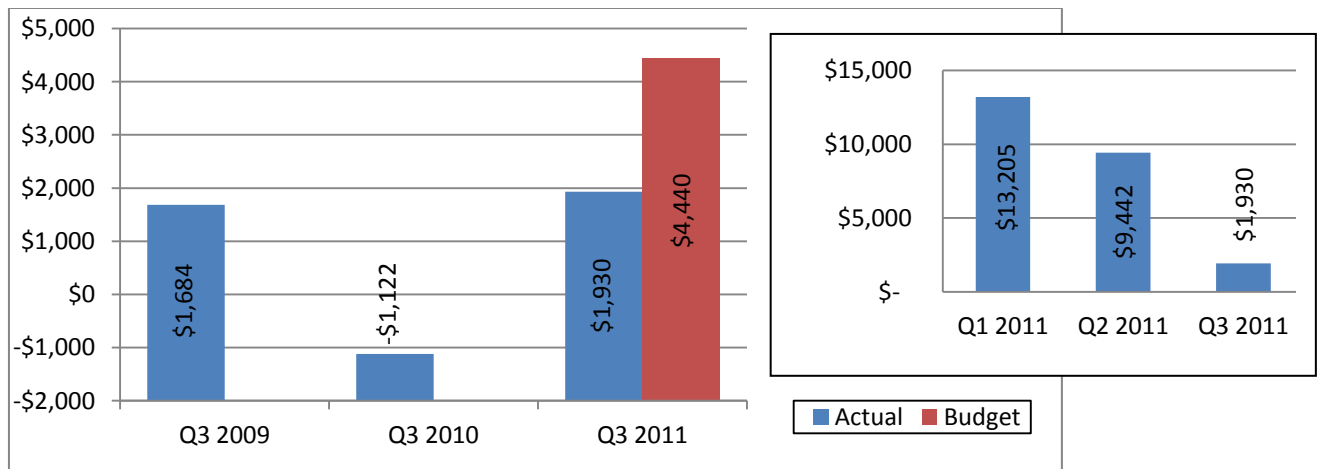
Although the gymnasium rental revenue is substantially below budget for the quarter, the utilization is very close to budget. This is due to the extensive use of the gymnasium courts for summer programs.

An additional basketball hoop was added to the gymnasium to accommodate the high level of use of the existing basketball hoops in the gymnasium by drop-in users.

Gymnasium rental revenue is limited due to the availability of only one court for booking and limited demand from groups. Gymnasium rental revenue is only received for rental hours. Programmed, maintenance and spontaneous use does not bring revenue directly into facility rentals. Revenue for these hours is realized under program revenue or viewed as a benefit of membership or day admission.

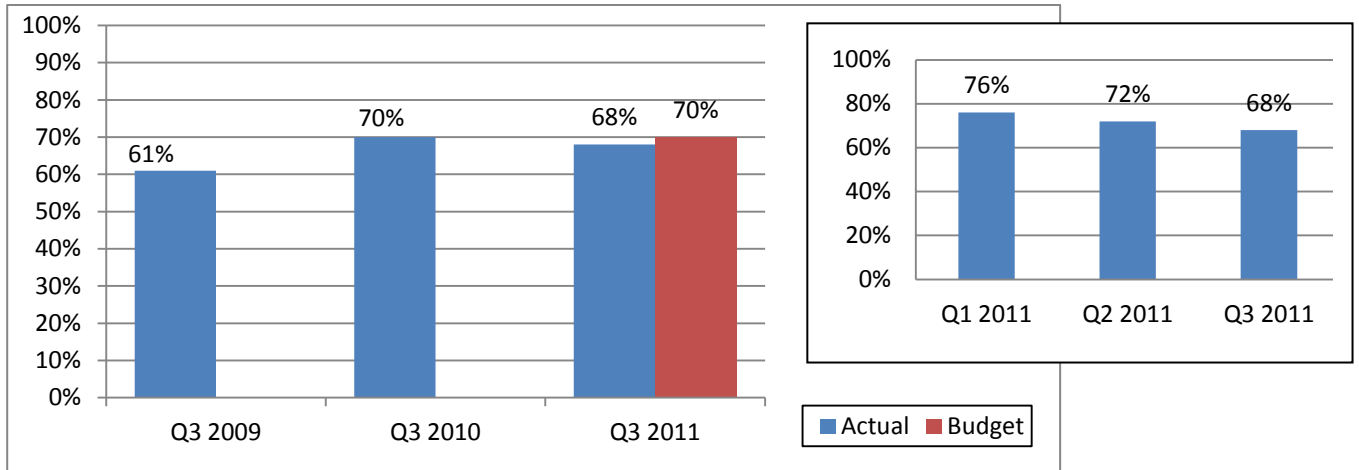
As membership and day admissions grow, there is increased use of the gymnasiums for drop-in and spontaneous activities. At times, use of all three courts is required for spontaneous use.

