

# **Servus Place Quarterly Report**

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**Second Quarter 2012**  
(Un-Audited)

# Servus Place Quarterly Report Second Quarter 2012

## City of St. Albert Servus Credit Union Place Income Statement of Revenue and Expenditures For the Period Ended June 30, 2012 (Un-Audited)

	2012 Q2 Actual	2012 Q2 Budget	2012 Q2 Variance	2012 YTD Actual	2012 YTD Budget	2012 YTD Variance	2012 Approved Budget	2012 Year End Forecast
Memberships	633,004	639,100	(6,096)	1,345,617	1,358,300	(12,683)	2,530,400	2,520,400
Admission Fees	254,388	269,300	(14,912)	666,805	654,800	12,005	1,284,700	1,284,700
Lesson Fees	237,299	200,100	37,199	498,984	430,400	68,584	897,900	947,900
Facility Rentals	336,080	315,900	20,180	800,059	791,200	8,859	1,561,900	1,581,900
Advertising/Sponsorship	127,537	116,700	10,837	236,003	220,000	16,003	444,500	484,500
Sale of Goods	119,491	153,300	(33,809)	296,244	385,000	(88,756)	745,100	615,100
Miscellaneous Revenue	5,299	0	5,299	6,697	0	6,697	13,800	13,800
<b>Total Revenue</b>	<b>\$1,713,098</b>	<b>\$1,694,400</b>	<b>\$ 18,698</b>	<b>\$3,850,409</b>	<b>\$3,839,700</b>	<b>\$ 10,709</b>	<b>\$7,478,300</b>	<b>\$ 7,448,300</b>
Personnel Costs	1,196,120	1,170,000	26,120	2,275,791	2,279,900	(4,109)	4,692,300	4,592,300
Contracted & General Services	133,113	197,900	(64,787)	308,023	393,100	(85,077)	823,800	833,800
Utilities	225,863	194,800	31,063	518,897	498,600	20,297	970,900	1,000,900
Materials, Goods & Supplies	157,872	146,600	11,272	307,615	347,000	(39,385)	707,000	637,000
Transfer to Reserves	20,454	21,400	(946)	47,841	47,600	241	96,500	96,500
Transfer to Operations - Aquatics	206,467	195,400	11,067	345,290	411,300	(66,010)	775,800	726,000
Transfer to Operations - Public Works	182,251	140,000	42,251	349,496	367,000	(17,504)	741,100	741,100
<b>Total Expenditure</b>	<b>\$ 2,122,140</b>	<b>\$ 2,066,100</b>	<b>\$ 56,040</b>	<b>\$4,152,953</b>	<b>\$4,344,500</b>	<b>\$(191,547)</b>	<b>\$ 8,807,400</b>	<b>\$ 8,627,600</b>
<b>Net Surplus (Deficit)</b>	<b>\$(409,042)</b>	<b>\$(371,700)</b>	<b>\$(37,342)</b>	<b>\$(302,544)</b>	<b>\$(504,800)</b>	<b>\$ 202,256</b>	<b>\$(1329,100)</b>	<b>\$(1,179,300)</b>
Recovery Rate	81%	82%		93%	88%		85%	86%
Cost Centre 3171 Revenue	90,812	64,800	26,012	242,405	221,000	21,405	489,700	509,700
Cost Centre 3171 Expenses	37,982	39,200	(1,218)	71,840	72,900	(1,060)	145,500	145,500
<b>Operating Surplus (Deficit)</b>	<b>\$ 52,830</b>	<b>\$ 25,600</b>	<b>\$ 27,230</b>	<b>\$ 170,565</b>	<b>\$ 148,100</b>	<b>\$ 22,465</b>	<b>\$ 344,200</b>	<b>\$ 364,200</b>
<b>Total Operating Surplus (Deficit)</b>	<b>\$(356,212)</b>	<b>\$(346,100)</b>	<b>\$ (10,112)</b>	<b>\$(131,979)</b>	<b>\$(356,700)</b>	<b>\$ 224,721</b>	<b>\$(984,900)</b>	<b>\$(815,100)</b>

# Servus Place Quarterly Report Second Quarter 2012

## Department Overview

During the second quarter of 2012, Servus Place saw strong revenues resulting in a positive variance of \$18,698. The YTD expenses are significantly under budget resulting in a 93% YTD cost recovery which is \$202,256 or 5% ahead of budget.

## Revenue Analysis

Total revenue for Q2 2012 is \$1,713,098. Total revenue variance for Q2 was \$18,698 (1.1%) above budget projections

- Memberships are below budget projections by \$6,096 (-1.0%).
- Admission Fees are below budget projections by \$14,912 (-5.5%).
- Lesson Fees are above budget projections by \$37,199 (18.6%).
- Rentals - Facility are above budget projections by \$20,180 (6.4%)
- Advertising/Sponsorship is above budget projections by \$10,837 (9.3%)
- Sale of Goods (Commission & Vending) is below budget projections by \$33,809 (-22.1%)
- Miscellaneous Revenue is above budget projections by \$5,299

Lesson fee revenue is substantially over budget for Q2 2012 due to increased participation in registered programs with fill rates of 83% in fitness, 87% in Servus Place recreation programs, and 91% in community learn to skate programs. In the forecast, lesson fees have been adjusted by \$50,000 to reflect increased participation in registered fitness programs and fitness services, specifically in personal training.

Facility Rentals are over budget for the quarter and are forecasted to end the year \$20,000 over budget due to additional lease revenue from sport partners and non-traditional rental of the parking lot to Canadian Traffic Education Centre (CTEC).

The Advertising and Sponsorship variance is due to has been adjusted based on new signed commitments for sponsorships in the facility. The forecast has been adjusted by \$40,000 to reflect this.

The variance in commissions and vending is primarily due to lower than anticipated revenue from lockers as well as sales of goods within in the retail cost centre. An adjustment of -\$130,000 has been made in the forecast to Commissions and Vending based on reforecasted Starbucks revenue. There is a corresponding decrease in expenses that is also captured in the forecast. For more detailed information, please see page 29 of this report.

# Servus Place Quarterly Report Second Quarter 2012

## **Expense Analysis**

Total expenses for Q2 2012 are \$2,122,140. Total expense variance for Q2 was \$56,040 (2.7%) above budget projections.

- \* Personnel Costs are above budget projections by \$26,120 (2.2%).
- \* Contracted & General Services are below budget projections by \$64,787 (-32.7%).
- \* Utilities are above budget projections by \$31,063 (15.9%).
- \* Materials, Goods & Supplies are above budget projections by \$11,272 (7.7%).
- \* Transfer to Reserves is below budget by \$946 (-4.4%)
- \* Transfer to Operations - Aquatics is above budget projections by \$11,067 (5.7%).
- \* Transfer to Operations - Public Works is above budget projections by \$42,251 (30.2%).

Personnel costs are above budget projections due to timing of initiatives in Operations, increased fitness programs and over 400 additional fitness services. The additional personnel costs in fitness are reflected positively under lesson fee revenue. This area is forecasted to end the year under budget by \$100,000 primarily due to vacancies in different areas throughout the year and a change in service provision from casual janitorial to contract janitorial.

The variance in contracted and general services is due to timing of initiatives in advertising and promotions, insurance premiums, maintenance and repairs in fitness and development and training. An adjustment of \$10,000 has been made in the forecast based on an increase \$50,000 for the change in service provision from casual janitorial to contract janitorial and a decrease of \$40,000 based on lower than budgeted insurance premiums.

Overall utilities ended the quarter over budget due to higher than anticipated utility rates, primarily on electricity. The forecast has been adjusted by \$30,000 to reflect this variance.

Materials, goods and supplies are under budget primarily due to timing of initiatives in uniforms and operating supplies for the retail cost centre. This area is forecasted to end the year \$70,000 under budget due to lower than anticipated operating supplies for the retail cost centre. This decrease in expenses corresponds to a decrease in sales on the revenue side under Commissions and Vending.

The Aquatics contract was slightly over budget for Q2 2012 but remains substantially under budget for the year due to timing of supply purchases and additional staff required to accommodate school bookings. Aquatics Internal Contracts is forecasted to end the year \$49,800 under budget based on scheduling efficiencies, actual expenses to date and required staffing levels.

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

## Servus Place Quarterly Report Second Quarter 2012

### Guest Services

Servus Place took over 2,300 calls for Q2 2012 as compared to 2,980 calls in 2011 ranging from program information to the city's recycling program. The extended facility hours provides residents increased opportunities to have their questions answered during the times where the main City of St. Albert switchboard is closed.

A new procedure for lost and found items was implemented to be in compliance with the City of St Albert policy.

### Membership

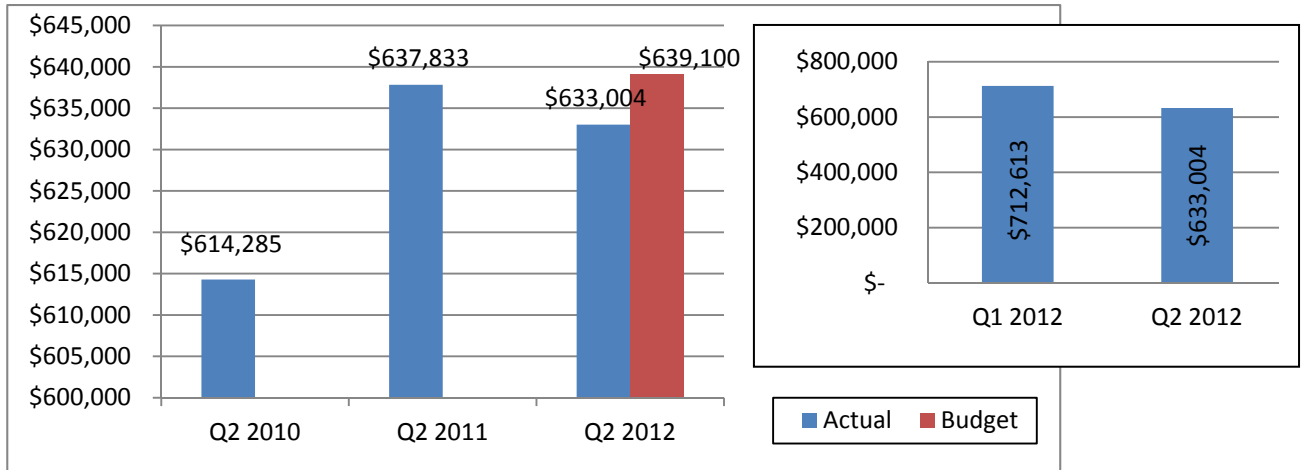
Memberships	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	2012 YTD Actual	2012 YTD Budget	2012 YTD Variance
Adult	2,909	2,933	2,863	2,844	19	3,051	3,022	29
Child	486	357	320	339	-19	346	360	-14
Family	2,117	2,320	2,344	2,099	245	2,432	2,231	201
Senior	658	730	760	745	15	834	792	42
Student	521	447	358	406	-48	364	432	-68
Youth	350	341	284	339	-55	306	360	-54
<b>Total Members</b>	<b>7,042</b>	<b>7,129</b>	<b>6,929</b>	<b>6,771</b>	<b>158</b>	<b>7,333</b>	<b>7,196</b>	<b>138</b>
Total Paid Membership Units	5,370	5,299	5,069	5,119	-50	5,408	5,440	-32
Corporate Memberships	2,089	1,984	1,766			1,749		
<b>Membership Revenue</b>	<b>\$614,285</b>	<b>\$637,833</b>	<b>\$633,004</b>	<b>\$639,100</b>	<b>\$ (6,096)</b>	<b>\$1,345,617</b>	<b>\$1,358,300</b>	<b>\$ (12,683)</b>

Membership revenue for Q2 2012 is \$633,004 which is very close to budget for the quarter but slightly lower than Q2 2011. Although the number of members is up, membership units are down resulting in lower than budgeted revenue. Membership revenue is anticipated to end the year below budget by \$10,000 due to lower than anticipated members.

