

Servus Place Quarterly Report

First Quarter 2012
(Un-Audited)

Servus Place Quarterly Report First Quarter 2012

City of St. Albert Servus Credit Union Place Income Statement of Revenue and Expenditures For the Period Ended March 31, 2012 (Un-Audited)

	2012 Q1 Actual	2012 Q1 Budget	2012 Q1 Variance	2012 Approved Budget
Memberships	\$ 712,613	\$ 719,200	\$ (6,587)	\$ 2,530,400
Admission Fees	412,417	385,500	26,917	1,284,700
Lesson Fees	261,685	230,300	31,385	897,900
Rentals - Facility	463,979	475,300	(11,321)	1,561,900
Advertising/Sponsorship	108,465	103,300	5,165	444,500
Sale of Goods (Commission & Vending)	176,753	231,700	(54,947)	745,100
Miscellaneous Revenue	1,398	0	1,398	13,800
Total Revenue	\$ 2,137,310	\$ 2,145,300	\$ (7,990)	\$ 7,478,300
Personnel Costs	\$ 1,079,672	\$ 1,109,900	\$ (30,228)	\$ 4,617,000
Contracted & General Services	174,909	195,200	(20,291)	823,800
Utilities	293,033	303,800	(10,767)	970,900
Materials, Goods & Supplies	149,743	200,400	(50,657)	707,000
Transfer to Reserves	27,387	26,200	1,187	96,500
Transfer to Operations - Aquatics	138,823	215,900	(77,077)	775,800
Transfer to Operations - Public Works	167,245	227,000	(59,755)	741,100
Total Expenditure	\$ 2,030,812	\$ 2,278,400	\$ (247,588)	\$ 8,732,100
Net Surplus (Deficit)	\$ 106,498	\$ (133,100)	\$ 239,598	\$ (1,253,800)
Recovery Rate	105%	94%	11%	86%
Cost Centre 3171 Revenue	151,594	156,200	(4,606)	489,700
Cost Centre 3171 Expenses	33,857	33,700	157	140,400
Operating Surplus (Deficit)	\$ 117,737	\$ 122,500	\$ (4,763)	\$ 349,300
Total Operating Surplus (Deficit)	\$ 224,235	\$ (10,600)	\$ 234,835	\$ (904,500)

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Department Overview

During the first quarter of 2012, Servus Place saw increased utilization and strong revenues resulting in a positive net variance of \$106,498 leading to a 105% recovery rate. Expenses were under budget in some areas due significantly to timing of initiatives resulting in a higher than budgeted cost recovery. The first quarter of each year has historically seen higher revenues, it is expected that actuals will align with budget projections in the remaining months of 2012.

Revenue Analysis

Total revenue for Q1 2012 is \$2,137,310. Total revenue variance for Q1 was \$7,990 (-0.4%) below budget projections

- Memberships are below budget projections by \$6,587 (-0.9%).
- Admission Fees are above budget projections by \$26,917 (7.0%).
- Lesson Fees are above budget projections by \$31,385 (13.6%).
- Rentals - Facility are below budget projections by \$11,321 (-2.4%)
- Advertising/Sponsorship is above budget projections by \$5,165 (5.0%)
- Sale of Goods (Commission & Vending) is below budget projections by \$54,947 (-23.7%)
- Miscellaneous Revenue is above budget projections by \$1,398

Admission fee revenue was over budget due to higher than budgeted admissions. This is a difficult trend to predict as day use fluctuates based on factors such as the weather, holidays, events at Servus Place and in the community and spontaneous habits around peoples use of recreation time.

Increased participation in registered fitness programs and services, preschool recreation programs, and community learn to skate programs has pushed lesson fee revenue substantially over budget for Q1 2012. Over the past several years we have continued to see growth and demand for programming.

Facility rental revenue is under budget primarily because of large events such as the Special Olympics using a large number of hours but billed on a block booking basis. Event set up and take down time also impacts the availability of rental hours as these times are built into the block booking fee and reduce the number of rental hours available.

The variance in commissions and vending is due to lower than anticipated revenue from vending commissions as well as significant difference between budget and actual revenue in the retail cost centre. Although revenues in the retail cost centre were under budget there is a corresponding variance on the expense side in the way of savings resulting in an operating profit in the retail cost centre. For more detailed information, please see page 26 of this report.

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Expense Analysis

Total expenses for Q1 2012 are \$2,030,812. Total expense variance for Q1 was \$247,588 (-10.9%) below budget projections. Several expense categories trended under budget for Q1 2012, but are anticipated to catch up in the next several months due to timing of initiatives.

- * Personnel Costs are below budget projections by \$30,228 (-2.7%).
- * Contracted & General Services are below budget projections by \$20,291 (-10.4%).
- * Utilities are below budget projections by \$10,767 (-3.5%).
- * Materials, Goods & Supplies are below budget projections by \$50,657 (-25.3%).
- * Transfer to Reserves is above budget by \$1,187 (4.5%)
- * Transfer to Operations - Aquatics is below budget projections by \$77,077 (-35.7%).
- * Transfer to Operations - Public Works is below budget projections by \$59,755 (-26.3%).

The expense variance for Q1 2012 is primarily due to variances in the all areas except transfer to reserves.

Contracted and general services, and materials, goods and supplies and transfer to public works were all under budget due to timing of initiatives; while areas such as personnel costs, transfer to aquatics and utilities were all under budget due to lower than anticipated expenses.

Although expenses for the retail cost centre were under budget there is a corresponding revenue variance resulting in an operating profit in the retail cost centre. For more detailed information, please see page 26 of this report.

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Guest Services

Servus Place took over 6,800 calls in Q1 2012, answering questions ranging from program information to the City's recycling program. The extended facility hours provide residents increased opportunity to speak to someone directly and answer any questions in regards to the city. Many of the calls are received after 5:00 pm and on weekends when the main switch board at City Hall is closed.

Servus Place has implemented a new Ad-Tel phone management system. This telephone management system allows for better management of incoming calls and offers Servus Place an opportunity to provide continually updated and specific messaging while the customer is on hold.

Membership

Memberships	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Adult	3,259	3,276	3,240	3,201	39
Child	541	421	372	381	-9
Family	2,173	2,331	2,520	2,362	157
Senior	812	864	907	838	69
Student	532	485	371	457	-87
Youth	378	371	328	381	-52
Total Members	7,696	7,748	7,737	7,620	117
Total Paid Membership Units	5,982	5,910	5,746	5,760	-14
Corporate Memberships	2,052	2,030	1,732		
Membership Revenue	\$ 674,199	\$ 699,790	\$ 712,613	\$ 719,200	\$ (6,587)

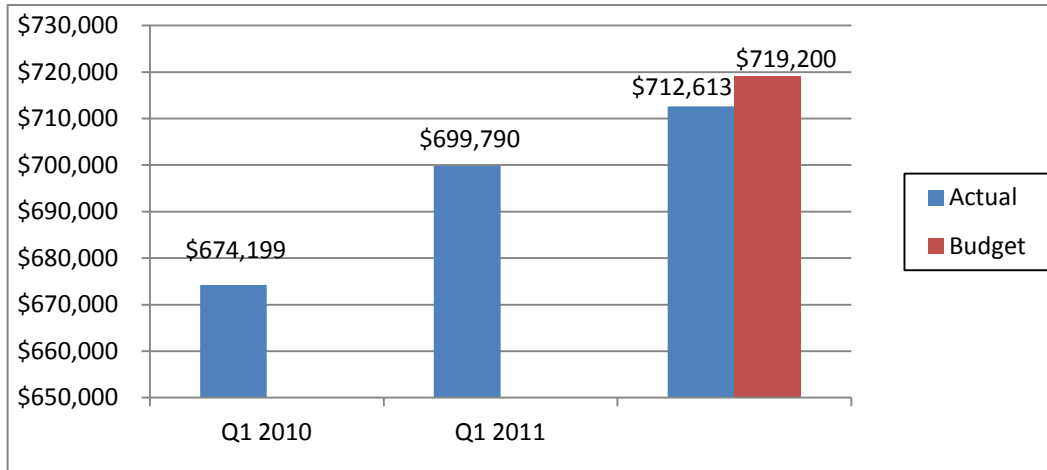
Membership revenue for Q1 2012 is \$712,613 which is very close to budget for the quarter but slightly over Q1 2011 revenue which continues the trend that has emerged over the past 12 months of a leveling off in membership revenues.

The average number of family membership units per month for Q1 2012 is 529, which equates to 4.8 individual members per family membership unit.

There were 1,732 corporate members in Q1 2012. The corporate members in Q1 2012 make up 22.4% of the total members. The decrease in the number of corporate memberships is due to a shift in corporate annual members to regular annual members.

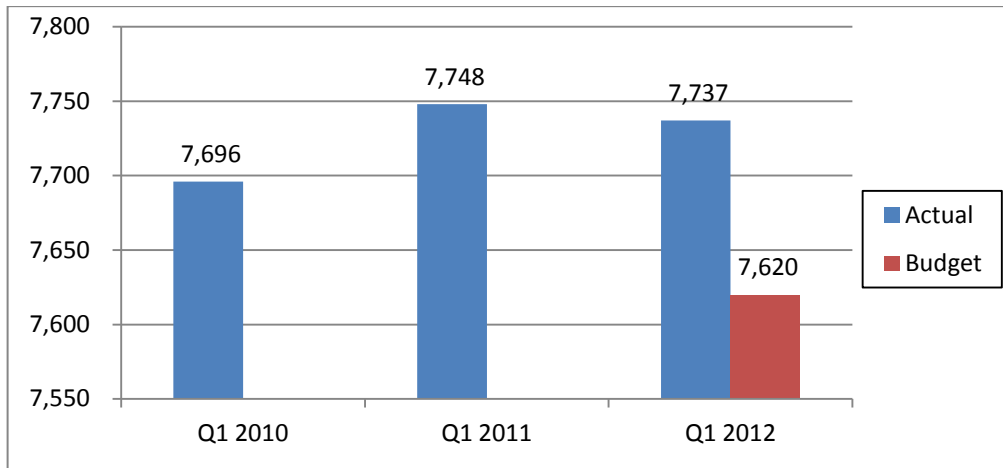
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Membership Revenue



The 2012 budget is based on a blended rate of \$41.62. The actual blended rate for Q1 2012 is \$41.34, which is an increase of \$1.88 over the blended rate for Q1 2011 (\$39.47).