**Gymnasium Rental Revenue**

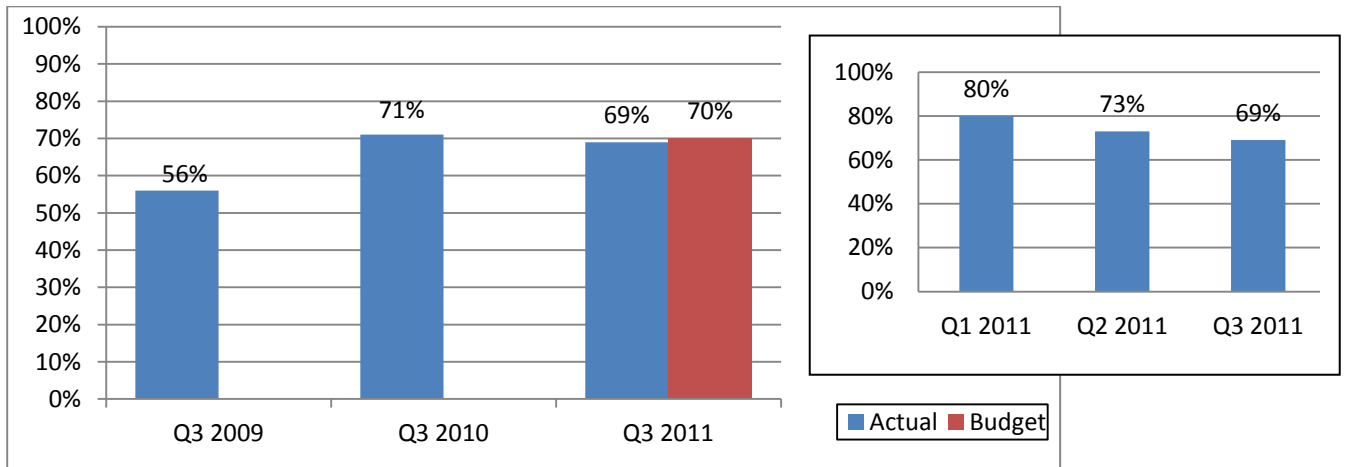


# Servus Place Quarterly Report Third Quarter 2011

## Gymnasium Total Utilization



## Gymnasium Primetime Utilization



# Servus Place Quarterly Report Third Quarter 2011

## Business & Marketing

Council, working with Administration, completed a review of the current agreement with the St. Albert Steel. The City has affirmed its position with respect to the financial support to the team and is now awaiting a response from the team's ownership.

Business & Marketing developed the "Tell Us Your Story" advertising campaign in August. Ten stories were submitted by facility users and a photo shoot was completed with the selected participants, both of which will be used in the campaign which launched in September. Approximately 90% of Servus Place marketing picture stock are of actual members or staff.

On September 18, Servus Place launched a new revamped website. New features included:

- A scrolling bar at the top of the main page to keep users up-to-date with what's happening at Servus Place.
- The latest news is now called Special Notices. Anytime there is a change to facility hours, programs or special events it will be listed under this section.
- A bar on the right of pages that contains related downloads and links.

Servus Place also launched social media in Q3 with the creation of both a Facebook and Twitter account. These accounts will be continually updated with information such as events, programs, services and promotions.

| Advertising, Fundraising and Sponsorship Inventory | Q3 2009 Actual | Q3 2010 Actual | Q3 2011 Actual | Q3 2011 Budget | Q3 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|--|----------------|----------------|----------------|----------------|------------------|-----------------|-----------------|-------------------|
| Total Spaces Sold                                  | 135            | 118            | 156            | 157            | -1               | 146             | 154             | -8                |
| Total Complimentary Spaces                         | N/A            | 8              | 4              | 4              | 0                | 3               | 4               | -1                |
| Total Internal Spaces                              | N/A            | 10             | 4              | 8              | -4               | 6               | 8               | -2                |
| <b>Total Spaces Used</b>                           | <b>135</b>     | <b>136</b>     | <b>163</b>     | <b>169</b>     | <b>-5</b>        | <b>155</b>      | <b>166</b>      | <b>-11</b>        |
| Total Space Available                              | 197            | 204            | 208            | 204            | 4                | 207             | 204             | 3                 |
| <b>% of Space Used</b>                             | <b>68%</b>     | <b>67%</b>     | <b>79%</b>     | <b>83%</b>     | <b>-4%</b>       | <b>75%</b>      | <b>81%</b>      | <b>-7%</b>        |

### Q3 2011 Advertising Inventory

| Advertising Fundraising and Sponsorship Inventory | Performance Arena | Mark Messier Arena | Troy Murray Arena | Sarasota fieldhouse | Pizza 73 fieldhouse | Community Gym | Information Boards | LCD Screens | Akinsdale Arena | Total      |
|---|-------------------|--------------------|-------------------|---------------------|---------------------|---------------|--------------------|-------------|-----------------|------------|
| Total Spaces Sold                                 | 40                | 25                 | 21                | 17                  | 13                  | 2             | 7                  | 8           | 22              | 156        |
| Total Complimentary Spaces                        | 0                 | 0                  | 0                 | 1                   | 0                   | 0             | 0                  | 2           | 0               | 4          |
| Total Internal Spaces                             | 1                 | 0                  | 0                 | 0                   | 1                   | 0             | 0                  | 2           | 0               | 4          |
| <b>Total Spaces Used</b>                          | <b>41</b>         | <b>25</b>          | <b>21</b>         | <b>18</b>           | <b>14</b>           | <b>2</b>      | <b>7</b>           | <b>12</b>   | <b>22</b>       | <b>163</b> |
| Total Space Available                             | 56                | 29                 | 29                | 22                  | 22                  | 4             | 6                  | 12          | 29              | 208        |
| <b>% of Space Sold</b>                            | <b>74%</b>        | <b>87%</b>         | <b>72%</b>        | <b>82%</b>          | <b>64%</b>          | <b>58%</b>    | <b>117%</b>        | <b>100%</b> | <b>76%</b>      | <b>79%</b> |

## Servus Place Quarterly Report Third Quarter 2011

| Advertising, Fundraising and Sponsorship Revenue | Q3 2009 Actual    | Q3 2010 Actual    | Q3 2011 Actual    | Q3 2011 Budget    | Q3 2011 Variance  | YTD 2011 Actual   | YTD 2011 Budget   | YTD 2011 Variance |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Advertising Revenue                              | \$ 43,070         | \$ 35,436         | \$ 44,637         | \$ 44,500         | \$ 137            | \$ 134,375        | \$ 131,000        | \$ 3,375          |
| Fundraising/Sponsorship                          | \$ 94,900         | \$ 100,750        | \$ 95,787         | \$ 99,900         | \$ (4,113)        | \$ 282,193        | \$ 280,000        | \$ 2,193          |
| <b>Total Revenue</b>                             | <b>\$ 137,970</b> | <b>\$ 136,186</b> | <b>\$ 140,424</b> | <b>\$ 144,400</b> | <b>\$ (3,976)</b> | <b>\$ 416,568</b> | <b>\$ 411,000</b> | <b>\$ 5,568</b>   |