The average number of family membership units per month for Q2 2012 is 484, which equates to 4.8 individual members per family membership unit. There were 1,766 corporate members in Q2 2012. The corporate members in Q2 2012 make up 25.5% of the total members. As part of the continuous improvement at Servus Place, Guest Services has completed a full review and revision of the corporate membership policy which included a new process for reviewing members to ensure the minimum memberships are being maintained and an updated communication process.

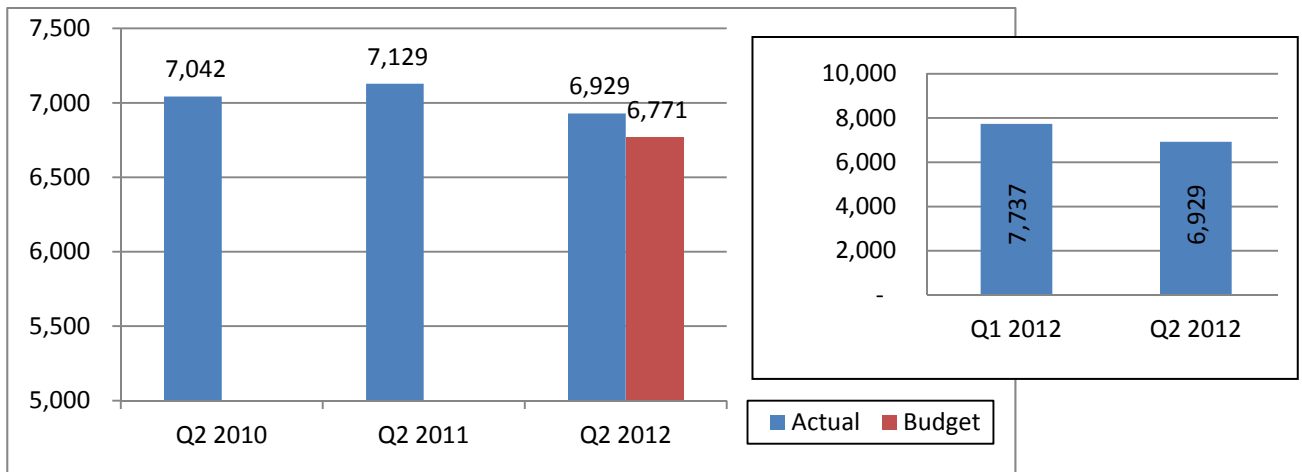
# Servus Place Quarterly Report Second Quarter 2012

## Membership Revenue



The Q2 2012 blended rate is \$42.03 which is slightly below budget.

## Total Members

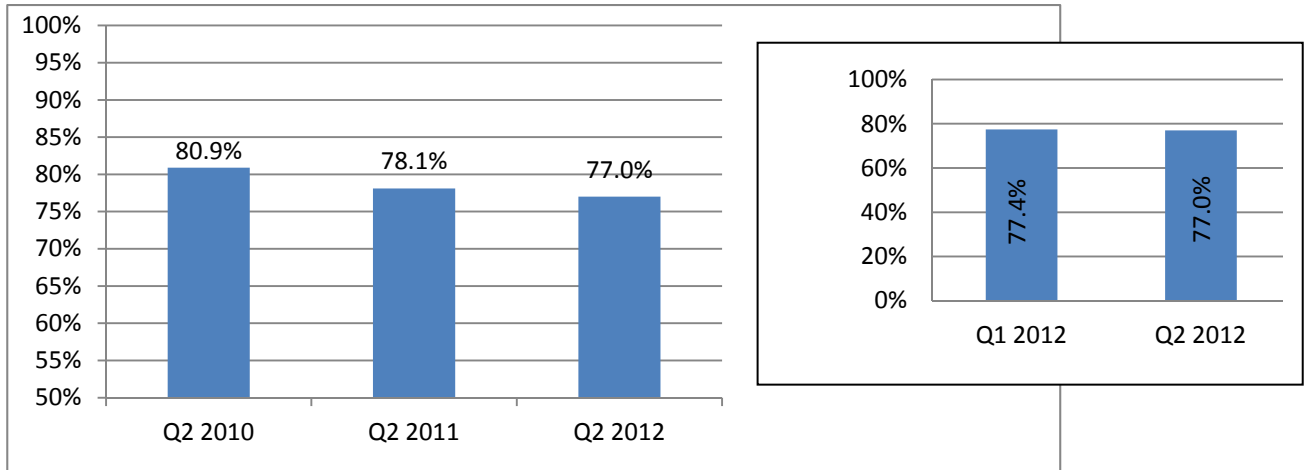


In Q2 2012, there was an average of 6,929 members per month, which is 2.3% above budget. Actual members for Q2 2012 were above budget due to the increase in the higher value family membership category.

This quarter, 11.5% of Servus Place members were brand new members (monthly and annual) who have never had a membership before.

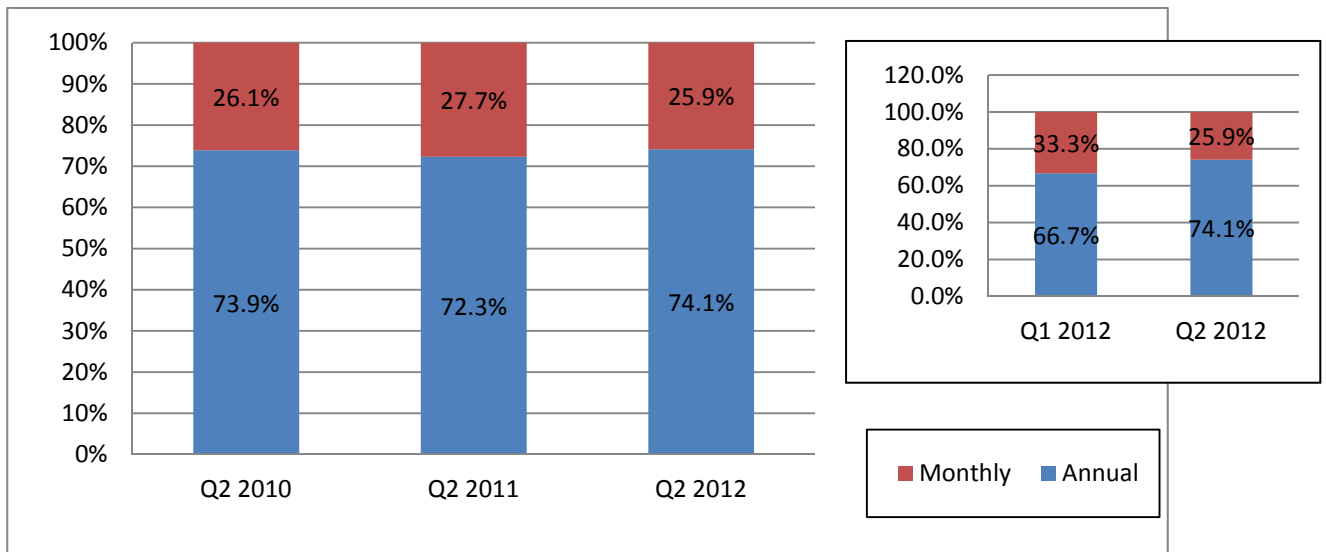
# Servus Place Quarterly Report Second Quarter 2012

## Percentage of Members who are St. Albert Residents



In Q2 2012, the average percentage of members who are St. Albert residents is 77.0%. It can be assumed that improved accessibility to Servus Place from the north end of Edmonton has resulted in a high percentage of Edmonton members (9.3%).

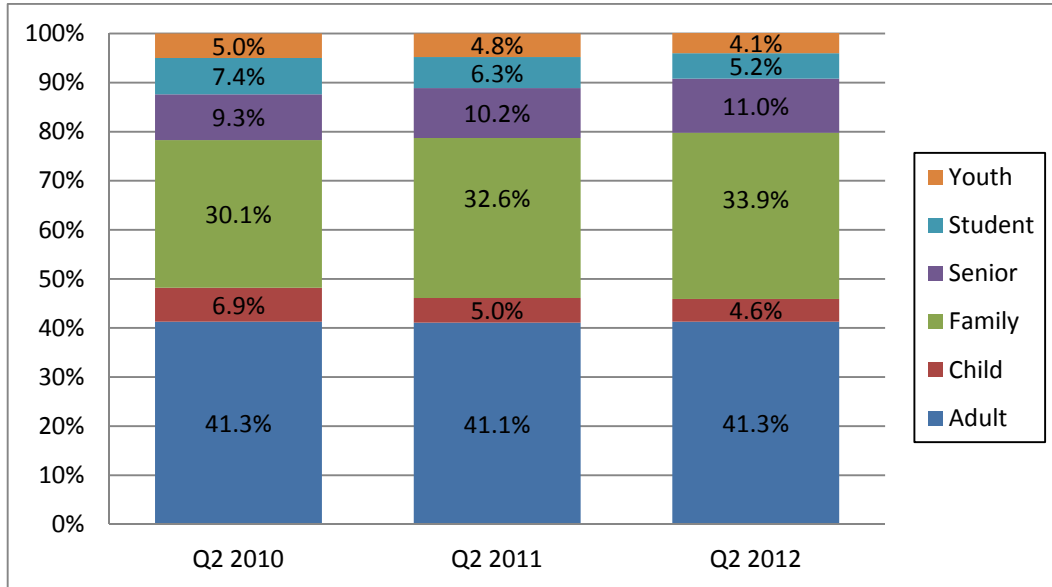
## Members by Type



In Q2 2012, annual memberships accounted for 74.1% 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.