Total Members

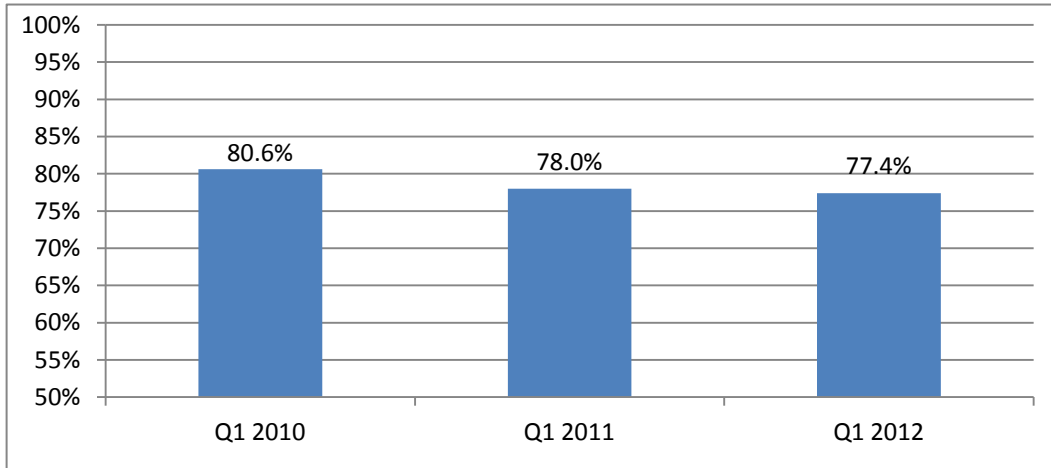


In Q1 2012, there was an average of 7,737 members per month, which is 1.5% above budget. Actual members for Q1 2012 were above budget due to the increase in the higher value family and adult membership categories.

This quarter, 20.1% of Servus Place members were annual members who renewed their membership with no lapse and 19.4% were brand new members (monthly and annual) who have never had a membership before.

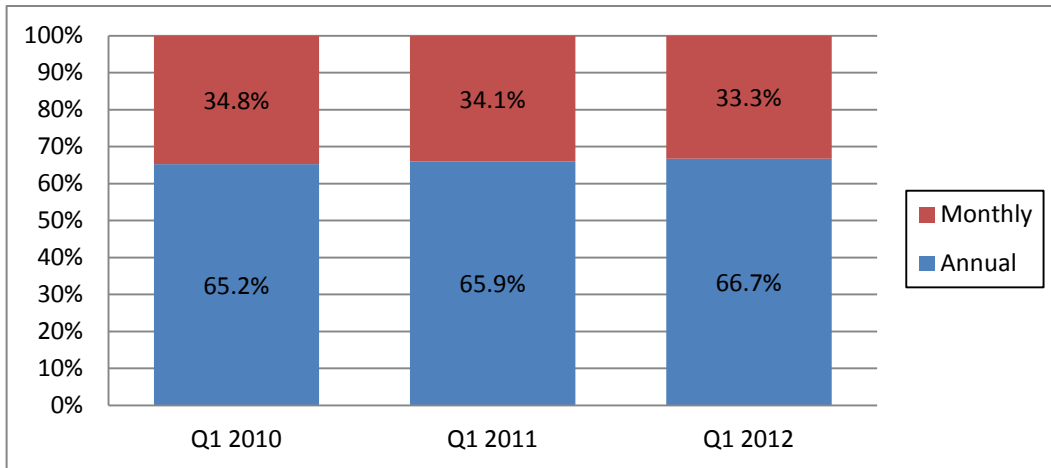
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Percentage of Members who are St. Albert Residents



In Q1 2012, the average percentage of members who are St. Albert residents is 77.4%. It can be assumed that improved accessibility to Servus Place from the north end of Edmonton has resulted in a greater percentage of Edmonton members (10.0%).

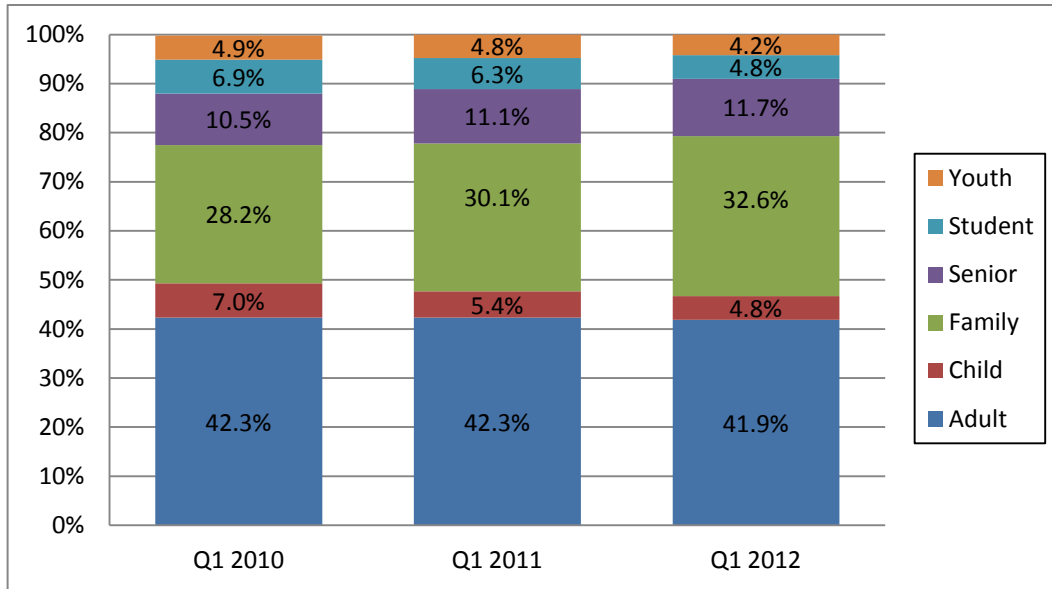
Members by Type



In Q1 2012, annual memberships accounted for 66.7% of the total memberships which is a slight increase from 2011. Annual membership totals are the key indicators of sustained monthly revenues that contribute, as a large driver, to the facility financial model.

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Members by Demographic



There continues to be gradual growth in the family membership category, which has increased 2.5% from Q1 2011 to Q1 2012 as well as small corresponding decreases in the number of adult, child and youth members. All other membership categories have remained relatively consistent.

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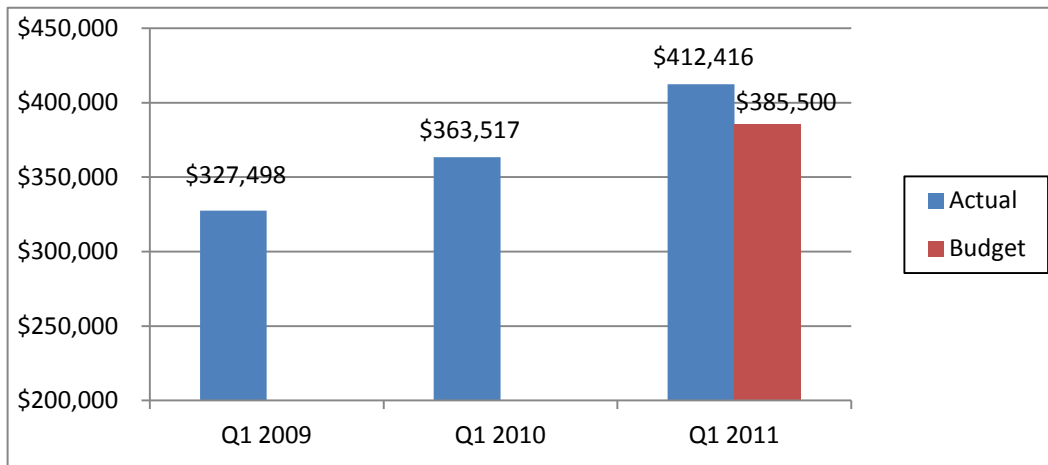
Day Admissions

Day Admissions	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Adult	13,544	15,288	15,650	15,438	212
Child	17,468	17,347	19,548	18,163	1,385
Family	N/A*	18,292	21,162	19,072	2,090
Senior	990	1,206	1,260	908	352
Youth	4,976	6,244	6,608	6,357	251
Total Paid Passes	N/A	58,377	64,228	59,938	4,290
Total Membership Swipes	119,298	118,513	121,385		
Total Day Uses	N/A	162,972	185,613		
Total Paid Pass Units	41,416	44,459	48,037	45,407	2,630
Total Complimentary Passes	2,058	1,945	2,288		
Paid Pass Revenue	\$ 313,980	\$ 347,111	\$ 394,540	\$ 370,000	\$ 24,540
Childminding Revenue	\$ 12,240	\$ 15,482	\$ 16,734	\$ 14,200	\$ 2,534
Community Drop-In Program Revenue	\$ 1,278	\$ 924	\$ 1,142	\$ 1,300	\$ (158)
Total Admission Fees Revenue	\$ 327,498	\$ 363,517	\$ 412,417	\$ 385,500	\$ 26,917

Paid pass revenue is \$412,417, which is 7.0% above budget and 13.5% above Q1 2011. The day admission blended rate for Q1 2012 is \$8.23. This blended rate represents the average admission price per paid pass unit. For Q1 2012, one family paid pass unit equates to 4.3 paid passes. Paid passes are the number of individuals who access the facility.