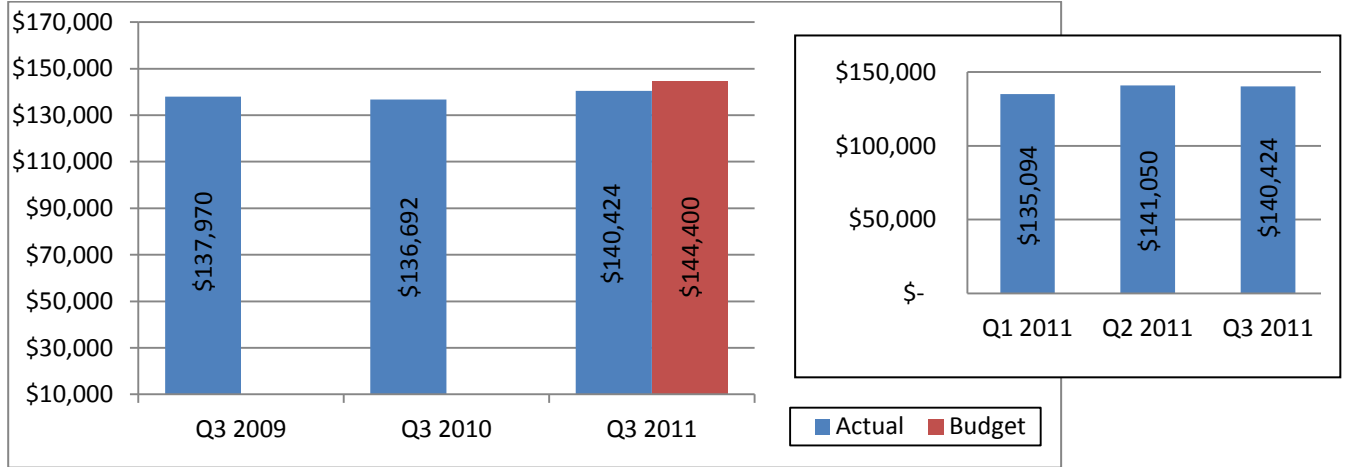
Q3 and YTD 2011 advertising and sponsorship revenue is slightly over budget.

There has been a steady growth in advertising throughout 2011 and this continues in the third quarter. Several new advertisers have been added with only a small reduction due to cancellations.

There has been a 32.2% increase in advertising spaces sold compared to Q3 2010 and a 26.0% increase in advertising revenue compared to Q3 2010.

The synergy between sponsorship and advertising continues to be productive in both areas with some of the new sponsors purchasing advertising to support their program. Swiss Chalet has signed on as an advertiser and as a sponsor for Seniors Day. Canadian Natural Resources renewed their sponsorship of the facility, becoming the naming sponsor of the Tournament Room and the Events Office.

### Advertising and Sponsorship



# Servus Place Quarterly Report Third Quarter 2011

## **Retail**

On July 4, Council approved the proposal for the City of St. Albert to operate a licensed Starbucks store in Servus Place. The Servus Place organizational structure was revised to include two FTE positions for Starbucks (Store Supervisor and Assistant Store Supervisor). The Starbucks Supervisor position has been filled and will be starting on October 11. Postings for all other positions went out September 16.

Skybox Express has vacated the downstairs concession space, and the Skybox Grill concession space was renovated as per the agreement.

An architectural firm has completed the detailed design drawings for the Starbucks store as per Starbucks specifications. All casework and Starbucks supplies ordered. POS system ordered and awaiting delivery. All timelines are on target.

# Servus Place Quarterly Report Third Quarter 2011

## Operations

As per Council Motion #392-2011, Servus Place Operations worked in conjunction with Barr Ryder Architects, PCL Construction and Stantec Construction on the replacement of Air Handling Unit #6 in the Landrex Water Play Centre. The initial construction has been completed according to schedule with minimal disruption to service. The final balancing of the system will be continued in Q4 2011. The project is anticipated to come in slightly under budget.

Ice was removed and reinstalled in the Troy Murray and Mark Messier arenas after the completion of chiller replacement in August. Staff worked with contractors and user groups to ensure minimal disruption to service during the chiller replacement.

The Servus Place Lifecycle Plan was reviewed and planned projects were adjusted or deferred to cover the cost of Troy Murray Arena chiller replacement within the approved Lifecycle budget.

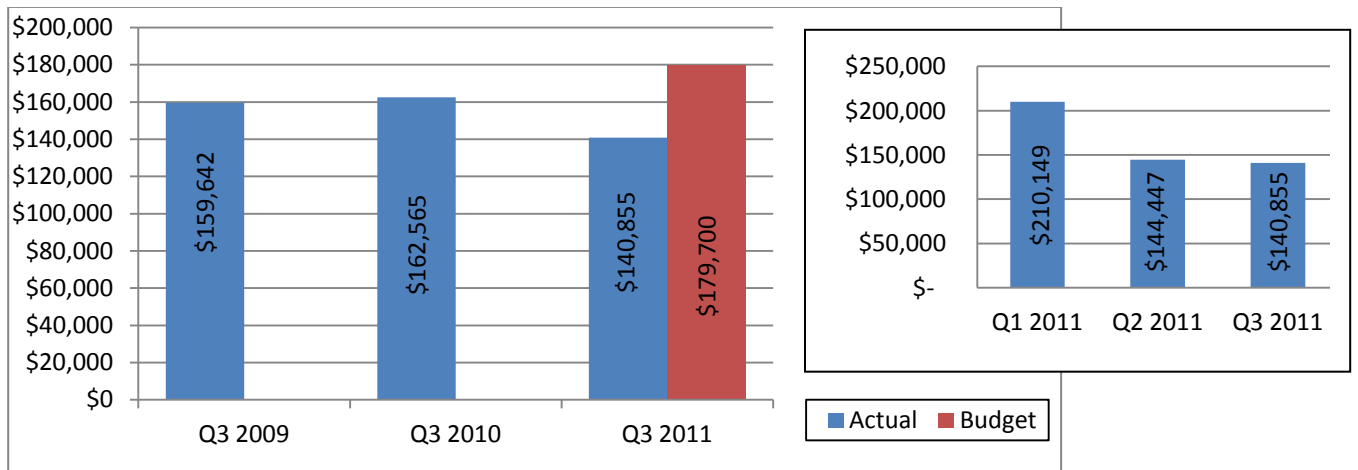
Operation staff also worked with contractors on the repair of a broken drain pipe in the Landrex Water Play Centre.