# Servus Place Quarterly Report Second Quarter 2012

## Members by Demographic



In Q2 2011, the shift from individual members to family members continues with a 1.3% increase in the percentage of family members and a correlating decrease in the number of youth (-0.7%), student (-1.1%), adult (-0.2%) and child (-0.4%) memberships. The percentage of senior members has seen gradual increase (0.8%).



## Servus Place Quarterly Report Second Quarter 2012

### Day Admissions

Admission Fees	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	2012 YTD Actual	2012 YTD Budget	2012 YTD Variance
Adult	8,820	9,909	10,190	10,807	-617	25,840	26,245	-405
Child	12,256	12,890	12,227	12,713	-486	31,775	30,876	899
Family	N/A	11,621	12,546	13,348	-802	33,708	32,420	1,288
Senior	662	531	761	636	125	2,021	1,544	477
Youth	2,957	3,719	3,473	4,449	-976	10,081	10,806	-725
<b>Total Paid Passes</b>	N/A	38,670	39,197	41,953	-2,756	103,425	101,891	1,534
Total Membership Swipes	80,592	84,362	85,109			206,494		
<b>Total Day Uses</b>	N/A	123,032	124,306			309,919		
<b>Total Paid Pass Units</b>	27,731	29,884	29,603	31,783	-2,180	77,640	77,190	450
Total Complimentary Passes	1,259	1,095	1,203			3,491		
Paid Pass Revenue	\$ 208,374	\$ 227,386	\$ 241,524	\$ 258,900	\$(17,376)	\$ 636,064	\$ 628,900	\$ 7,164
Childminding Revenue	\$ 10,501	\$ 10,574	\$ 12,774	\$ 9,700	\$ 3,074	\$ 29,508	\$ 23,900	\$ 5,608
Comm. Drop-In Program Rev	\$ -	\$ 491	\$ 90	\$ 700	\$ (610)	\$ 1,232	\$ 2,000	\$ (768)
<b>Total Revenue</b>	<b>\$218,875</b>	<b>\$238,451</b>	<b>\$254,388</b>	<b>\$269,300</b>	<b>\$(14,912)</b>	<b>\$ 666,804</b>	<b>\$ 654,800</b>	<b>\$ 12,004</b>

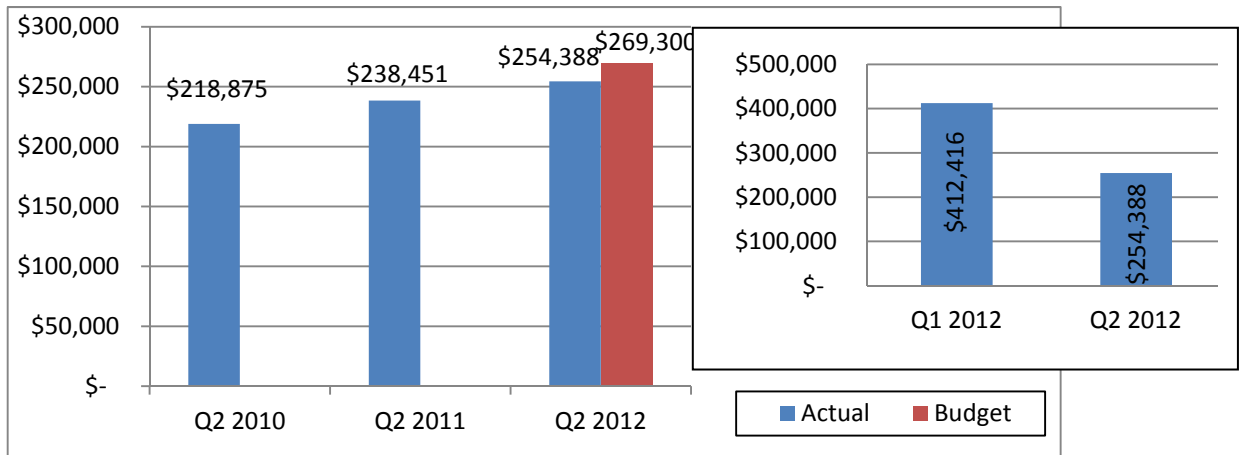
Paid pass revenue is \$254,388, which is 5.5% below budget and 6.7% above Q2 2010. This area is anticipated to end the year on budget.

The day admission blended rate for Q2 2012 is \$8.16. This blended rate represents the average admission price per paid pass unit. For Q2 2012, one family paid pass unit equates to 4.2 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.

# Servus Place Quarterly Report Second Quarter 2012

## Day Admission Revenue

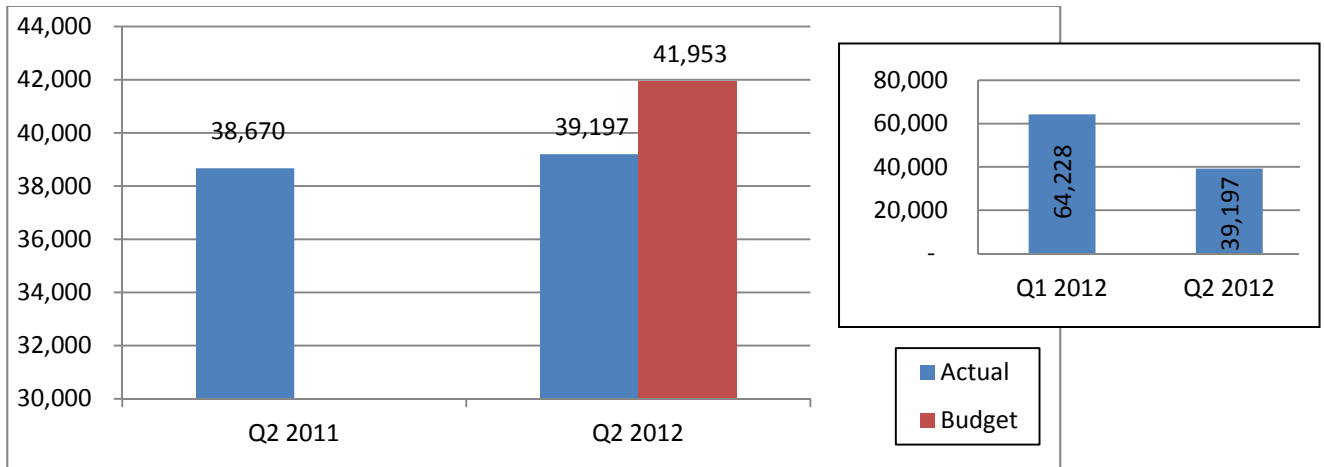


## Servus Place Day Admissions - Postal Code Breakdown for Q2 2012

Servus Place Day Admissions Postal Code Breakdown	Q2 2010	Q2 2011	Q2 2012
Edmonton	20%	15%	14%
Morinville	2%	2%	2%
Not provided	4%	1%	1%
Outside Alberta	1%	1%	1%
St. Albert	66%	74%	77%
Sturgeon	1%	1%	1%
Other Areas of Alberta*	7%	6%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

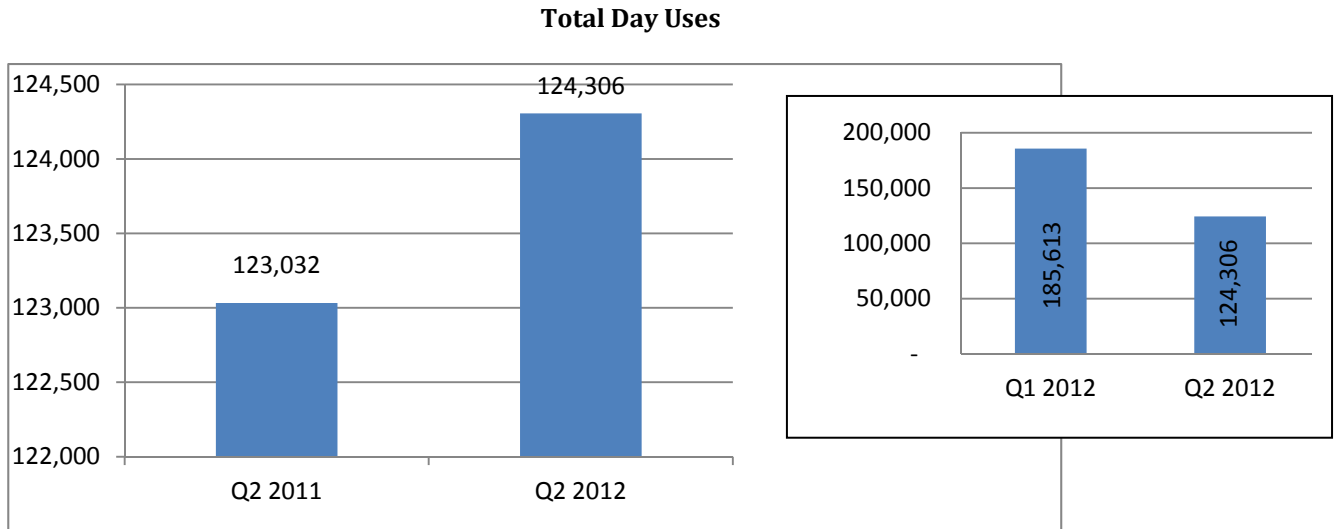
\* Other areas of Alberta includes Stony Plain, Fort Saskatchewan, Sherwood Park, Spruce Grove and various locations around Alberta.

## Paid Day Passes



The Q2 2012 number of paid passes is 39,197 which are 6.6% under budget and slightly over Q2 2011. May admission totals were under budget by 2,958, a 24.7% variance against May budget. This one month decrease significantly impacted the overall total.

## Servus Place Quarterly Report Second Quarter 2012



Total paid day uses for Q2 2012 were 124,306, which is 8.8% over Q2 2011. The average number of paid day admissions in Q2 2012 was 1,366 per day. Highest days of attendance were the Easter weekend with 8,415 users over the four days and the April 14-15 weekend with 2,419 and 2,286 users respectively.

Month	Total individuals tracked (approx)	Average visitors per day	Total Day Uses	Total Non paying visitors (approx)
April	80,000	2,700	50,968	29,500
May	61,000	1,950	37,365	23,500
June	55,000	1,850	37,148	18,500
<b>Q2</b>	<b>195,000</b>	<b>2,150</b>	<b>125,481</b>	<b>71,500</b>
<b>YTD</b>	<b>500,000</b>	<b>2,750</b>	<b>311,094</b>	<b>191,891</b>

Servus Place is able to report that there were approximately 195,000 individuals through the facility in Q2 2012. 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.