* Paid Pass Units = Admission sold. Paid Passes = Number of people that were admitted. Paid passes information has been collected since 2011 to provide a better indication of the number of individuals paying to access the facility.

Day Admission Revenue



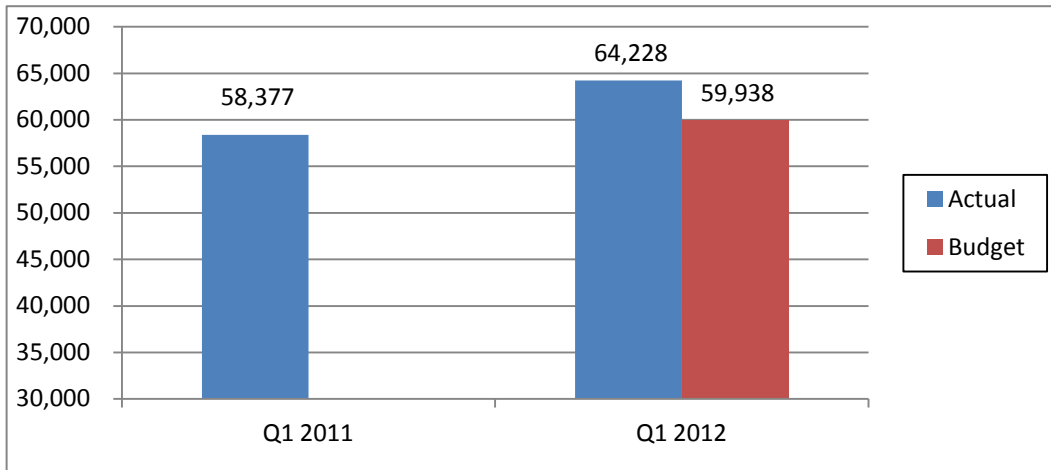
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Servus Place Day Admissions - Postal Code Breakdown for Q1 2012

Servus Place Day Admissions Postal Code Breakdown	Q1 2010	Q1 2011	Q1 2012
Edmonton	18%	12%	14%
Morinville	2%	2%	2%
Not provided	4%	2%	1%
Outside Alberta	0%	0%	0%
St. Albert	69%	78%	76%
Sturgeon	1%	1%	1%
Other Areas of Alberta*	5%	5%	5%
Total	100%	100%	100%

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

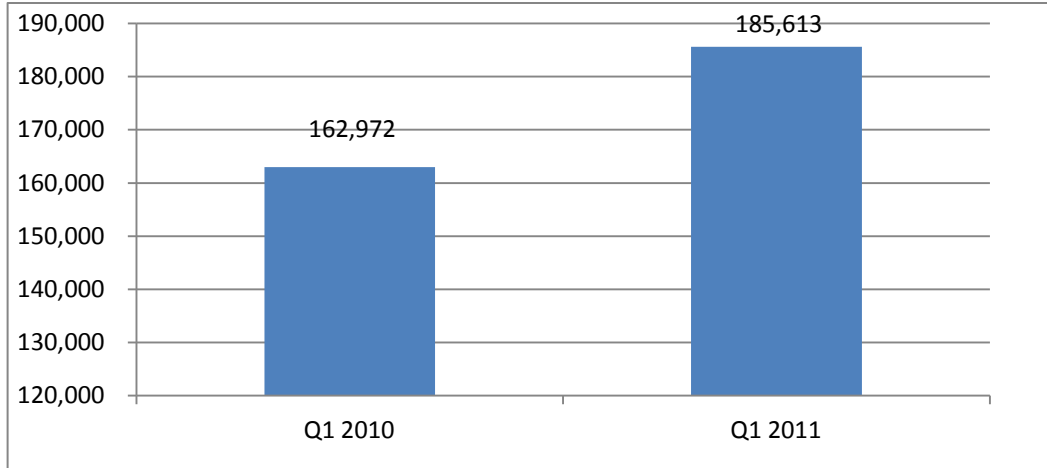
Paid Day Passes



The Q1 2012 number of paid passes is 64,228 which has increased 10.0% compared to Q1 2011.

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Total Day Uses



Total paid day uses for Q1 2012 were 185,613, which is 13.9% over Q1 2011 and an average number of paid day admissions was 2,062 per day.

Highest days of attendance were January 2 with over 3,200 day uses, Family Day weekend (February 18-20) with over 8,000 day uses, including a facility record of 3,324 day uses on the holiday Monday and Spring Break (March 24-31) with over 19,700 day uses over the course of the 7 days.

Month	Total individuals tracked (approx)	Average visitors per day	Total Day Uses	Total Non paying visitors (approx)
January	110,000	3,700	65,164	50,000
February	100,000	3,300	57,670	40,000
March	90,000	3,000	62,779	30,000
Q1	300,000	3,300	185,613	120,000

In 2011, Servus Place installed people counting software on the existing camera system in order to better track the traffic in the facility. In Q1 2012, Servus Place tracked over 300,000 individuals through the facility. The total day uses corresponds to the paid admissions tracked through the Class software. The non paying visitors correlate in part to the spectators attending sporting events on the fields and in the arenas.

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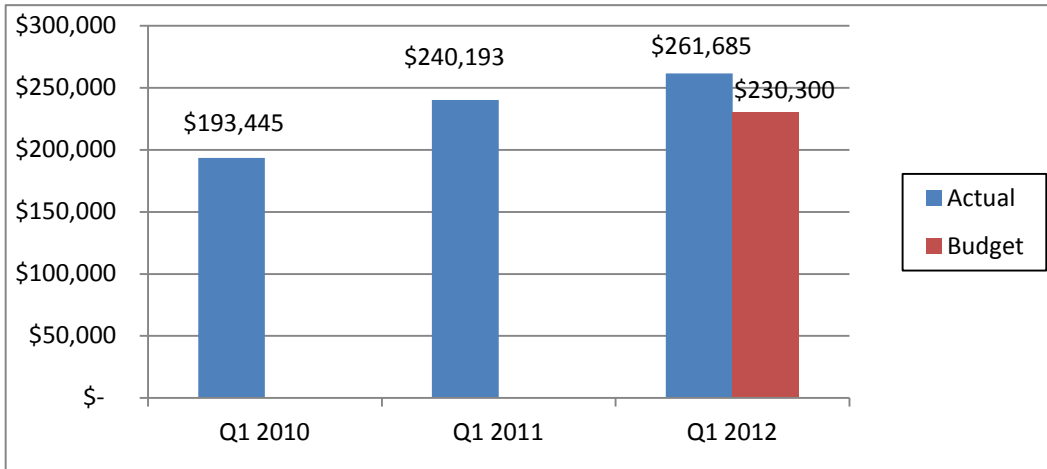
Lesson Fees

Lesson Fees	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Fitness	\$ 139,967	\$ 181,550	\$ 189,070	\$ 168,800	\$ 20,270
Recreation	\$ 53,478	\$ 58,643	\$ 72,615	\$ 61,500	\$ 11,115
Net Revenue	\$ 193,445	\$ 240,193	\$ 261,685	\$ 230,300	\$ 31,385

Lesson fee revenue is substantially over budget for Q1 2012. This variance is due to increased participation in registered programs with fill rates of 86% in fitness, 89% in preschool recreation programs, and 92% in community learn to skate programs.

Survey Gizmo has been implemented as a tool to collect program evaluations for the Fall Recreation program session with the Spring Fitness program session planned. Approximately 35% of the program evaluations have been completed online. Comments and feedback from participants is reviewed and considered to improve programs offered.

Lesson Fees Revenue

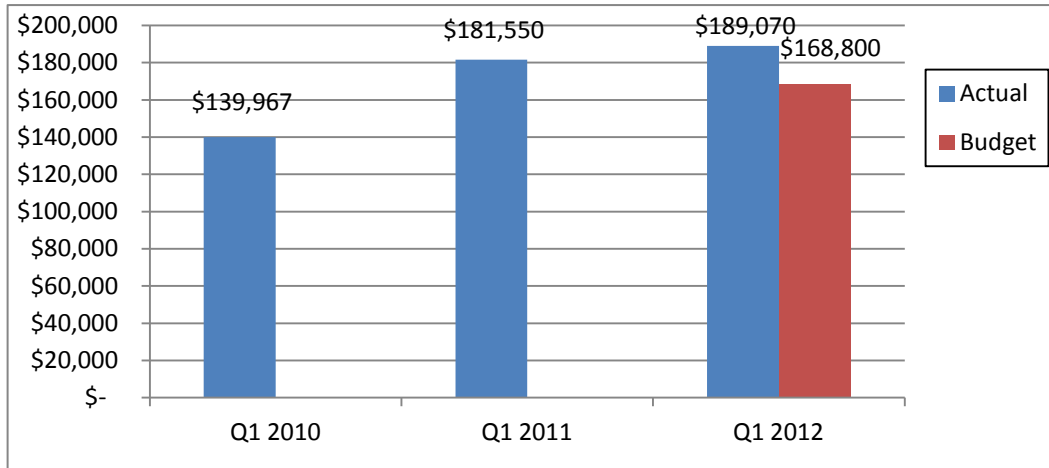


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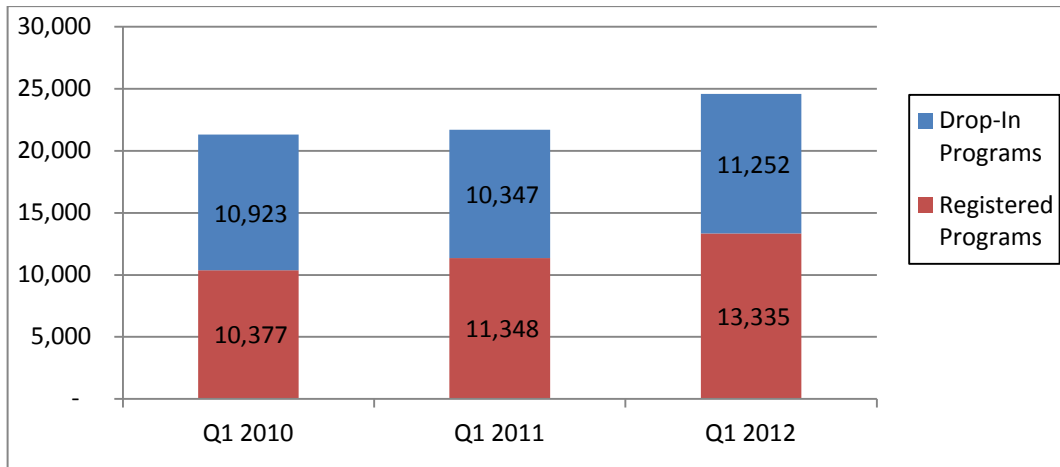
Fitness

In Q1 2012 fitness program revenue is \$189,070 which is 12.0% above budget and 4.1% over Q1 2011 due to strong participation in registered programs (86% fill rate). There was also an increase of 31% in team dry land conditioning services from Q1 2011 to Q1 2012.