## Public Works Internal Contracts

| Public Works Internal Contracts | Q3 2009 Actual | Q3 2010 Actual | Q3 2011 Actual | Q3 2011 Budget | Q3 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|---------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------|-----------------|-------------------|
|                                 | \$ 159,642     | \$ 162,565     | \$ 140,855     | \$ 179,700     | \$ (38,845)      | \$ 495,451      | \$ 546,300      | \$ (50,849)       |

The variance is due to timing of initiatives in Operations. Projects that were not carried out in Q3 will be completed in Q4 and public works internal contracts will end the year on budget.

### Public Works Internal Contracts



## Servus Place Quarterly Report Third Quarter 2011

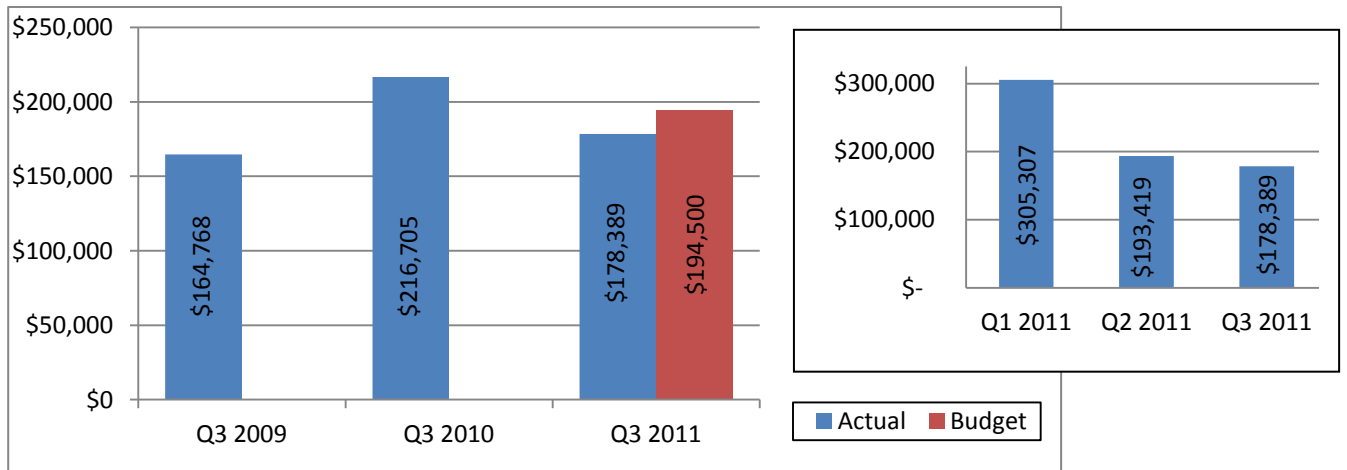
### Utilities

| Utilities                       | Q3 2009 Actual   | Q3 2010 Actual   | Q3 2011 Actual   | Q3 2011 Budget   | Q3 2011 Variance  | YTD 2011 Actual  | YTD 2011 Budget  | YTD 2011 Variance |
|---------------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Natural Gas                     | \$ 26,402        | \$ 32,799        | \$ 38,308        | \$ 30,200        | \$ 8,108          | \$174,773        | \$168,300        | \$ 6,473          |
| Water, Wastewater & Solid Waste | \$ 15,751        | \$ 23,897        | \$ 23,543        | \$ 21,900        | \$ 1,643          | \$ 72,872        | \$ 68,200        | \$ 4,672          |
| Electricity                     | \$117,894        | \$156,578        | \$114,659        | \$139,000        | \$(24,341)        | \$421,621        | \$365,000        | \$ 56,621         |
| Telephone and Cable             | \$ 4,721         | \$ 3,431         | \$ 1,879         | \$ 3,400         | \$ (1,521)        | \$ 7,849         | \$ 10,100        | \$ (2,251)        |
| <b>Total</b>                    | <b>\$164,768</b> | <b>\$216,705</b> | <b>\$178,389</b> | <b>\$194,500</b> | <b>\$(16,111)</b> | <b>\$677,115</b> | <b>\$611,600</b> | <b>\$ 65,515</b>  |

The variance in the utilities is due to lower than anticipated electricity usage. Although the Q3 actuals for electricity are under budget, these numbers are based on estimates due to the timing of the billing cycles. Actual charges are anticipated to come in above budget for year end.

The 2011 utilities indicated above are based on estimates due to the delay between receiving the utility bills and the monthly reporting. When the bills are received all previously used estimates will be updated with the actual.