April 28 saw the highest number of individuals in the facility in 2012 with almost 6,500 people visiting the building during the Saturday.

## Servus Place Quarterly Report Second Quarter 2012

### Lesson Fees

Lesson Fees	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
Fitness	\$ 138,792	\$ 168,872	\$ 193,708	\$ 159,800	\$ 33,908	\$ 382,778	\$ 328,600	\$ 54,178
Recreation	\$ 31,792	\$ 38,414	\$ 43,590	\$ 40,300	\$ 3,290	\$ 116,205	\$ 101,800	\$ 14,405
<b>Net Revenue</b>	<b>\$ 170,584</b>	<b>\$ 207,286</b>	<b>\$ 237,299</b>	<b>\$ 200,100</b>	<b>\$ 37,199</b>	<b>\$ 498,984</b>	<b>\$ 430,400</b>	<b>\$ 68,584</b>

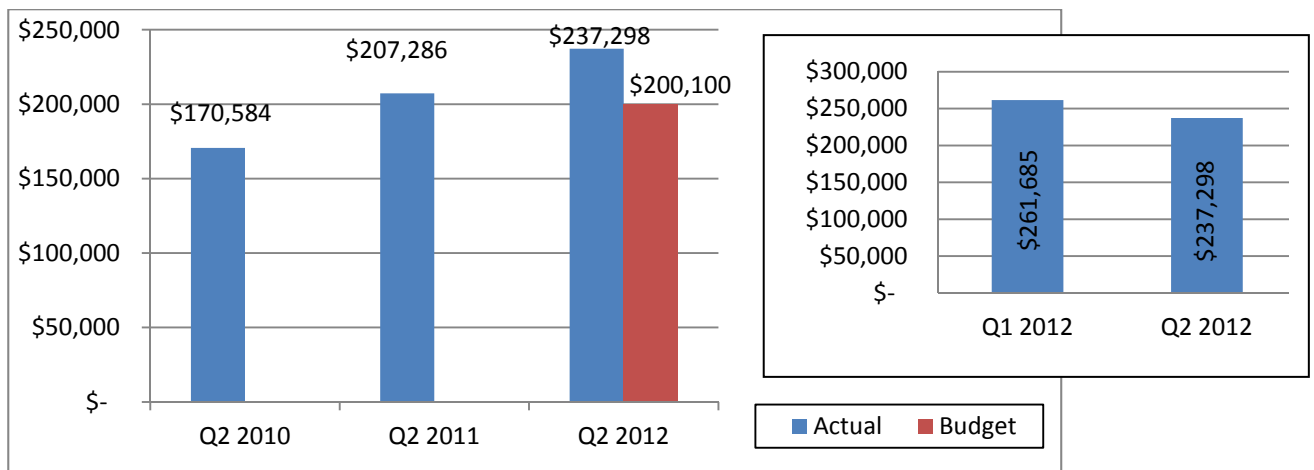
Lesson fee revenue is substantially over budget for Q2 2012. This variance is due to increased participation in registered programs with fill rates of 83% in fitness, 88% in Servus Place recreation programs, and 91% in community Learn-to-Skate programs.

In the forecast, lesson fees have been adjusted by \$50,000 to reflect increased participation in registered fitness programs and fitness services, specifically in personal training.

Key fitness programs in Q2 were Zumba at a 90% fill rate, Spin at 100%, TRX Suspension at 100%, and Mom & Baby aquafit at 95%. Recreation programs to note were Community Preschool programs at 91% capacity and Spring Break camps at 100%.

In Q1 2012, Survey Gizmo was implemented as a tool to collect program evaluations for Recreation programs and in Q2 it was implemented for Fitness programs. Comments and feedback from participants is reviewed and considered to improve programs offered. Approximately 40% of the Recreation program evaluations were been completed online in Q2 at 100% satisfaction and 25% for Spring Fitness programs. Servus Place will continue to increase the collection of emails upon registration to increase the return rate.

#### Lesson Fees Revenue



# Servus Place Quarterly Report Second Quarter 2012

## Fitness

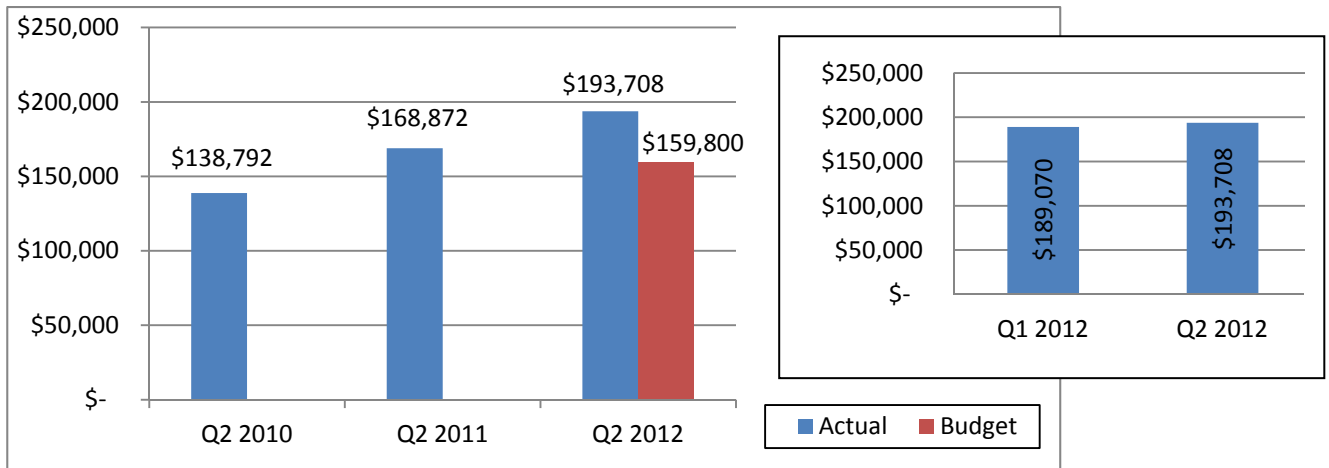
In Q2 2012 fitness program revenue is \$193,708 which is 21.2% above budget and 14.7% over Q2 2011. The primary reason for this variance is the increase in the number of fitness programs and fitness services. June was a record month for personal training services with 430 services sold with over \$19,000 in revenue. The previous record was almost \$17,000 from October 2006, the month the facility opened.

There was also an increase of 30% in team dry land conditioning services from Q2 2011 to Q2 2012.

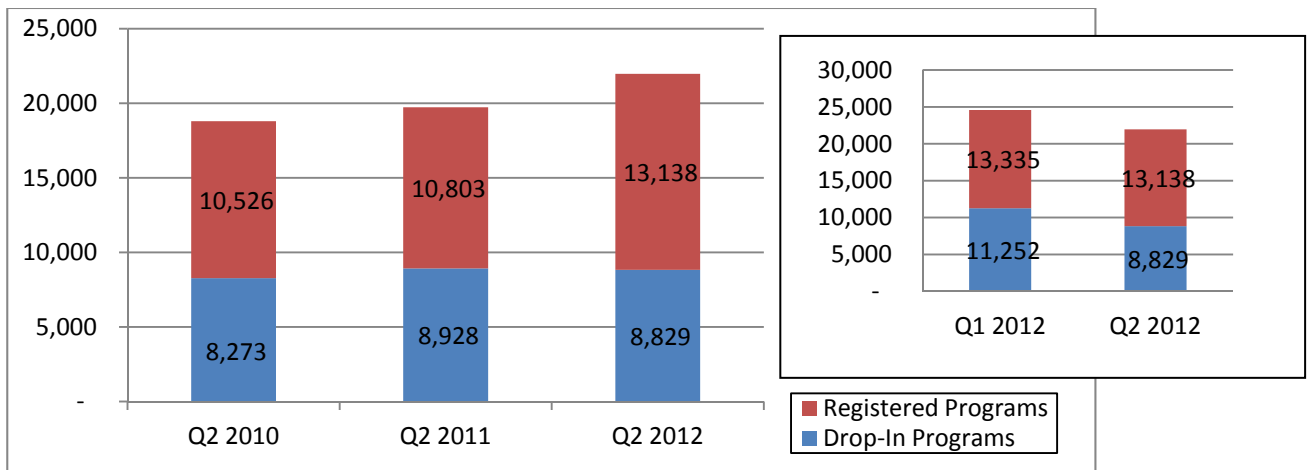
The fitness lesson fee revenue has seen continual increases year over year due to strong participation in registered programs ending the quarter with an 83% fill rate with 135 people on wait lists for spring programs.

In response to high demand for TRX, in May, twenty fitness staff received training on the TRX suspension equipment. With additional staff being trained on TRX, there are now more staff resources to increase the provision of these programs for fall 2012.

**Fitness Program Revenue**



**Fitness Program Participants**



## Servus Place Quarterly Report Second Quarter 2012

Registered fitness programs have seen a substantial increase over Q2 2011 (21.6%) due to both an increased number of programs being provided and number of participants per class.

Drop-in fitness programs are extremely well attended, decreasing slightly from Q2 2011, but remaining very strong and continuing to face capacity limitations due to space.

There were 401 drop-in classes in Q2 2012, averaging 22 participants per class, an increase of 1 participant per class over Q2 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.