Fitness Program Revenue



Fitness Program Participants



Drop-in fitness programs continue to be extremely well attended increasing 8.7% from Q1 2011 to Q1 2012; however they continue to face capacity limitations due to space. Of the 35 drop-in different programs that are currently being offered at Servus Place, 1/3 are managed on a 'first come first served' basis due to demand exceeding maximum class size. This increased demand continues to put pressure on the facility and is reducing the level of customer satisfaction.

There were 443 drop-in classes in Q1 2012, averaging 25 participants per class, an increase of 2 participants per class over Q1 2011. Drop-in programs are included with membership or day admission to Servus Place and can be directly attributed to supporting the overall membership growth and retention.

There were 860 hours of personal training in Q1 2012, an increase of 9% over Q1 2011.

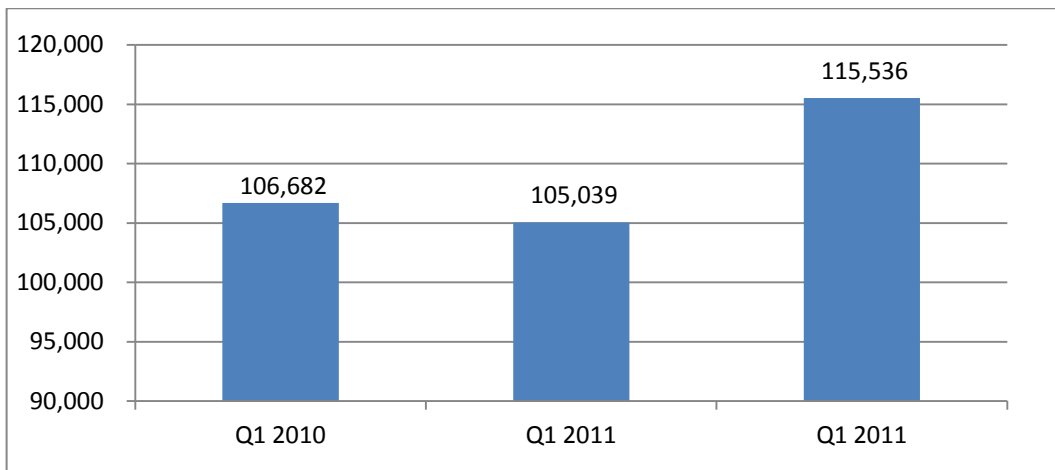
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Fitness & Wellness Centre

Fitness & Wellness Centre	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual
Fitness & Wellness Centre Users	106,682	105,039	115,536
Daily Average	1,187	1,168	1,285

In Q1 2012, there were 115,536 users of the Fitness & Wellness Centre, a 10.0% increase from Q1 2011. Servus Place is beginning to hit thresholds in the Fitness Centre during peak times.

Fitness Centre Users



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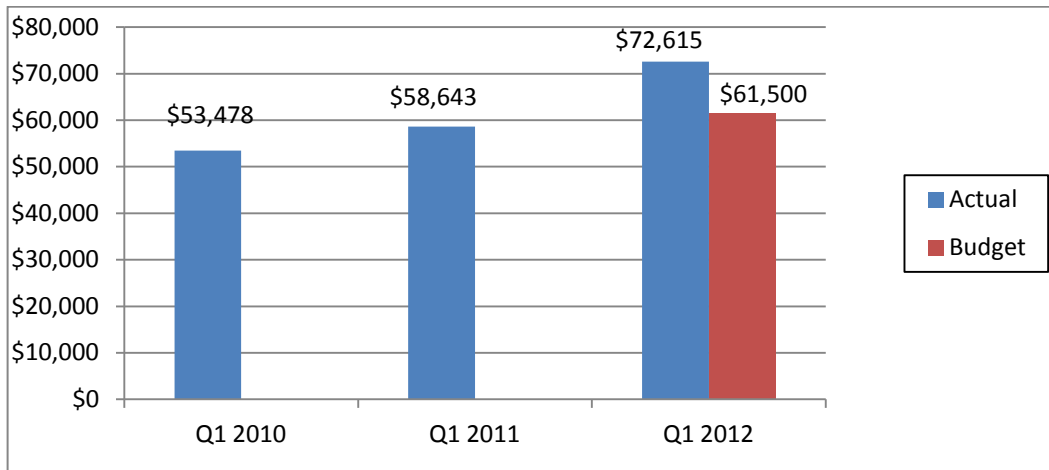
Recreation

Recreation program revenue for Q1 2012 is \$72,615 which is 18.1% above budget and 23.8% above Q1 2011 primarily due to very strong participation in both the un-parented and parented preschool programs taking place both at Servus Place and in the community. The winter season experienced 89% fill rates in Servus Place programs and 92% in community learn to skate programs.

The Q1 2012 child minding participation was at its highest levels of any quarter in the facility's history, serving an average of 1,305 children per month. The ages of children accepted at Servus Place childminding were adjusted to include 8 year olds in response to demand from the public.

The increase in childminding participants does correspond with a significant increase in participation in registered and drop-in fitness classes.

Recreation Program Revenue



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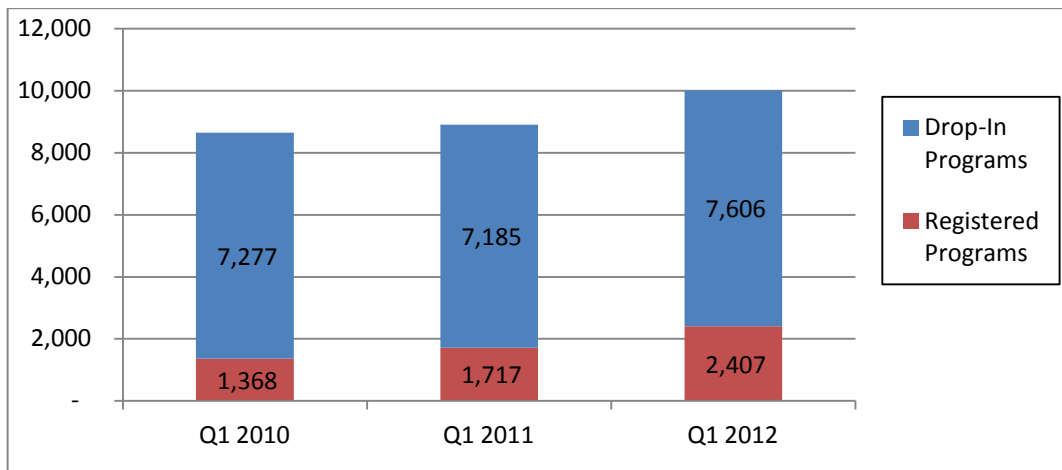
Servus Place Recreation Programs

Servus Place program participants for Q1 2012 have increased over Q1 2011 in both registered (40.2%) and drop-in (5.9%) programs primarily due to a very strong compliment of program offerings for both the parented and un-parented preschooler.

Four Spring Break Recreation camps ran at Servus Place from March 26-30 with 44 children, operating at 100% capacity. There was a wait list for this program resulting in plans being put in place to accommodate increase demand for these programs.

In Q1 2012, Servus Place offered the first ever Holiday Howlers half day registered activity programs at Servus Place which ran from January 3-5 and served 117 school aged children ages 6-12, operating at a 96% program capacity.

Participants in Servus Place Recreation Programs

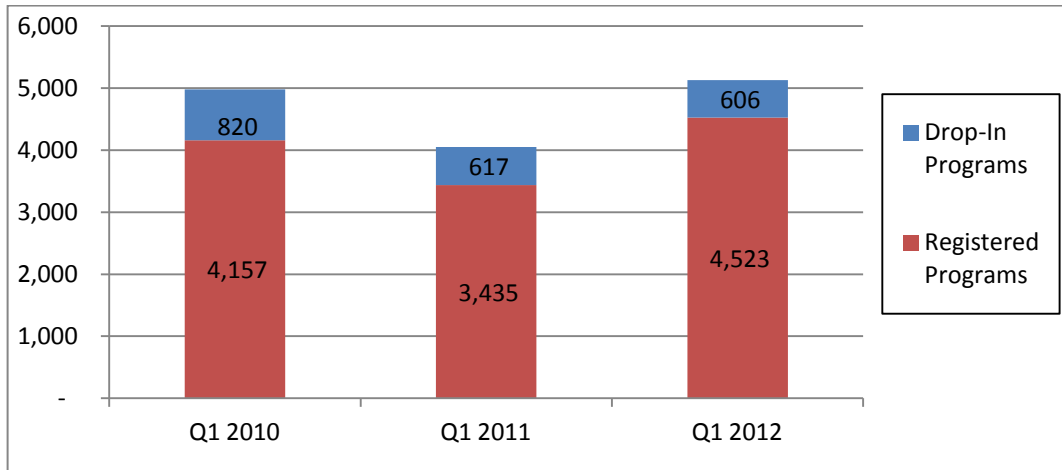


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Community Recreation Programs

The Q1 2012, registered community recreation program participants have increased 31.7% over Q1 2011. The two areas that have seen the most growth are preschool programming and Learn-to-Skate programs.