### Utilities Expenses



## Servus Place Quarterly Report Third Quarter 2011

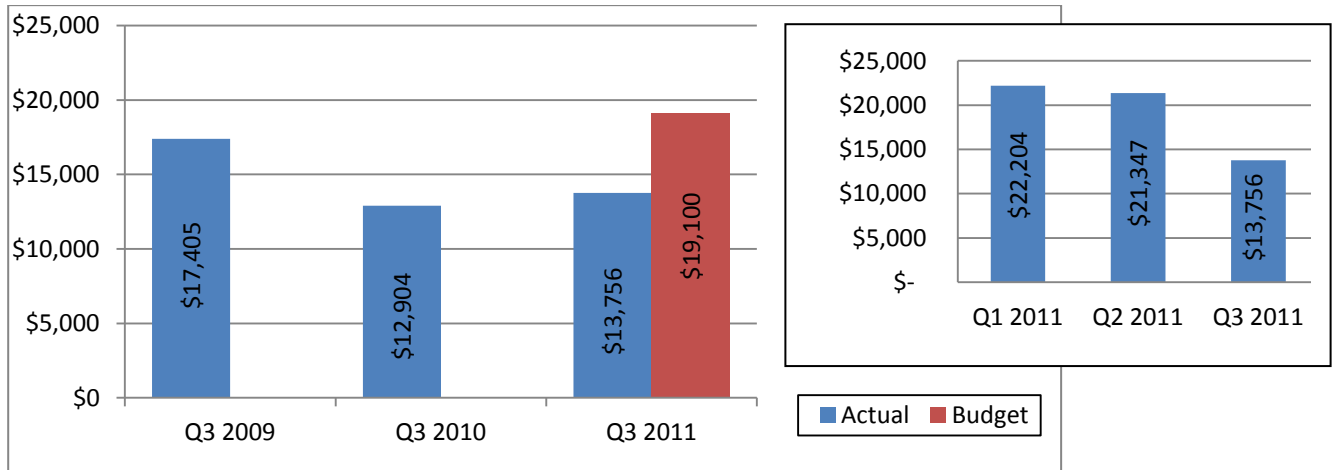
### Commissions & Vending

| Commissions and Vending | Q3 2009 Actual   | Q3 2010 Actual   | Q3 2011 Actual   | Q3 2011 Budget   | Q3 2011 Variance  | YTD 2011 Actual  | YTD 2011 Budget  | YTD 2011 Variance |
|-------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Vending Commission      | \$ 11,526        | \$ 4,908         | \$ 6,209         | \$ 10,900        | \$ (4,691)        | \$ 30,490        | \$ 40,500        | \$ (10,010)       |
| Locker Total Revenue    | \$ 4,885         | \$ 6,540         | \$ 6,395         | \$ 8,200         | \$ (1,805)        | \$ 21,069        | \$ 23,800        | \$ (2,731)        |
| Guest Services          | \$ 542           | \$ 798           | \$ 675           | \$ -             | \$ 675            | \$ 4,150         | \$ -             | \$ 4,150          |
| Miscellaneous           | \$ 451           | \$ 658           | \$ 477           | \$ -             | \$ 477            | \$ 1,598         | \$ -             | \$ 1,598          |
| <b>Total Revenue</b>    | <b>\$ 17,405</b> | <b>\$ 12,904</b> | <b>\$ 13,756</b> | <b>\$ 19,100</b> | <b>\$ (5,344)</b> | <b>\$ 57,307</b> | <b>\$ 64,300</b> | <b>\$ (6,993)</b> |

Commissions and vending revenue is under budget for Q3 and YTD due to lower than anticipated vending commission revenue and locker revenue. The decrease in vending revenue has been seen since the opening of Skybox Grill and Express in early 2010. This trending has been taken into account in the 2012-2014 Operating Budget.

The current vending contracts expire within the next 12 months. Servus Place will begin to explore healthier vending options through the RFP process in early 2012.

#### Commissions & Vending Revenue



Servus Place Quarterly Report  
Third Quarter 2011

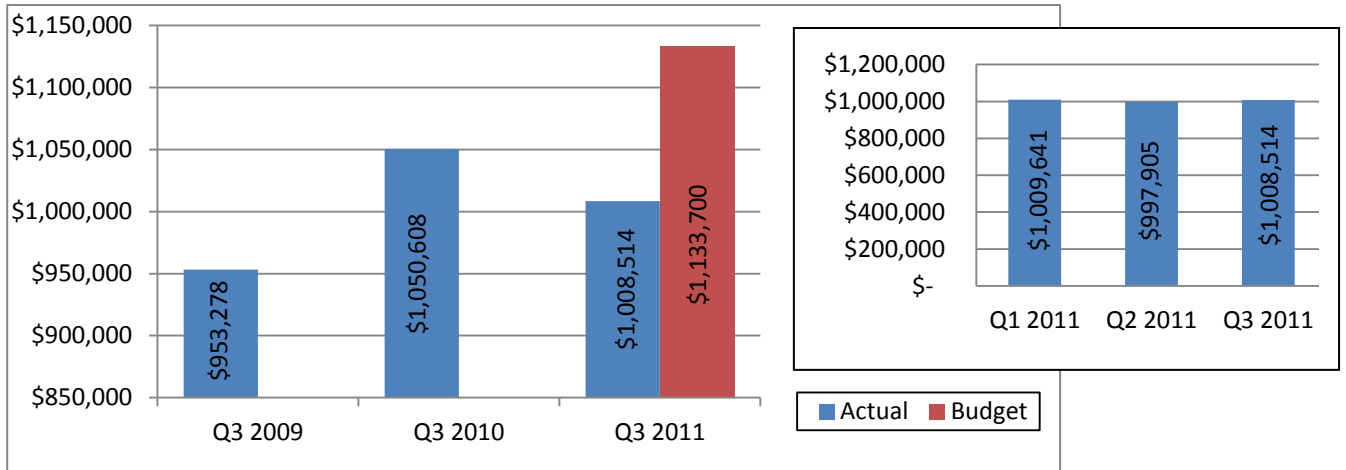
**Personnel Costs**

| Personnel Costs                        | Q3 2009<br>Actual | Q3 2010<br>Actual  | Q3 2011<br>Actual  | Q3 2011<br>Budget  | Q3 2011<br>Variance | YTD 2011<br>Actual | YTD 2011<br>Budget | YTD 2011<br>Variance |
|--|-------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|----------------------|
| Salary                                 | \$ 453,761        | \$ 486,789         | \$ 467,380         | \$ 520,300         | \$ (52,920)         | \$ 1,362,043       | \$ 1,540,100       | \$ (178,057)         |
| Casual Wages                           | \$ 369,993        | \$ 422,918         | \$ 405,910         | \$ 462,300         | \$ (56,390)         | \$ 1,254,915       | \$ 1,326,800       | \$ (71,885)          |
| <b>Total Salary &amp; Casual Wages</b> | <b>\$ 823,754</b> | <b>\$ 909,707</b>  | <b>\$ 873,290</b>  | <b>\$ 982,600</b>  | <b>\$(109,310)</b>  | <b>\$2,616,958</b> | <b>\$2,866,900</b> | <b>\$(249,942)</b>   |
| Benefits                               | \$ 129,524        | \$ 140,901         | \$ 135,224         | \$ 151,100         | \$ (15,876)         | \$ 399,102         | \$ 443,000         | \$ (43,898)          |
| <b>Total Personnel Costs</b>           | <b>\$ 953,278</b> | <b>\$1,050,608</b> | <b>\$1,008,514</b> | <b>\$1,133,700</b> | <b>\$(125,186)</b>  | <b>\$3,016,060</b> | <b>\$3,309,900</b> | <b>\$(293,840)</b>   |