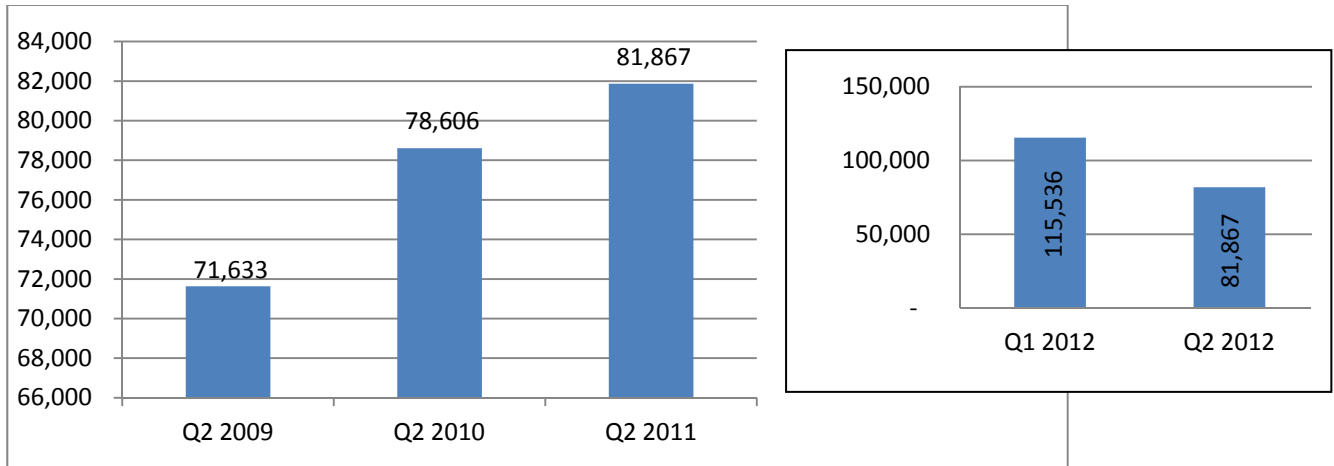
### Fitness & Wellness Centre

Fitness & Wellness Centre	Q2 2008 Actual	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	YTD 2012 Actual
Fitness & Wellness Centre Users	69,544	71,633	78,606	81,867	197,403
Daily Average	773	796	889	927	1,106

As Servus Place enters into the summer months, the traditional usage decrease of the Fitness Centre from Q1 has been seen. In Q2 2012, there were 81,867 users of the Fitness & Wellness Centre, a 4.1% increase from Q2 2011.

The Spruce Up of the Fitness Centre was completed in June. This annual event took place over June 28 and 29 and the movement, preventative maintenance and deep cleaning of the entire Fitness Centre.

#### Fitness Centre Users



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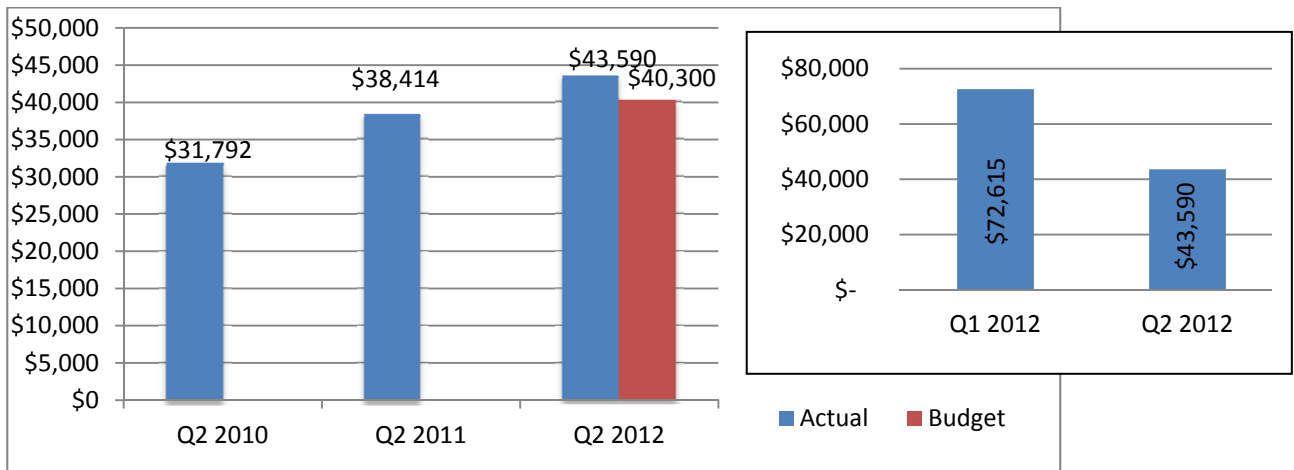
## Recreation

Recreation program revenue for Q2 2012 is \$43,590 which is 8.2% above budget and 13.5% above Q2 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. Q2 2012 saw fill rates of 88% in Servus Place recreation programs and 91% in community Learn-to-Skate programs

Recreation program staff supported the Arbor Day celebration on May 26 in Grosvenor Park and Clubhouse by providing a variety of games and activities for over 400 St. Albert grade one students.

The Q2 2012 child minding participation was high, serving an average of 990 children per month. The number of childminding participants directly correlates to the number of fitness program participants and as that number continues to increase, so does the number of childminding users.

**Recreation Program Revenue**



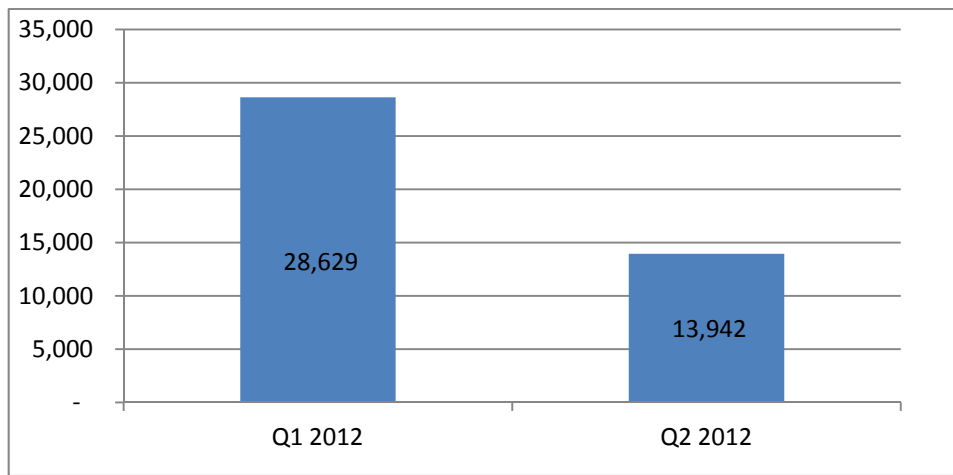
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## Servus Place Recreation Programs

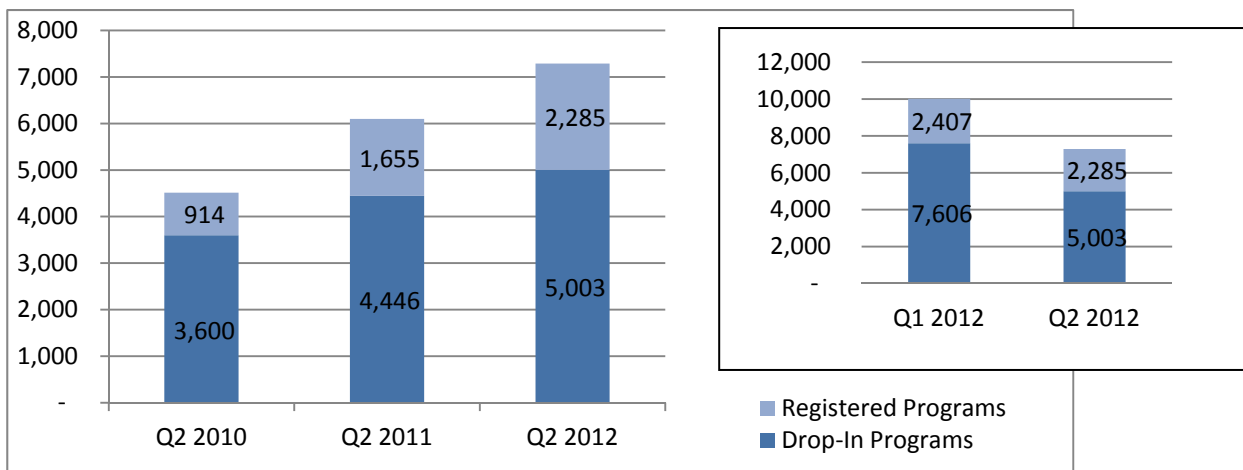
Servus Place program participants for Q2 2012 have increased over Q2 2011 in both registered (38.1%) and drop-in (12.5%) programs primarily due to a very strong compliment of program offerings for both the parented and un-parented preschooler. Registered recreation programs ended Q2 with an 87% program fill rate with 42 people on wait lists for spring programs.

One number that has not been previously reported on is the number of spontaneous recreation participants who utilize the Community Gymnasium and Kingsway Toyota Indoor Playground and Leisure Ice. In Q1 2012, there were 28,629 participants in these areas and in Q2 2012; there were 13,942. Access to these areas is included with membership or day admission to Servus Place and can be directly attributed to supporting the overall membership growth and retention.

### Spontaneous Recreation Participants



### Participants in Servus Place Recreation Programs



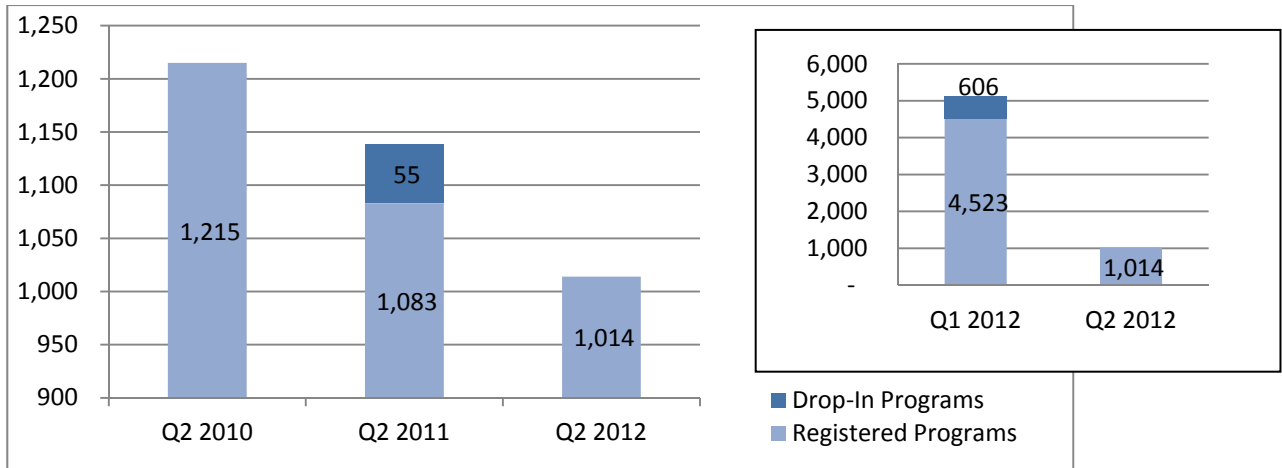


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## Community Recreation Programs

The Q2 2012, registered community recreation program participants have decreased slightly (6.4%) from Q2 2011, but still ended the quarter with a 91% fill rate.