Participants in Community Recreation Programs



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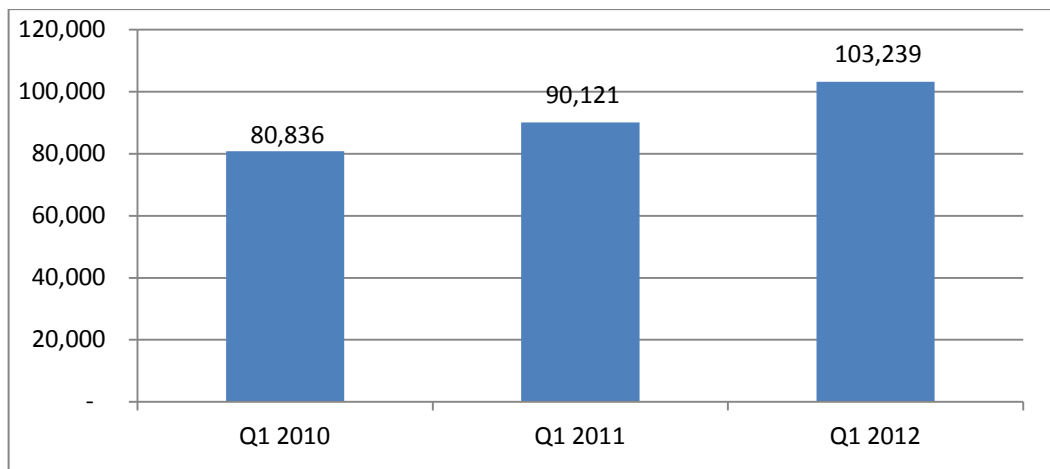
Aquatics

Landrex Water Play Centre Use	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual
Water Play Centre Users	80,836	90,121	103,239
Daily Average	901	1,004	1,134
Servus Place Annual Member Swipes at FPRC	6,235	5,761	6,455
Servus Place Annual Member Swipes at Grosvenor	0	0	0
Total	6,235	5,761	6,455

In Q1 2012, there were 103,239 users of the Landrex Water Play Centre, an increase of 14.6% from Q1 2011. The Water Place Centre is beginning to hit thresholds for capacity during peak times and was at capacity nine times throughout Q1 2012.

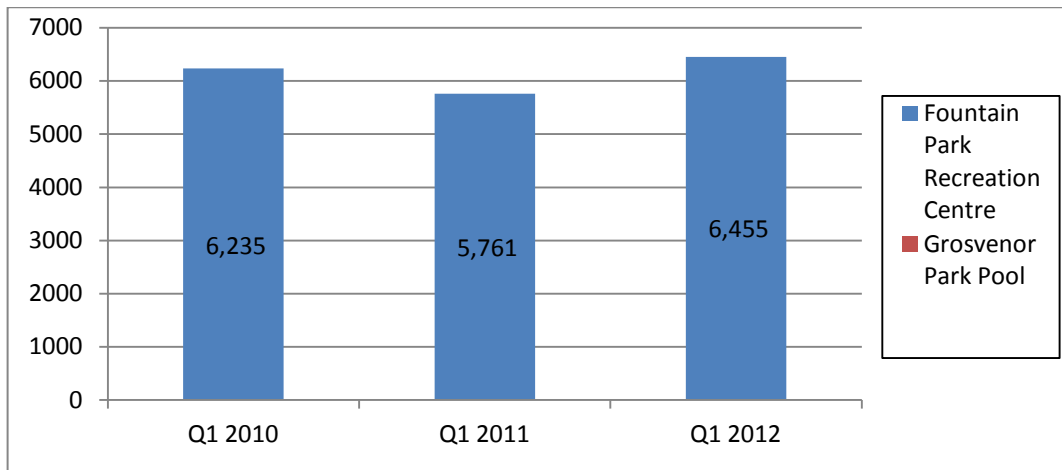
The highest attendance days were January 2 with 2,656 users and the Family Day long weekend with 5,585 users over the 3 day weekend.

Water Play Park Users



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



In Q1 2012, member uses were recorded at 6,455 at Fountain Park Recreation Centre. Grosvenor Park Pool has been closed for the season during this quarterly reporting period.

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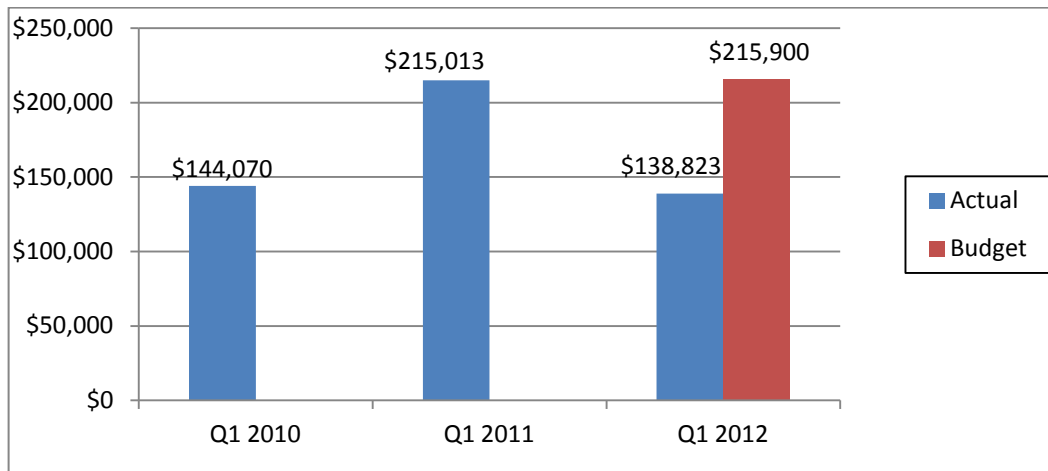
Aquatics Internal Contracts

Aquatics Internal Contracts	Q1 2009 Actual	Q1 2010 Actual	Q1 2011 Actual	Q1 2011 Budget	Q1 2011 Variance
	\$ 144,070	\$ 215,013	\$ 138,823	\$ 215,900	\$ (77,077)

The Aquatics contract was substantially under budget for Q1 2012 because of some adjustments made in operating practices such as controlled pool backwashes and chemical additions.- Adjustments in scheduling resulted in savings in personnel costs. Development and training, repairs and maintenance, operating supplies and chemicals trended under budget for this quarter as well.

It is anticipated that this transfer payment will end the year slightly under budget resulting in some saving to the Servus Place budget. Year end forecasting will be provided through the Q2 report.

Aquatics Internal Contracts



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Booking & Events

- January 4, 6, 14, 28, 29, February 3, 10, 12, 14 – St. Albert Steel Home Games.
- January 19-22 – John Reid Memorial Hockey Tournament - Bantam aged AAA tournament, 16 teams from Western Canada and U.S., average attendance was about 200 per game.
- January 14-20 – Minor Hockey Week Tournament.
- February 4-5 – Power Play Cup Soccer Tournament,
- February 18-20 – SASA Family Day Soccer Tournament,
- February 27-March 4 – Canadian Special Olympics Winter Games.
- March 9-10 – St. Albert Figure Skating Club High Test Day.
- March 16-18 – Under 14 Ringette.
- March 16-18 – Soccer Provincial Championships.
- 144 parties with over 3,600 participants.

The Canadian Special Olympic Winter Games were executed with a high degree of success and positive feedback. Servus Place hosted the opening and closing ceremonies, speed skating, floor hockey, figure skating and friends and family amenities including a reception and lunch venue for approximately 650 athletes, 700 volunteers and 700 friends and family from across Canada. The largest crowd was for the opening ceremonies which saw 2,200 people.

Booking & Events staff has worked with all sport partners and completed both the final Master Schedule for 2012-2013 Fall/Winter Ice, Spring/Summer Ice and Dry Floor allocations.

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Servus Place Facility Rental and Programmed Hours

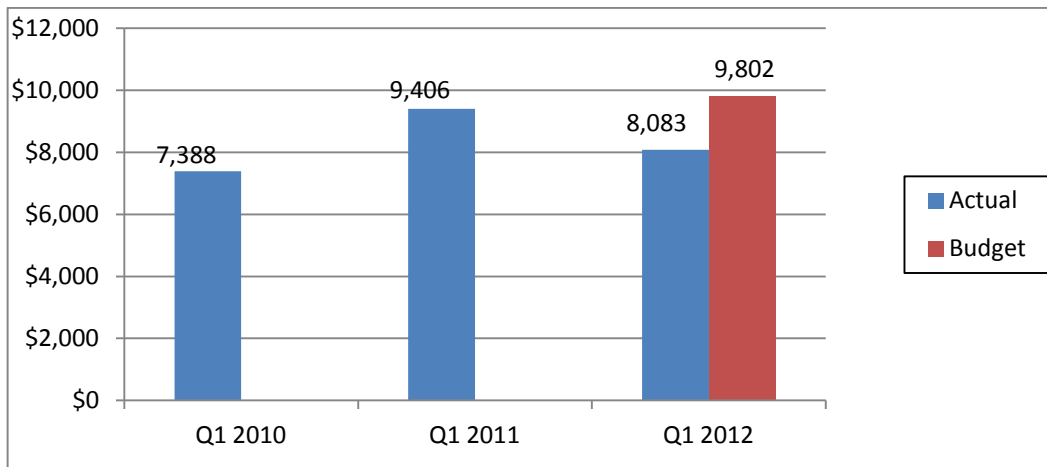
Servus Place Facility Hours Rented and Programmed	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Arenas	1,835	2,132	3,254	3,099	155
Fieldhouses	865	806	1,796	1,727	69
Gymnasiums	2,681	3,413	3,347	3,313	34
Meeting rooms	2,007	3,055	2,715	1,663	1,052
Total	7,388	9,406	8,083	9,802	-1,718

Fieldhouse hours are slightly over budget for Q1 2012, but significantly under budget for revenue. This is due to large events such as the Special Olympics using a large number of hours, but being charged a lower rate since it is a “full day” booking. As well as a loss of rental hours in the pre event and post event set up for Special Olympics

Gymnasium hours are over budget but revenue is under budget due to higher than anticipated programmed hours.