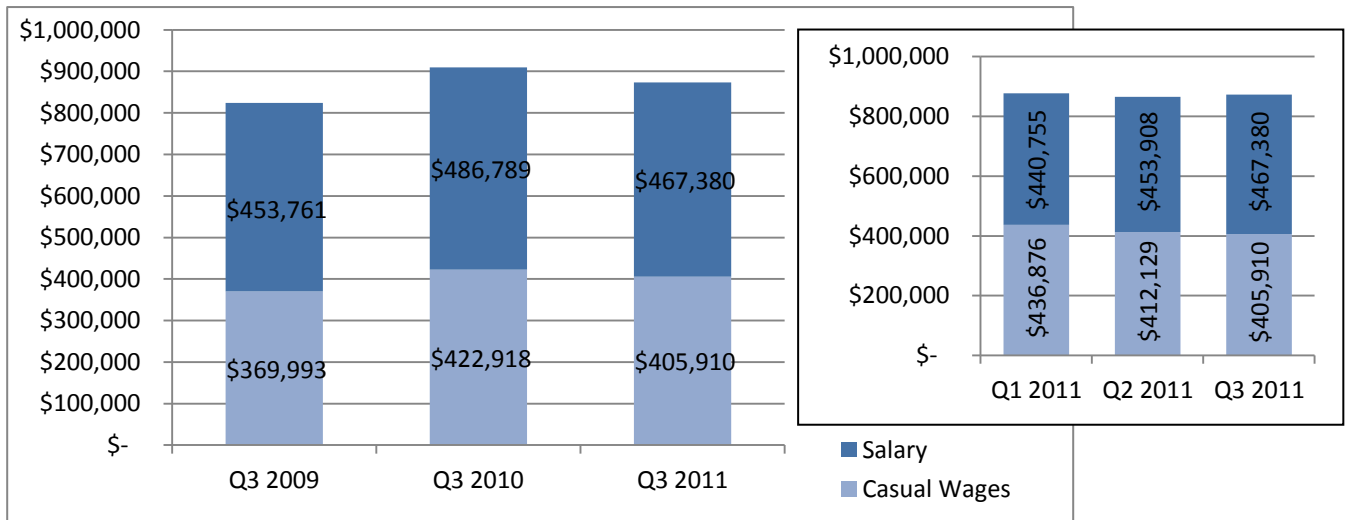
In-View time tracking software is being currently used in all business units for both permanent and casual staff resources. 100% of all casual staff are using both the electronic timesheets, biometric clock, as well as completing a parallel paper time sheet during this pilot program stage.

# Servus Place Quarterly Report Third Quarter 2011

## Personnel Costs



## Salaries & Casual Wages



## Servus Place Quarterly Report Third Quarter 2011

| Personnel by Cost Centre     | Q3 2009 Actual    | Q3 2010 Actual      | Q3 2011 Actual      | Q3 2011 Budget      | Q3 2011 Variance   | YTD 2011 Actual     | YTD 2011 Budget     | YTD 2011 Variance  |
|------------------------------|-------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
| Administration               | \$ 57,131         | \$ 63,320           | \$ 62,554           | \$ 62,700           | \$ (146)           | \$ 189,685          | \$ 187,000          | \$ 2,685           |
| Operations                   | \$ 215,538        | \$ 222,994          | \$ 189,521          | \$ 220,800          | \$ (31,279)        | \$ 570,223          | \$ 686,200          | \$ (115,977)       |
| Recreation                   | \$ 142,822        | \$ 167,942          | \$ 182,937          | \$ 207,200          | \$ (24,263)        | \$ 425,733          | \$ 477,900          | \$ (52,167)        |
| Fitness                      | \$ 157,712        | \$ 189,341          | \$ 175,847          | \$ 193,700          | \$ (17,853)        | \$ 622,339          | \$ 629,300          | \$ (6,961)         |
| Business & Marketing         | \$ 49,887         | \$ 45,133           | \$ 53,368           | \$ 53,200           | \$ 168             | \$ 157,486          | \$ 159,000          | \$ (1,514)         |
| Bookings and Events          | \$ 59,504         | \$ 60,699           | \$ 61,139           | \$ 69,400           | \$ (8,261)         | \$ 191,935          | \$ 211,000          | \$ (19,065)        |
| Guest Services               | \$ 141,160        | \$ 160,278          | \$ 147,924          | \$ 169,000          | \$ (21,076)        | \$ 459,557          | \$ 509,900          | \$ (50,343)        |
| Retail                       | \$ -              | \$ -                | \$ -                | \$ 6,600            | \$ (6,600)         | \$ -                | \$ 6,600            | \$ (6,600)         |
| <b>Subtotal</b>              | <b>\$ 823,754</b> | <b>\$ 909,707</b>   | <b>\$ 873,290</b>   | <b>\$ 982,600</b>   | <b>\$(109,310)</b> | <b>\$ 2,616,958</b> | <b>\$ 2,866,900</b> | <b>\$(249,942)</b> |
| Benefits                     | \$ 129,524        | \$ 140,901          | \$ 135,224          | \$ 151,100          | \$ (15,876)        | \$ 399,102          | \$ 443,000          | \$ (43,898)        |
| <b>Total Personnel Costs</b> | <b>\$ 953,278</b> | <b>\$ 1,050,608</b> | <b>\$ 1,008,514</b> | <b>\$ 1,133,700</b> | <b>\$(125,186)</b> | <b>\$ 3,016,060</b> | <b>\$ 3,309,900</b> | <b>\$(293,840)</b> |

The Operations personnel cost variance is due to a combination of the Operations Coordinator not being filled until the end of July, the vacant Head Custodian position and shortages of custodial staff to fill shifts during staff vacations.

Personnel costs for recreation are lower than budgeted primarily due to lower than anticipated summer camp registrations for the month of August.

Lower than planned personnel costs for fitness are due to both slightly lower than planned summer program totals as well as casual staff vacancies leaving some regular shifts unfilled.

Booking & Events was under budget due to a combination of casual hours being left unfilled during staff holidays and reductions to casual hours based on workload.

Guest Services personnel cost savings are due to the vacant Guest Services Associate – Finance position and efficiencies in staffing requiring less casual hours. This trend has been consistent throughout 2011.

Retail personnel costs are under budget due to the Starbucks Store Supervisor and Assistant Supervisor positions not being hired for until Q4 2011. This area will end the year under budget in wages.