**Participants in Community Recreation Programs**



# Servus Place Quarterly Report Second Quarter 2012

## Aquatics

Landrex Water Play Centre Use	Q2 2009 Actual	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	YTD 2012 Total
Water Play Centre Users	52,290	57,429	68,342	58,825	162,064
Daily Average	629	741	821	658	896
Servus Place Annual Member Swipes at FPRC	5,321	6,301	6,302	5,819	12,274
Servus Place Annual Member Swipes at Grosvenor	284	459	55	262	262
<b>Total</b>	<b>5,605</b>	<b>6,760</b>	<b>6,357</b>	<b>6,081</b>	<b>12,536</b>

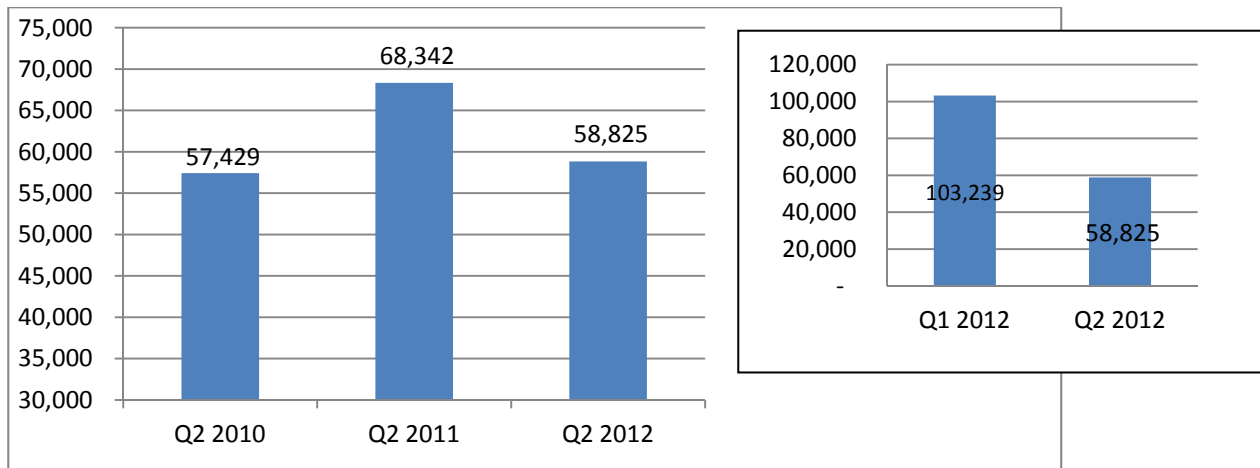
In Q2 2012, there were 58,825 users of the Landrex Water Play Centre, a decrease of 13.9% from Q2 2011.

The highest attendance days were the first two Saturdays in April with 1,736 and 1,730 users respectively. Servus Place hosted 40 school groups throughout the quarter.

The Landrex Water Play Centre Spruce Up took place from May 22 to 28. The major projects were the deep cleaning and replacement of lighting in the steam room, replacement of the cedar flooring in the sauna with longer life material. Other work included:

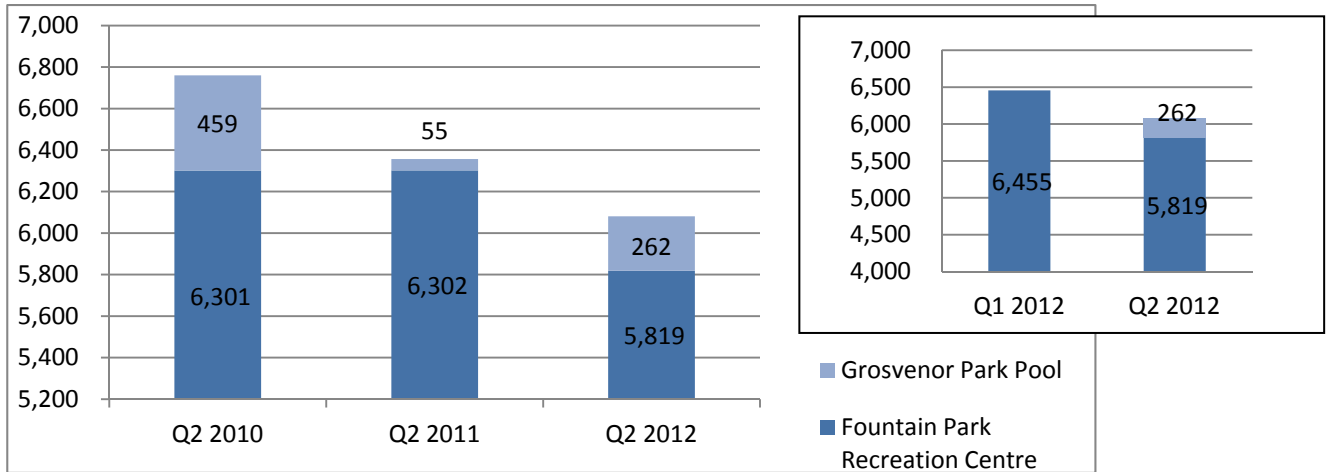
- Deep clean of deck and change room areas.
- Cleaning and painting of water features.
- Highlight painting of pillars on the South Wall.
- Painting of the bulkhead surrounding the deck areas.
- Pump maintenance and repair.

**Landrex Water Play Centre Users**



## Servus Place Quarterly Report Second Quarter 2012

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



In Q2 2012, member uses were recorded at 5,819 at Fountain Park Recreation Centre, a 7.7% decrease from Q2 2011. There has been a notable increase in the number of Servus Place users at Grosvenor Park Pool in Q2 2012. It can be assumed that the record high temperatures during the last week of June as well as Servus Place’s usage of social media to “beat the heat” using the benefits of their annual membership encouraged users to take advantage of the outdoor facility.

## Servus Place Quarterly Report Second Quarter 2012

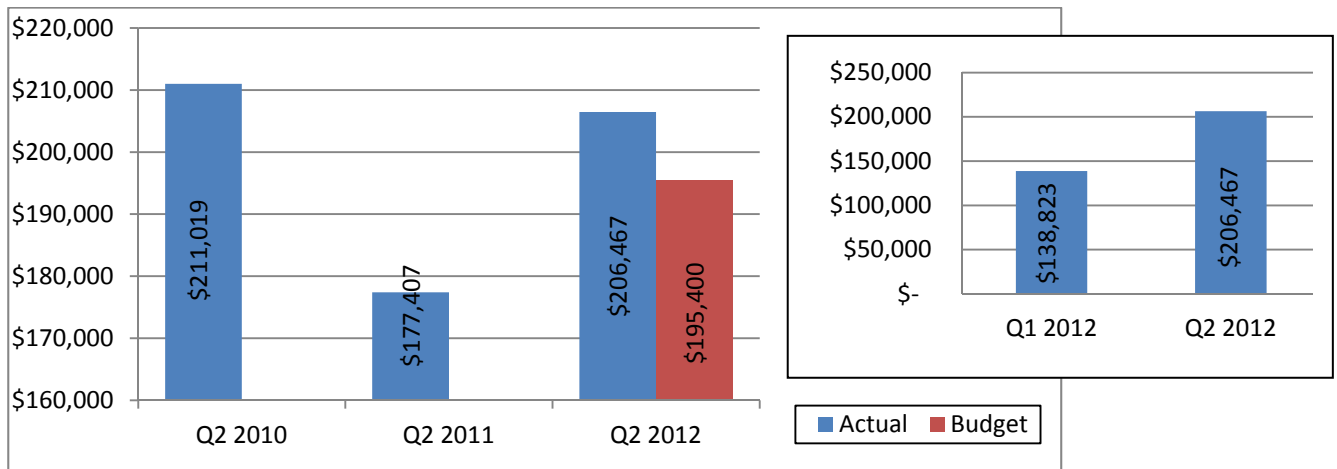
### Aquatics Internal Contracts

Aquatics Internal Contracts	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
	\$ 211,019	\$ 177,407	\$ 206,467	\$ 195,400	\$ 11,067	\$ 345,290	\$ 411,300	\$ (66,010)

The Aquatics contract was slightly over budget for Q2 2012 but remains substantially under budget for the year. The variance for the quarter is due to timing of supply purchases and additional staff required to accommodate school bookings.

Aquatics Internal Contracts is forecasted to end the year \$49,800 under budget based on schedule efficiencies, actual expenses to date and required staffing levels.

### Aquatics Internal Contracts



# Servus Place Quarterly Report Second Quarter 2012

## Booking & Events

### Q2 Events

- April 7 - St. Albert Heavenly Rollers Game - 340 spectators and 40 participants
- April 13-15 - 2012 Springsational Figure Skating Competition - 400 spectators and 200 participants
- April 19-22 - Chamber of Commerce Lifestyle Expo – 14,000 visitors and 1,000 participants
- April 27-29 - Blues Lacrosse Tournament - 1,000 spectators and 500 participants
- May 2-6 - Desa Karate – 500 spectators and 250 participants
- May 18-20 - Poundmaker Lodge Spring Dance Festival – 600 spectators and 200 participants
- June 8-10 - Baggataway Lacrosse Tournament - 1,100 spectators and 400 participants

Servus Place has been working with Rockin' August on the first concert to be held in the facility, bringing in Doug & the Slugs and Harlequin on August 11th. In addition to providing the venue, Servus Place Guest Services is also handling ticket sales.

Development of the Event Hosting Strategy continues and included a meeting with Servus Place Booking & Events and the Technical Committee of the Community Wide Event Hosting Strategy. The Servus Place Event Hosting Guidelines were completed and have been implemented into the facility operations.

The Booking & Events staff completed the balancing of the spring ice/dry floor schedule with the ammonia replacement of Troy Murray and Mark Messier Arenas as well as completed the Master Schedule for Fall/Winter Ice Allocation.