Meeting room rental hours are over budget because of unbudgeted rental of meeting rooms for special events.

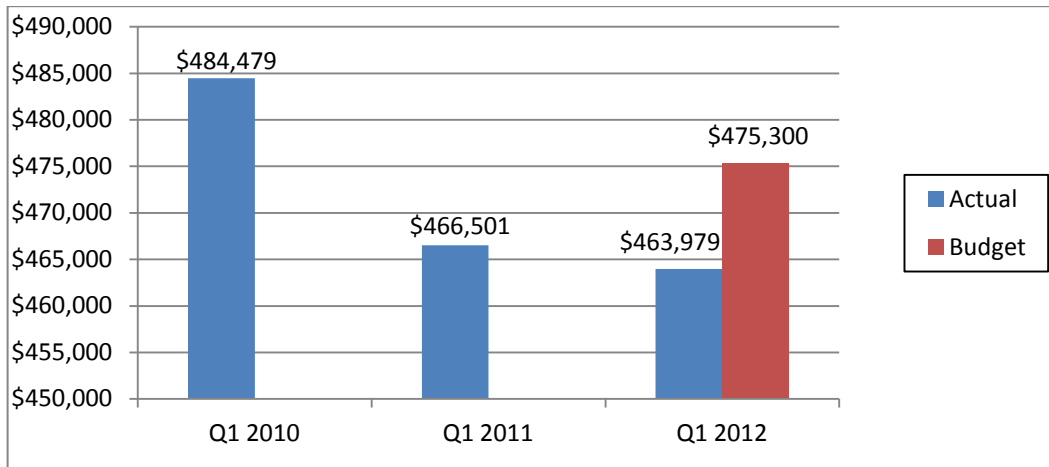
Servus Place Facility Rented and Programmed Hours



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Servus Place Facility Rental Revenue	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Arenas	\$ 244,965	\$ 246,021	\$ 253,421	\$ 247,600	\$ 5,821
Fieldhouses	\$ 131,809	\$ 106,768	\$ 106,428	\$ 131,623	\$ (25,196)
Gymnasiums	\$ 11,648	\$ 13,205	\$ 10,477	\$ 11,460	\$ (983)
Meeting rooms	\$ 11,101	\$ 19,412	\$ 19,867	\$ 11,067	\$ 8,800
Leaseholders	\$ 58,425	\$ 60,759	\$ 53,999	\$ 52,800	\$ 1,199
Parties	\$ 8,539	\$ 3,482	\$ 3,150	\$ 5,350	\$ (2,200)
Refurbishment Charges*	\$ 17,993	\$ 16,854	\$ 16,638	\$ 15,400	\$ 1,238
Total	\$ 484,479	\$ 466,501	\$ 463,979	\$ 475,300	\$ (11,321)

Servus Place Facility Rental Revenue



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Community Facility Rental and Programmed Hours

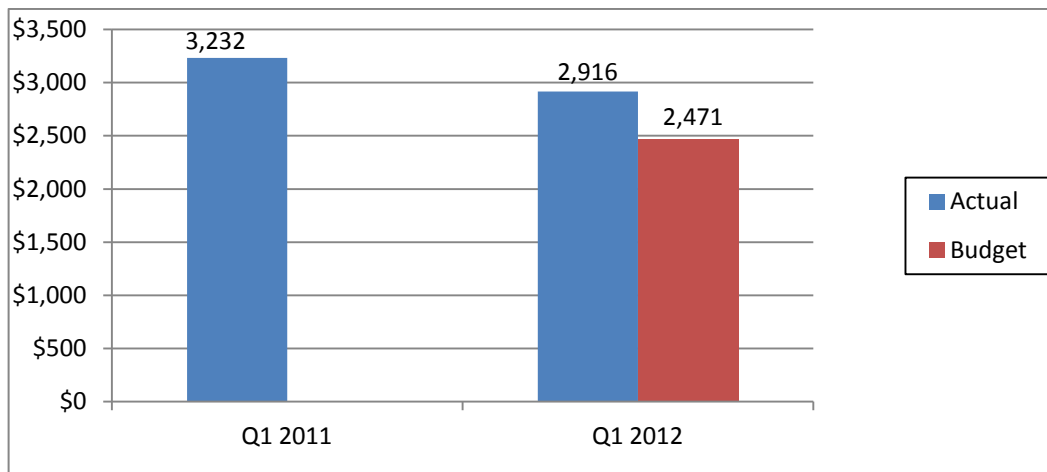
Community Facility Hours Rented and Programmed	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
10920 Akinsdale/Kinex	2,112	2,168	1,542	627
10921 Playfields/Playgrounds	0	0	0	0
10922 Outdoor Rinks	506	342	315	28
10923 Clubhouses	615	391	615	-224
10924 Riel Sport Field	0	14	0	14
Total	3,232	2,916	2,471	445

Akinsdale/Kinex arenas are over budget for hours but under budget for revenue. This is due to additional non-primetime hours rented. These hours are rented at a lower rate resulting in lower than budgeted revenue.

Clubhouses were significantly under budget due to lower than anticipated programmed hours. Although the hours for these venues are under budget, the revenue is slightly above budget.

Riel Sport Field opened early due to high demand from sport partners and trends in weather.

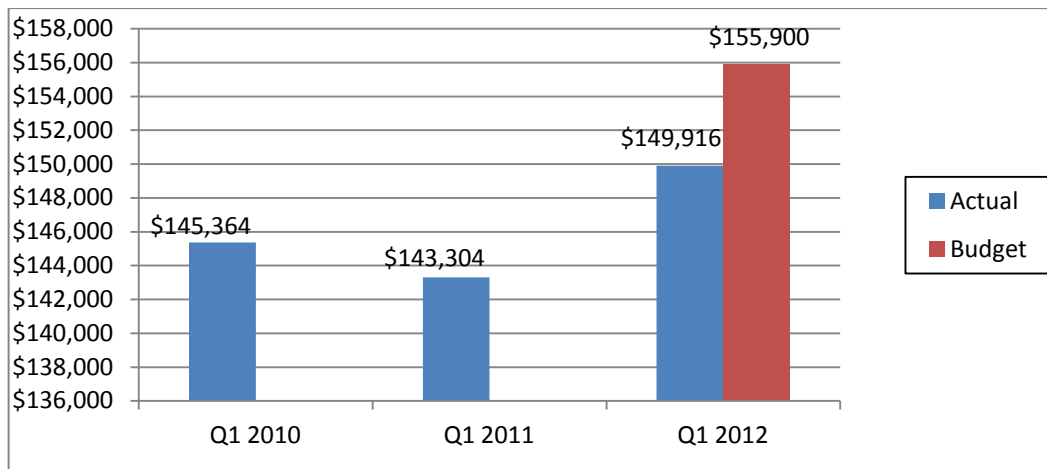
Community Facility Rented and Programmed Hours



Servus Place Quarterly Report First Quarter 2012

Community Facility Rental Revenue	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
10920 Akinsdale/Kinex	\$ 138,421	\$ 138,198	\$ 140,956	\$ 148,300	\$ (7,344)
10921 Playfields/Playgrounds	\$ -	\$ -	\$ 1,362	\$ -	\$ 1,362
10922 Outdoor Rinks	\$ 5,032	\$ 4,122	\$ 5,848	\$ 6,500	\$ (652)
10923 Clubhouses	\$ 1,073	\$ 984	\$ 1,138	\$ 1,100	\$ 38
10924 Riel Sport Field	\$ 838	\$ -	\$ 612	\$ -	\$ 612
Total	\$ 145,364	\$ 143,304	\$ 149,916	\$ 155,900	\$ (5,984)

Community Facility Rental Revenue



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Business & Marketing

Work has been ongoing with Recreation on the development of a joint program guide which will become a 'one stop shop' for all recreation programming including Fountain Park Recreation Centre, Servus Place and community recreation programs. The layout for the guide has been completed and the design will be completed in May.

Business & Marketing conducted a branding workshop with the Management Team to further refine the brand statement and target market for marketing initiatives. This will form the basis of an updated marketing plan which will be completed in 2012.

The Servus Place website had almost 39,000 hits in Q1, with January seeing the highest number of hits (14,400). There are currently 183 followers on Twitter and 138 on Facebook. Servus Place posts an average of 20 messages per month and has responded to several posts from the public.

The Business and Marketing staff has been working with a student group from NAIT who are using Servus Place as the basis for a marketing project they are working on. The students will develop marketing campaigns for social media and to attract users from the North Edmonton market.

In Q1, Servus Place hosted both Shaw TV for their sports segment and Breakfast Television for a segment in which they highlighted one of the senior's programs at Servus Place.

The Customer Satisfaction Survey was launched in February and received 750 responses by the end of March. The results of the survey are expected to be compiled in April and released in May.

Advertising, Fundraising and Sponsorship Inventory	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual
Total Spaces Sold	115	135	166
Total Complimentary Spaces	11	2	4
Total Internal Spaces	11	9	9
Total Spaces Used	137	146	179
Total Space Available	197	205	240
% of Space Used	59%	66%	75%

* Over the past three years, the advertising strategy has been updated and the available inventory has been expanded to include a number of new elements (e.g. LCD screens). As a result of these changes, we will no longer be reporting the inventory unit sales compared to budgeted unit sales and will instead focus only on the revenue compared to budget and last year.

Due to the increased demand for advertising spaces in both Servus Place and the Akinsdale/Kinex arenas, additional spaces have been added to the inventory. These spaces include; wall signs, entrance wall signs, bulkheads and large format signs in the fieldhouses.