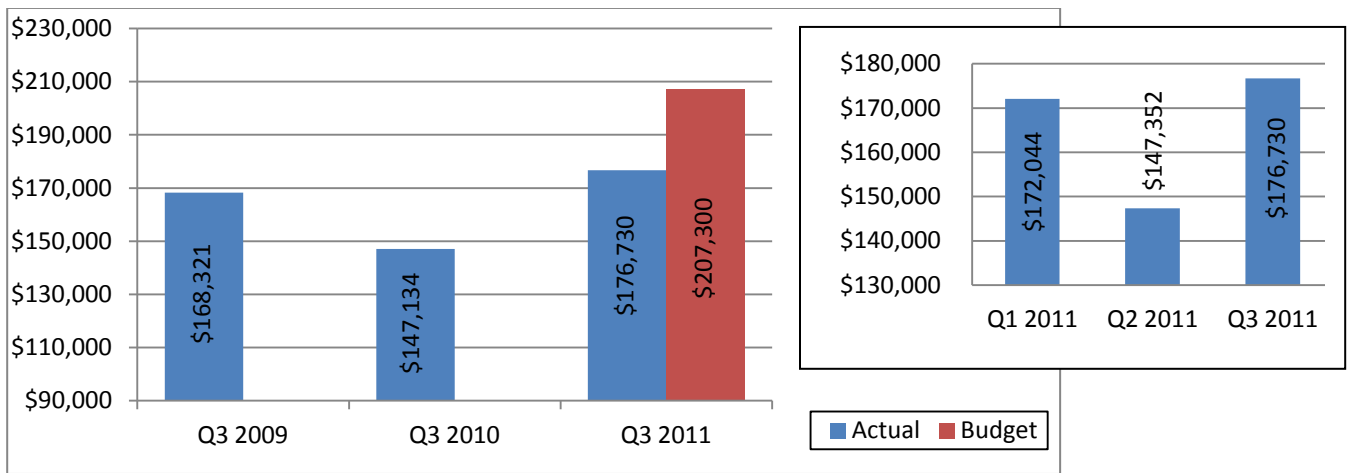
## Servus Place Quarterly Report Third Quarter 2011

### Contracted & General Services

| Contracted & General Services | Q3 2009 Actual | Q3 2010 Actual | Q3 2011 Actual | Q3 2011 Budget | Q3 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|-------------------------------|----------------|----------------|----------------|----------------|------------------|-----------------|-----------------|-------------------|
|                               | \$ 168,321     | \$ 147,134     | \$ 176,730     | \$ 207,300     | \$ (30,570)      | \$ 496,126      | \$ 539,400      | \$ (43,274)       |

The YTD variance in contracted and general services is due to timing of initiatives in advertising and promotions, development and training, contracted services - miscellaneous and insurance premiums. This account is anticipated to end the year slightly over budget due to additional security personnel required in the facility. Servus Place has found that with an increased security presence there has been a reduction in the number of thefts as well as, the presence of security during the day has provided added confidence in the membership and public users.

### Contracted & General Services Expenses



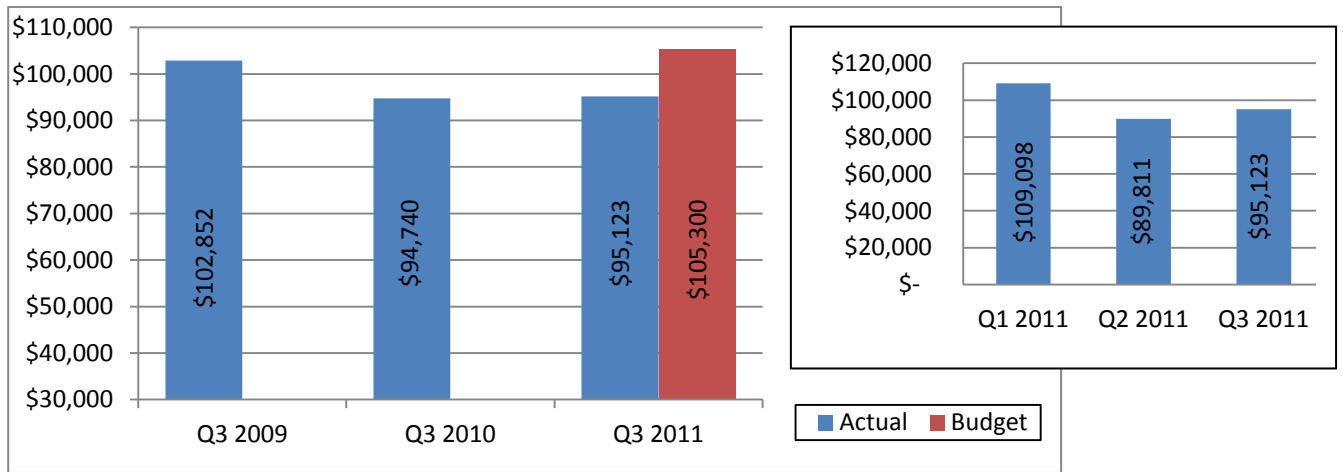
## Servus Place Quarterly Report Third Quarter 2011

### Materials, Goods & Supplies

| Materials, Goods & Supplies | Q3 2009 Actual | Q3 2010 Actual | Q3 2011 Actual | Q3 2011 Budget | Q3 2011 Variance | YTD 2011 Actual | YTD 2011 Budget | YTD 2011 Variance |
|-----------------------------|----------------|----------------|----------------|----------------|------------------|-----------------|-----------------|-------------------|
|                             | \$ 102,852     | \$ 94,740      | \$ 95,123      | \$ 105,300     | \$ (10,177)      | \$ 294,032      | \$ 318,600      | \$ (24,568)       |

Materials, goods and supplies are under budget primarily due to timing of initiatives in operating supplies, uniforms and equipment, and bank charges. This account is anticipated to end the year on budget.