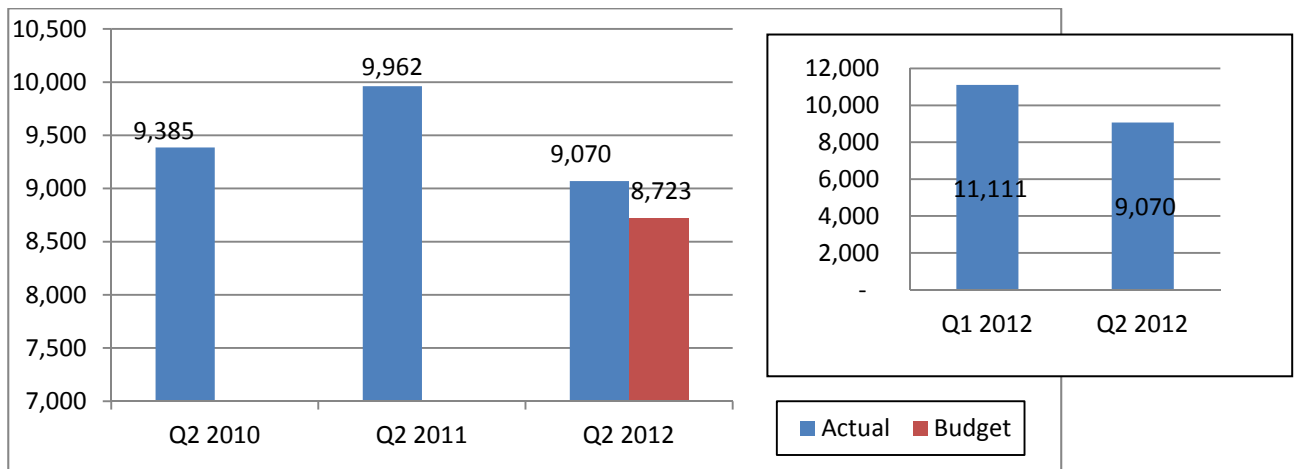
A meeting was held in June with Servus Place user groups to allocate the additional ice that was being held for the St. Albert Steel.

## Servus Place Quarterly Report Second Quarter 2012

### Servus Place Facility Rental and Programmed Hours

Servus Place Facility Hours Rented and Programmed	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	2012 YTD Variance
Arenas	2,628	2,733	2,455	2,096	359	5,709	5,195	514
Fieldhouses	1,409	1,354	1,446	1,409	37	3,242	3,136	106
Gymnasiums	3,411	3,304	3,208	3,281	-74	6,555	6,594	-40
Meeting rooms	1,936	2,572	1,961	1,936	25	4,675	3,599	1,076
<b>Total</b>	<b>9,385</b>	<b>9,962</b>	<b>9,070</b>	<b>8,723</b>	<b>347</b>	<b>20,181</b>	<b>18,524</b>	<b>1,657</b>

**Servus Place Facility Rented and Programmed Hours**



## Servus Place Quarterly Report Second Quarter 2012

Servus Place Facility Rental Revenue	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	2012 YTD Variance
Arenas	\$ 162,205	\$ 176,308	\$ 172,929	\$ 175,750	\$ (2,821)	\$ 426,350	\$ 423,350	\$ 3,000
Fieldhouses	\$ 48,895	\$ 47,081	\$ 51,259	\$ 49,670	\$ 1,589	\$ 157,686	\$ 181,293	\$ (23,607)
Gymnasiums	\$ 14,973	\$ 9,442	\$ 5,285	\$ 8,900	\$ (3,615)	\$ 15,762	\$ 20,360	\$ (4,598)
Meeting rooms	\$ 22,320	\$ 32,607	\$ 40,312	\$ 17,000	\$ 23,312	\$ 60,179	\$ 28,067	\$ 32,112
Leaseholders	\$ 56,665	\$ 56,665	\$ 53,782	\$ 50,200	\$ 3,582	\$ 107,781	\$ 103,000	\$ 4,781
Parties	\$ 3,699	\$ 3,014	\$ 2,809	\$ 3,830	\$ (1,022)	\$ 5,959	\$ 9,180	\$ (3,222)
Refurbishment Charges*	\$ 10,852	\$ 11,217	\$ 9,705	\$ 10,700	\$ (995)	\$ 26,343	\$ 26,100	\$ 243
<b>Total</b>	<b>\$ 319,609</b>	<b>\$ 336,333</b>	<b>\$ 336,079</b>	<b>\$ 316,050</b>	<b>\$ 20,029</b>	<b>\$ 800,058</b>	<b>\$ 791,350</b>	<b>\$ 8,708</b>

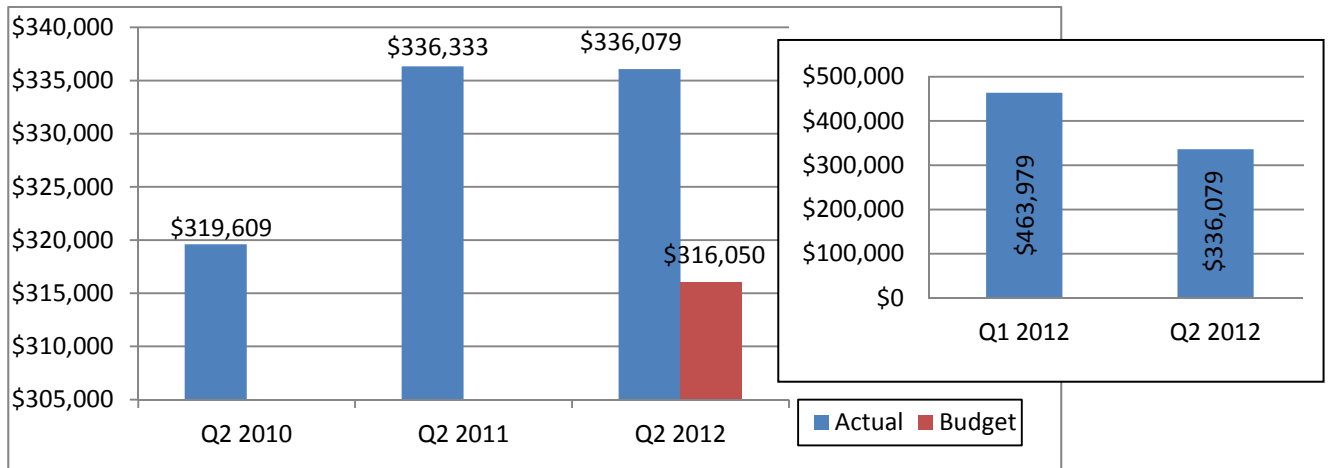
Servus Place rental revenue is forecasted to end the year \$20,000 over budget due to additional lease revenue from sport partners and non-traditional rentals.

Arena rental hours are over budget for the quarter but revenue is slightly below budget due to the ammonia replacement that resulted in Mark Messier and Troy Murray Arenas being converted to dry floor from April 16 – May 4. During this time, the use reverted to dry floor rates which are substantially lower than ice rates.

Dominance of premium times by programs and no established sport partner use through Q2 contributed to gymnasiums ending the quarter under budget.

Meeting Room rental hours are very close to budget but the revenue is substantially over budget for the quarter and YTD. This is primarily due to the non-traditional rental of the parking lot to Canadian Traffic Education Centre (CTEC) which is not reflected in rental hours, just revenue.

**Servus Place Facility Rental Revenue**



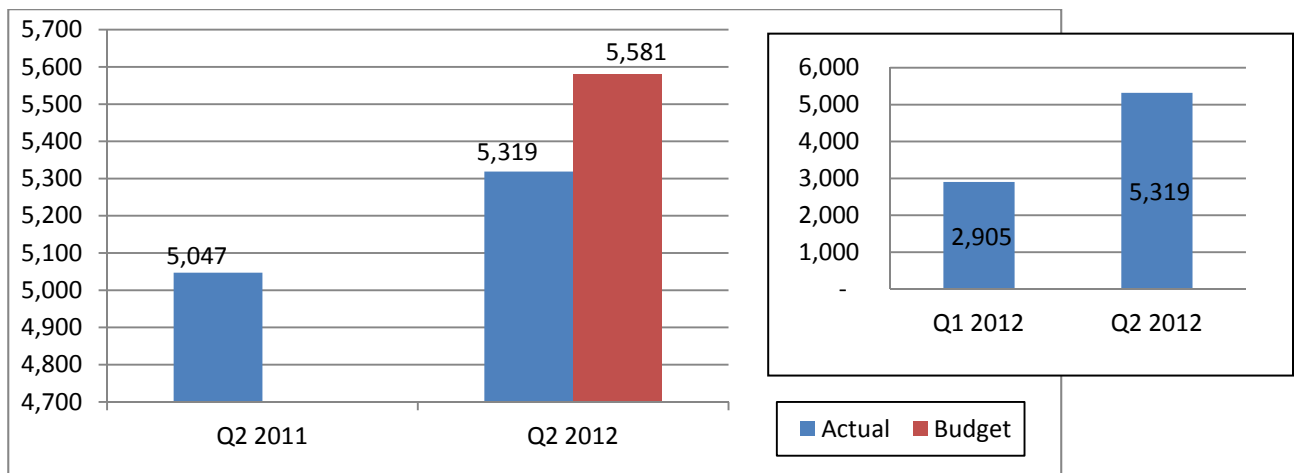
## Servus Place Quarterly Report Second Quarter 2012

### Community Facility Rental and Programmed Hours

Community Facility Hours Rented and Programmed	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	2012 YTD Variance
10920 Akinsdale/Kinex	1,024	1,375	1,840	-465	3,533	3,382	151
10921 Playfields/Playgrounds	2,683	2,508	2400	108	2,508	2400	108
10922 Outdoor Rinks	12	0	12	-12	342	327	15
10923 Clubhouses	852	982	852	130	1,373	1,467	-94
10924 Riel Sport Field	477	454	477	-23	468	477	-9
<b>Total</b>	<b>5,047</b>	<b>5,319</b>	<b>5,581</b>	<b>-262</b>	<b>8,224</b>	<b>8,053</b>	<b>171</b>

Community recreation facilities are trending close to budget. Arena hours were lower than budget due to the ice being kept in longer shifting the bookings from dry floor plate users to ice users. In the spring the majority of arena use is with dry floor plate sports. This reduced the hours of use at Akinsdale/Kinex but increased the hours of use at Servus Place. The net overall results was neutral allowing us to accommodate all users as effectively as possible while addressing a maintenance issue on Troy Murray and Mark Messier arena.