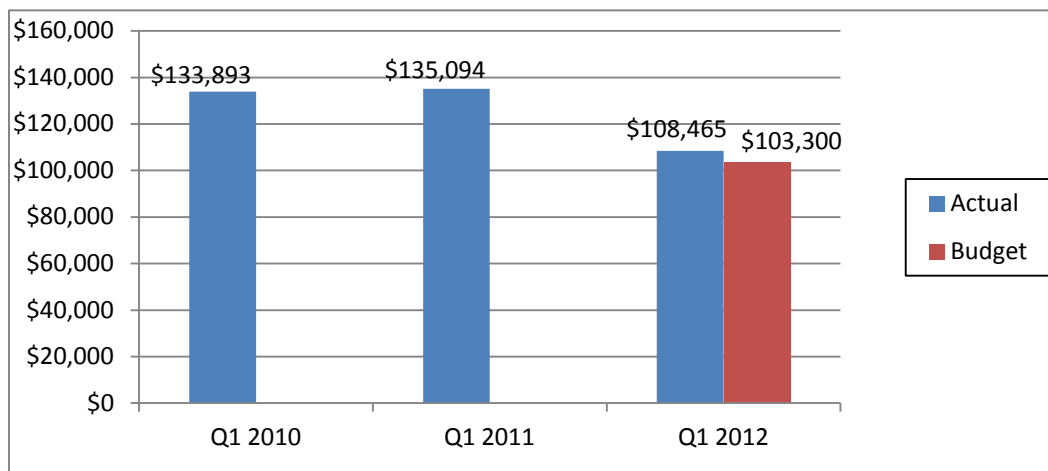
Servus Place Quarterly Report First Quarter 2012

Q1 2012 Advertising Inventory

Advertising Fundraising and Sponsorship Inventory	Northstar Hyundai Arena	Mark Messier Arena	Troy Murray Arena	Sarasota fieldhouse	Pizza 73 fieldhouse	Community Gym	Information Boards	LCD Screens	Akinsdale/Kinex Arena	Total
Total Spaces Sold	41	29	24	16	15	3	7	8	24	166
Total Comp Spaces	0	0	0	1	0	0	0	3	0	4
Total Internal Spaces	2	1	1	1	1	1	0	2	0	9
Total Spaces Used	42	30	25	18	16	4	7	13	24	179
Total Space Available	56	40	40	22	22	4	7	13	36	240
% of Space Sold	76%	75%	63%	82%	71%	100%	100%	100%	68%	75%

Advertising, Fundraising and Sponsorship Revenue	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Advertising Revenue	\$ 38,143	\$ 44,167	\$ 45,345	\$ 46,500	\$ (1,155)
Fundraising/Sponsorship	\$ 95,750	\$ 90,927	\$ 63,120	\$ 56,800	\$ 6,320
Total Revenue	\$ 133,893	\$ 135,094	\$ 108,465	\$ 103,300	\$ 5,165

Advertising and Sponsorship



The implementation of the sponsorship strategy has resulted in a number of new sponsorships and renewal of existing sponsorships. Canadian Natural Resources Limited has renewed sponsorship of the Tournament Room and Events Office for a five year term and Sobeys for the Sobeys Active Living Centre for a further three years. In addition to these renewed sponsorships, Kingsway Toyota has signed on as a sponsor of the Indoor Playground and Leisure Ice and Northstar Hyundai as a sponsor of the Performance Arena. The Northstar Hyundai sponsorship is the first naming sponsor of the Performance Arena and has signed on for a 10 year term. The overall revenue has been reduced in 2012 as a result of the withdrawal of the Sturgeon County sponsorship.

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Retail

Starbucks is operating to the standards as set out in the Licence Agreement offering a full line of hot and cold beverages, pastries, and merchandise as well as meeting all the customer service and quality standards and expectations of the Starbucks Corporation. There have been two visits from the Starbucks District Manager with positive feedback on store operations.

Customer feedback has been very positive. The addition of Starbucks has contributed to an enhanced user experience and reflects upon the social and community gathering opportunities within the facility.

The preliminary results of the recent Servus Place Customer Satisfaction survey show that 53% of those surveyed had made a purchase at the Servus Place Starbucks since it opened and of those surveyed 99% were satisfied with their overall experience.

Retail	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Revenue	155,241	210,000	(54,759)
Expenses	134,092	178,400	(44,308)
Subtotal	\$ 21,149	\$ 31,600	\$ (10,451)
Transfer to Reserves	10,749	\$ (10,800)	21,549
Total	\$ 10,400	\$ 20,800	\$ (10,400)

Revenue reflects the total sales for the first three months of 2012 with over 30,000 transactions at an average of \$5.17 per transaction.

Expenses include all direct operating costs including wages, lease costs, fees, operating supplies and products.

Transfer to Reserves includes internal dept payment for the capital construction costs as well as a monthly contribution towards the lifecycle replacement fund.

Sales in the retail cost centre are below budgeted projections with corresponding lower operating expenses. Adjustments have been made to the core operating costs to respond to the sales trend resulting in a net profit of \$21,149 of which \$10,749 has been transferred to the City's reserve fund to pay back the capital costs and to prepare for future equipment replacement through the lifecycle program. This results in a net operating profit of \$10,400 against a budgeted net profit of \$20,800

The budget was based off estimated traffic, capture rate and average transaction which can only be truly measured by historical trends. As we continue to track trends and gain more historical information the budget will align closer with actuals. What is most important is the net actual remains positive.

We will continue to closely manage this cost centre throughout the coming months and will continue to make adjustments where required anticipating to end the year with a positive bottom line.

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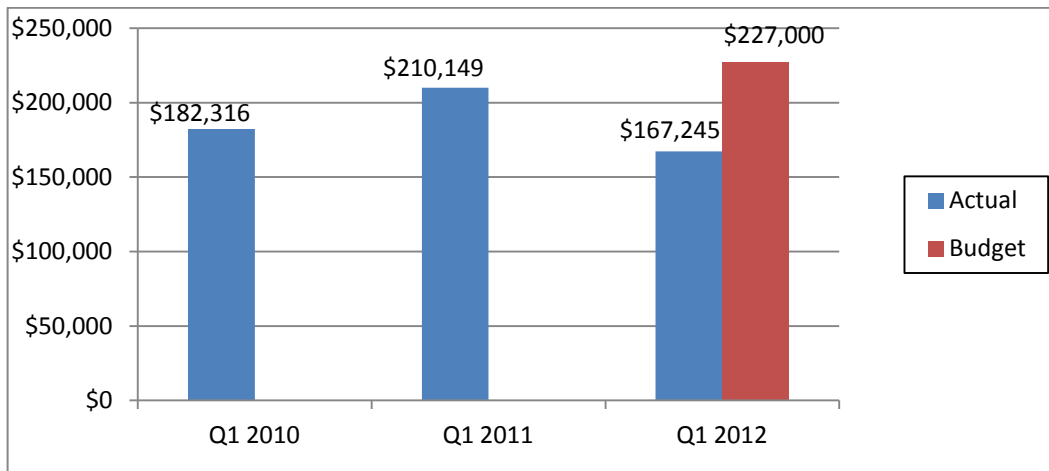
Operations

Public Works Internal Contracts

Public Works Internal Contracts	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
	\$ 182,316	\$ 210,149	\$ 167,245	\$ 227,000	\$ (59,755)

The variance in public works internal contracts is due to timing of initiatives. This account is anticipated to end the year on budget.

Public Works Internal Contracts



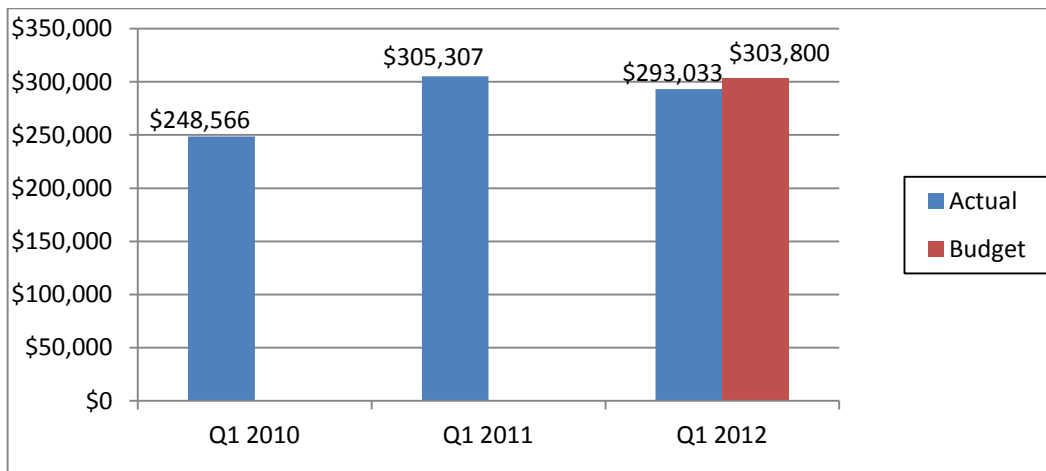
Servus Place Quarterly Report First Quarter 2012

Utilities

Utilities	Q1 2009 Actual	Q1 2010 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Electricity	\$ 128,200	\$ 170,689	\$ 188,152	\$ 177,000	\$ 11,152
Natural Gas	\$ 94,683	\$ 106,646	\$ 71,464	\$ 98,000	\$ (26,536)
Water, Wastewater and Solid Waste	\$ 21,477	\$ 24,422	\$ 27,741	\$ 25,500	\$ 2,241
Telephone and Cable	\$ 4,206	\$ 3,550	\$ 5,677	\$ 3,300	\$ 2,377
Total	\$ 248,566	\$ 305,307	\$ 293,033	\$ 303,800	\$ (10,767)

Overall utilities ended the quarter under budget which may be due to unseasonably warm weather during Q1 resulting in lower than anticipated natural gas usage, however, higher than anticipated electricity usage offset some of these savings. The additional electricity usage is due in part to the number of large scale events in the facility during Q1 2012 such as the Special Olympics, which consume a large amount of electricity.