#### Materials, Good & Supplies Expenses



Servus Place Quarterly Report  
Third Quarter 2011

**2011 Forecast - Updated August 2011**

|   | 2011<br>Department<br>Budget | *2011 Revised<br>Budget<br>Approved<br>July 4, 2011 | Variance<br>Between<br>Departmental<br>Budget and<br>Revised<br>Budget | 2011 Forecast<br>- Updated<br>August 2011 | Variance<br>Between<br>Revised<br>Budget and<br>Forecast |
|---|------------------------------|---|--|---|--|
| Memberships   | \$ 2,426,300                 | \$ 2,426,300  | \$ -   | \$ 2,485,000                              | \$ 58,700  |
| Admission Fees  | 1,270,500                    | 1,270,500   | -  | 1,180,500                                 | (90,000)   |
| Lesson Fees   | 834,200                      | 834,200   | -  | 904,200                                   | 70,000   |
| Rentals - Facility  | 1,537,500                    | 1,537,500   | -  | 1,547,500                                 | 10,000   |
| Advertising/Sponsorship                                   | 535,200                      | 554,200   | 19,000   | 560,000                                   | 5,800  |
| Sale of Goods (Commission & Vending)                      | 85,200                       | 184,300   | 99,100   | 150,300                                   | (34,000)   |
| Miscellaneous Revenue                                     | 13,800                       | 13,800  | -  | 43,800                                    | 30,000   |
| <b>Total Revenue</b>                                      | <b>\$ 6,702,700</b>          | <b>\$ 6,820,800</b>                                 | <b>\$118,100</b>   | <b>\$ 6,871,300</b>                       | <b>\$ 50,500</b>   |
| Personnel Costs   | \$ 4,386,400                 | \$ 4,439,700  | \$ 53,300  | \$ 4,159,700                              | \$ (280,000)   |
| Contracted & General Services                             | 741,400                      | 763,000   | 21,600   | 773,000                                   | 10,000   |
| Utilities   | 827,700                      | 827,700   | -  | 958,000                                   | 130,300  |
| Materials, Goods & Supplies                               | 412,400                      | 454,100   | 41,700   | 454,100                                   | -  |
| Transfer to Reserves                                      | 50,000                       | 50,000  | -  | 51,500                                    | 1,500  |
| Transfer to Operations - Aquatics                         | 756,800                      | 756,800   | -  | 756,800                                   | -  |
| Transfer to Operations - Public Works                     | 732,600                      | 732,600   | -  | 732,600                                   | -  |
| <b>Total Expenses</b>                                     | <b>\$ 7,907,300</b>          | <b>\$ 8,023,900</b>                                 | <b>\$116,600</b>   | <b>\$ 7,885,700</b>                       | <b>\$ (138,200)</b>                                      |
| <b>Operating Surplus (Deficit)</b>                        | <b>\$ (1,204,600)</b>        | <b>\$ (1,203,100)</b>                               | <b>\$ 1,500</b>  | <b>\$ (1,014,400)</b>                     | <b>\$ 188,700</b>  |
| Recovery Rate   | 85%                          | 85%   | 0%   | 87%                                       | 2%   |
| <b>Cost Centre 3171 (Community Recreation Facilities)</b> |                              |   |  |   |  |
| <b>Total Revenue</b>                                      | \$ 479,900                   | \$ 479,900  | \$ -   | \$ 479,900                                | \$ -   |
| <b>Total Expenses</b>                                     | 137,600                      | 137,600   | -  | 137,600                                   | -  |
| <b>Operating Surplus (Deficit)</b>                        | <b>\$ 342,300</b>            | <b>\$ 342,300</b>                                   | <b>\$ -</b>  | <b>\$ 342,300</b>                         | <b>\$ -</b>  |
| <b>Total Operating Surplus (Deficit)</b>                  | <b>\$ (862,300)</b>          | <b>\$ (860,800)</b>                                 | <b>\$ 1,500</b>  | <b>\$ (672,100)</b>                       | <b>\$ 188,700</b>  |

\*2011 Revised Budget which was approved July 4, 2011 includes the new retail cost centre 3192.

## Servus Place Quarterly Report Third Quarter 2011

Based on the Q3 financial information and analysis of trends, Servus Place is forecasting a year end net deficit of \$1,014,400 against a budgeted deficit of \$1,203,100. This is a decrease to the net deficit of \$188,700 or (-15.7%), increasing the cost recovery by 2% to 87%.

- Memberships are anticipated to end the year over budget by \$58,700. The forecast has been adjusted to reflect this increase. Day admissions are trending under budget and have been decreased by \$90,000.
- Lesson fees have been adjusted by \$70,000 to reflect increased participation in personal training services and fitness programs.
- There has been a decrease in leaseholder revenue due to renegotiation of lease agreements and an increase in rental revenues. These changes have resulted in an overall increase of \$10,000 to facility rental revenue.
- A small increase of \$5800 was made to the July 4 Revised Budget in advertising and sponsorship revenue due to higher than anticipated revenues.
- The decrease in Sale of Goods of \$34,000 can be attributed to lower than anticipated locker revenue and vending commissions as well as changes to the Starbucks opening date from November 7 to November 25 due to delays in signing the Licensing Agreement.
- An adjustment of \$30,000 has been made to miscellaneous revenue to account for recovered costs from events.

Adjustments to contracted and general services, personnel costs, utilities and transfer to reserves resulted in an increase on the expense side, while increases to membership, lesson fees, facility rental, advertising and sponsorship, and miscellaneous revenue improved the net deficit.

- Salaries have been decreased by \$280,000 in the forecast to account for vacancies in different areas throughout the year and some decreases in wages due to decreased demand for recreation programs and vacation coverage.
- There has been an increase to contracted and general services of \$10,000 to account for additional security personnel required in the facility. Servus Place has found that with an increased security presence there has been a reduction in the number of thefts as well as, the presence of security during the day has provided added confidence in the membership and public users.
- Utilities have been increased by \$130,300 to account for higher than anticipated utility rates, primarily on electricity.
- Transfer to reserves was increased slightly to \$1,500. This increase was made to adjust the corporate bottom line to zero after changes were made to the Servus Place 2011 Operating Budget - Revised July 4 to accommodate the Starbucks budget.

Overall, the department, including Servus Place and Community Recreation Facilities is forecasting a net deficit of \$672,100 against a budget of \$860,800, which equates to a reduction \$188,700 (-21.9%) in the net deficit.