Utilities Expenses (Gas, Water and Electricity)



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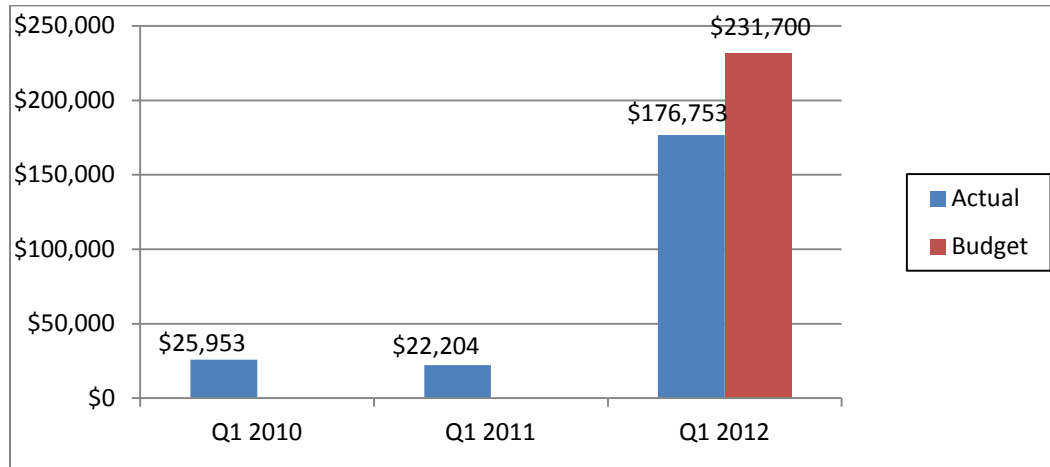
Commissions & Vending

Commissions and Vending	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Vending Commission	\$ 15,845	\$ 10,436	\$ 9,913	\$ 11,900	\$ (1,987)
Locker Total Revenue	\$ 8,919	\$ 8,948	\$ 10,675	\$ 9,300	\$ 1,375
Guest Services	\$ 466	\$ 2,184	\$ 1,454	\$ 500	\$ 954
Miscellaneous	\$ 723	\$ 636	\$ 470	\$ -	\$ 470
Retail Revenue	N/A	N/A	\$ 154,241	\$ 210,000	\$ (55,759)
Total Revenue	\$ 25,953	\$ 22,204	\$ 176,753	\$ 231,700	\$ (54,947)

The variance in commissions and vending is primarily due to lower than anticipated revenue from vending commissions as well as significant savings in the retail cost centre. Although costs in this area for the retail cost centre is under budget there is a corresponding variance on revenue side. For more detailed information, please see page 26 of this report.

The budget for commissions and vending significantly increased in Q3 2011 with the addition of the Starbucks to the Servus Place operating budget.

Commissions & Vending Revenue



Servus Place Quarterly Report

First Quarter 2012

Personnel Costs

Staff training in Q12012 included the following:

- The Recreation staff attended training as Fundamental Movement Skills (FMS) facilitators. Part 2 of the FMS training was held for 11 casual Recreation staff which included how to implement the training into the program plans, discussing FMS resources and future initiatives.
- The three Servus Place Administrative Assistants attended the City of St. Albert Admin Workshop.
- All childminding staff and several preschool instructors received Little Warriors Training on how to recognize and deal appropriately with disclosure of child sexual abuse.
- Raving Fans training was held on March 27 for 10 staff. This training continues to be a requirement for all Servus Place staff to ensure the high level of customer service that the facility offers.
- The Operations Administrative Assistant has received Auditor Certification in health and safety through Alberta Municipal Health and Safety Association (AMHSA).
- Two Operations staff have attended the following courses through AMHSA:
 - o Joint Health & Safety Committees Course.
 - o Health & Safety Management Systems.

In-View Time Tracking software has been dissolved and the transition to manual timesheets has begun for all corporation staff.

Servus Place Quarterly Report First Quarter 2012

Personnel by Cost Centre	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
Administration	\$ 60,241	\$ 62,157	\$ 63,066	\$ 62,800	\$ 266
Recreation	\$ 118,772	\$ 124,508	\$ 118,156	\$ 132,700	\$ (14,544)
Fitness	\$ 200,529	\$ 225,410	\$ 206,635	\$ 196,900	\$ 9,735
Operations	\$ 238,974	\$ 188,952	\$ 205,043	\$ 196,200	\$ 8,843
Business & Marketing	\$ 48,279	\$ 51,645	\$ 53,827	\$ 53,700	\$ 127
Bookings and Events	\$ 61,830	\$ 66,422	\$ 63,915	\$ 67,900	\$ (3,985)
Guest Services	\$ 151,438	\$ 158,537	\$ 166,387	\$ 195,700	\$ (29,313)
Retail	\$ -	\$ -	\$ 56,312	\$ 55,500	\$ 812
Subtotal	\$ 880,063	\$ 877,631	\$ 933,341	\$ 961,400	\$ (28,059)
Benefits	\$ 134,919	\$ 132,010	\$ 146,334	\$ 148,500	\$ (2,166)
Total Personnel Costs	\$ 1,014,982	\$ 1,009,641	\$ 1,079,672	\$ 1,109,900	\$ (30,228)

Recreation experienced lower than anticipated personnel costs due to reduced staffing requirements and scheduling efficiencies.

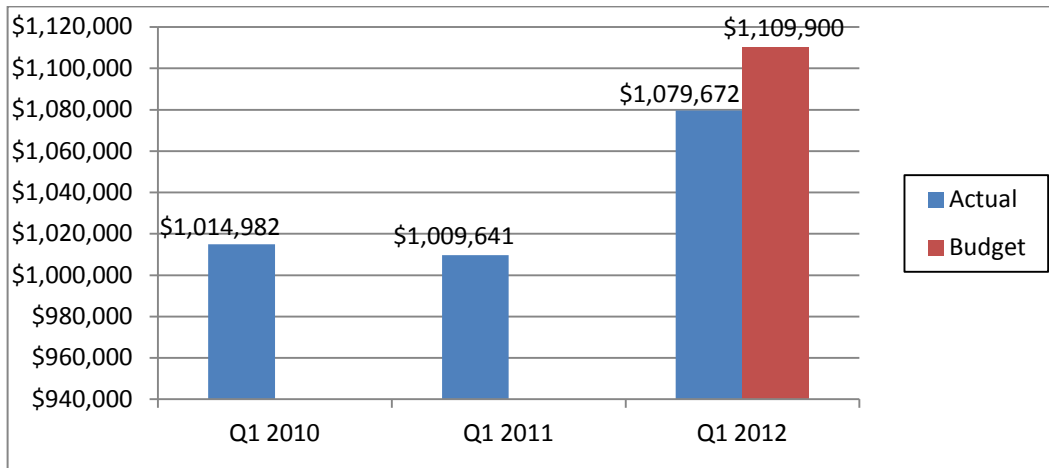
The variance in Fitness personnel costs are due to increased fitness programs and dry land training. This additional expense is reflected positively under lesson fee revenue.

The variance in Operations is due to budget trending. This area will end the year on budget.

Booking & Events personnel costs are under budget due to casual staff leave and reduced casual hours.

The variance in Guest Services is due to efficiencies in scheduling.

Personnel Costs



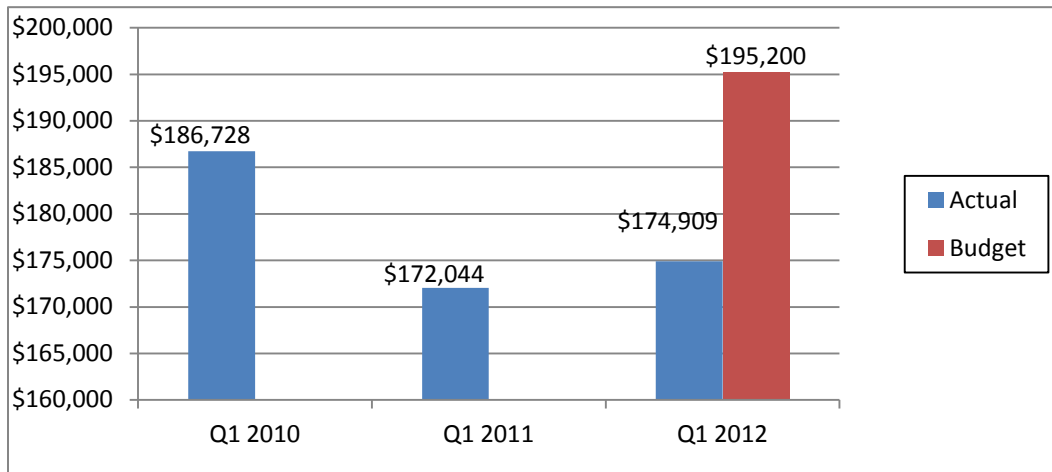
Servus Place Quarterly Report First Quarter 2012

Contracted & General Services

Contracted & General Services	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
	\$ 186,728	\$ 172,044	\$ 174,909	\$ 195,200	\$ (20,291)

The variance in contracted and general services is due to timing of initiatives in insurance premiums, maintenance and repairs in fitness and development and training.

Contracted & General Services Expenses



Servus Place Quarterly Report First Quarter 2012

Materials, Goods & Supplies

Materials, Goods & Supplies	Q1 2010 Actual	Q1 2011 Actual	Q1 2012 Actual	Q1 2012 Budget	Q1 2012 Variance
	\$ 88,463	\$ 109,098	\$ 149,743	\$ 200,400	\$ (50,657)

Materials, goods and supplies are under budget primarily due to timing of initiatives in uniforms, construction and maintenance materials, janitorial supplies and operating supplies for the retail cost centre.

Although costs in this area for the retail cost centre is under budget there is a corresponding variance on revenue side. For more detailed information, please see page 26 of this report.

Materials, Good & Supplies Expenses