### Community Facility Rented and Programmed Hours





## Servus Place Quarterly Report Second Quarter 2012

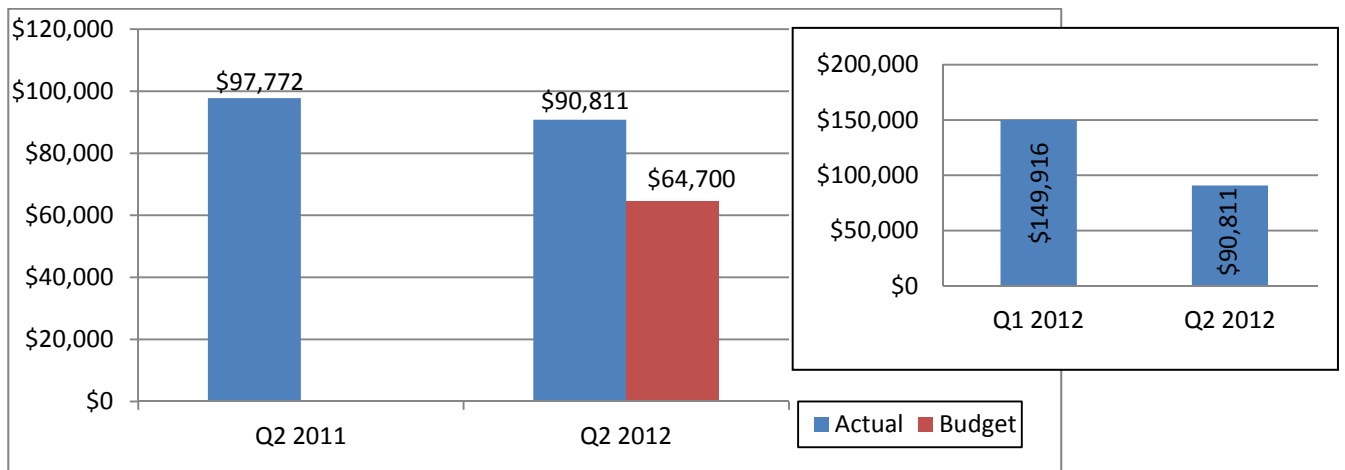
Community Facility Rental Revenue	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	2012 YTD Variance
10920 Akinsdale/Kinex	\$ 56,672	\$ 53,459	\$ 20,800	\$ 32,659	\$ 194,415	\$ 169,100	\$ 25,315
10921 Playfields/Playgrounds	\$ 19,886	\$ 23,123	\$ 24,900	\$ (1,778)	\$ 24,485	\$ 24,900	\$ (416)
10922 Outdoor Rinks	\$ 428	\$ 140	\$ 300	\$ (160)	\$ 5,988	\$ 6,800	\$ (812)
10923 Clubhouses	\$ 1,302	\$ 1,381	\$ 1,300	\$ 81	\$ 2,519	\$ 2,400	\$ 119
10924 Riel Sport Field	\$ 19,484	\$ 12,709	\$ 17,400	\$ (4,691)	\$ 13,321	\$ 17,400	\$ (4,079)
<b>Total</b>	<b>\$ 97,772</b>	<b>\$ 90,811</b>	<b>\$ 64,700</b>	<b>\$ 26,111</b>	<b>\$ 240,727</b>	<b>\$ 220,600</b>	<b>\$ 20,127</b>

Akinsdale and Kinex Arenas are under budget for hours but substantially over budget for revenue. This variance is due to the fact that ice was kept in for one month longer than usual to accommodate the use transferred from Servus Place during the ammonia replacement in Mark Messier and Troy Murray Arenas. Ice rates are higher than dry floor rates and this additional ice time resulted in significantly higher revenue than if the ice had been taken out.

Riel Sport Field is slightly below budget due to a cancelled tournament and reduced demand over last year for the artificial turf field due to the dry spring and ability for groups to use the natural turf fields.

This area has been adjusted in the forecast to end the year \$20,000 above budget.

### Community Facility Rental Revenue



# Servus Place Quarterly Report Second Quarter 2012

## Business & Marketing

The Customer Satisfaction Survey results have been received and compiled. Highlights from the report include:

- 95% overall customer satisfaction rating.
- 80% are supportive of expanding Servus Place.
- 64% of members visit more than 7 times per month.
- 62% utilize the Fitness Centre, 36% utilize the track and 34% utilize the Landrex Water Play Centre.
- 78% of members spend more than 1 hour here at a time.
- People rate safety as highly important and are very satisfied with safety at Servus Place.
- Instructor quality is a huge strength 88% satisfaction rating.
- 54% purchased from Starbucks with 99% satisfaction rating.
- Overall food services rating are 85%.
- 97% satisfaction in communication tools.
- Areas of improvement.
  - Cleanliness of fitness/track/aquatics (our highest usage areas).
  - Locker room space.
  - Fitness Centre space.
  - Gymnasium court space/availability.
- Servus Place members are very satisfied.
- Understand space constraints.
- Servus Place is becoming a community hub.

Social media highlights for Q2 include:

- The Servus Place Twitter account reached 200 followers with the rollout of Customer Satisfaction Survey results.
- The E-blast of the Survey results was opened by 3,300 people.
- The Servus Place website had almost 28,000 hits in Q2.
- 33% of the website hits to the servusplace.ca website were on mobile devices which highlights the growing trend in the use of Smartphones to gain fast access to information.

The Alberta Junior Hockey League (AJHL) has announced that the St. Albert Steel will be moving to Whitecourt for the beginning of the 2012/2013 hockey season. A plan was developed and implemented to manage the termination of the partnership between the St. Albert Steel and the City of St. Albert. Community focus groups have been conducted in order to properly assess what the community needs and desires for the space vacated by the Steel. A Request for Interest will be conducted in Q3 to find a suitable replacement.

Throughout Q1, Servus Place welcomed two groups of students from the marketing program at NAIT to use Servus Place as the focus of their practicum. For the practicum, the students developed a marketing campaign with the focus of increasing the number of social media interactions. Two campaigns were presented on April 27 to Servus Place management who selected the "Check In" campaign to drive the full social media launch in fall 2012.

## Servus Place Quarterly Report Second Quarter 2012

Advertising, Fundraising and Sponsorship Inventory	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	YTD 2012 Actual
Total Spaces Sold	126	147	177	172
Total Complimentary Spaces	8	4	4	4
Total Internal Spaces	10	5	10	10
<b>Total Spaces Used</b>	<b>144</b>	<b>156</b>	<b>191</b>	<b>185</b>
Total Space Available	199	209	240	240
<b>% of Space Used</b>	<b>72%</b>	<b>74%</b>	<b>79%</b>	<b>77%</b>

\* 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.

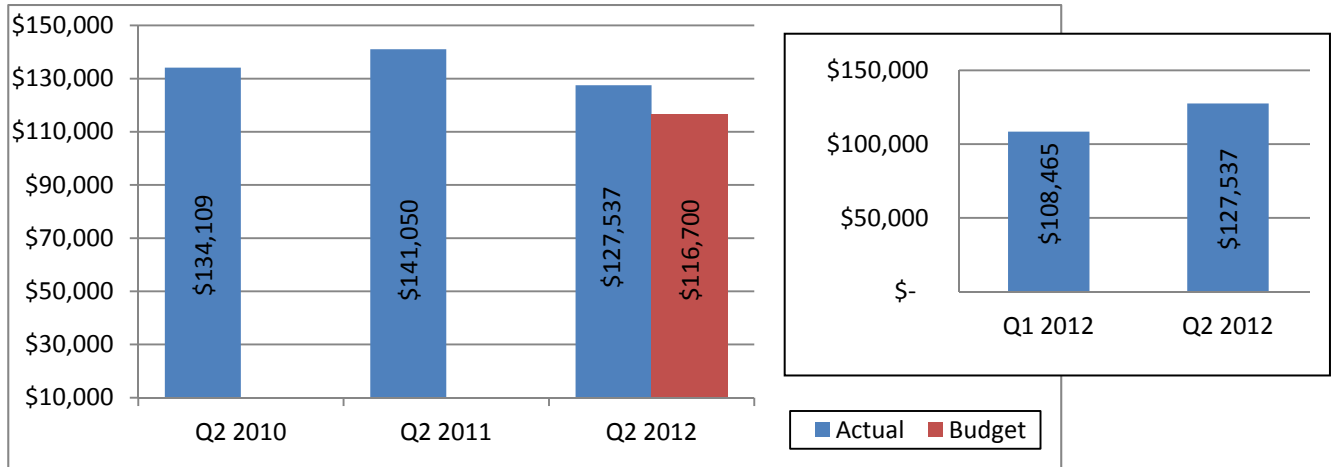
### Q2 2012 Advertising Inventory

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	41	31	26	18	18	3	7	8	25	177
Total Comp Spaces	0	0	0	1	0	0	0	3	0	4
Total Internal Spaces	2	1	1	1	1	1	0	2	1	10
<b>Total Spaces Used</b>	<b>43</b>	<b>32</b>	<b>27</b>	<b>20</b>	<b>19</b>	<b>4</b>	<b>7</b>	<b>13</b>	<b>26</b>	<b>191</b>
Total Space Available	56	40	40	22	22	4	7	13	36	240
<b>% of Space Sold</b>	<b>77%</b>	<b>79%</b>	<b>68%</b>	<b>91%</b>	<b>85%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>72%</b>	<b>79%</b>

## Servus Place Quarterly Report Second Quarter 2012

Advertising, Fundraising and Sponsorship Revenue	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
Advertising Revenue	\$ 39,209	\$ 45,571	\$ 49,535	\$ 47,700	\$ 1,835	\$ 94,880	\$ 94,200	\$ 680
Fundraising/Sponsorship	\$ 94,900	\$ 95,479	\$ 78,002	\$ 69,000	\$ 9,002	\$ 141,122	\$ 125,800	\$ 15,322
<b>Total Revenue</b>	<b>\$ 134,109</b>	<b>\$ 141,050</b>	<b>\$ 127,537</b>	<b>\$ 116,700</b>	<b>\$ 10,837</b>	<b>\$ 236,003</b>	<b>\$ 220,000</b>	<b>\$ 16,003</b>

### Advertising and Sponsorship



Advertising and Sponsorship has been adjusted in the forecast by \$40,000 to reflect new signed commitments for sponsorships in the facility.

Following the announcement from the Steel that they are moving to Whitecourt, Servus Place has begun meeting with the former Steel advertisers. The initial response from the advertisers has been very positive, so with the Steel advertising contracts coming up for renewal in Q3, work will be ongoing to fill the advertising space in the Northstar Hyundai Arena.

A new design for signage has been developed for the facility sponsorship and directional signs and has been installed in several locations including Northstar Hyundai Arena and the Kingsway Toyota Indoor Playground and Leisure Ice.

## Servus Place Quarterly Report Second Quarter 2012

### Retail

Starbucks continues to operate to the standards set out in the agreement with almost 25,000 transactions in Q2 2012. The revenue and expenses have been adjusted in the Q2 forecast and are anticipated to end the year at a profit.

Starbucks operating hours for Monday to Friday have been adjusted from 6:00AM -9:00 PM to 6:30AM-8:00PM starting June 1 to account for the decreases in traffic during the summer months.

Retail	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
Revenue	99,955	132,900	(32,945)	255,196	342,900	(87,704)
Expenses	112,958	126,700	(13,742)	247,050	305,100	(58,050)
<b>Subtotal</b>	<b>\$ (13,003)</b>	<b>\$ 6,200</b>	<b>\$ (19,203)</b>	<b>\$ 8,146</b>	<b>\$ 37,800</b>	<b>\$ (29,654)</b>
Transfer to Reserves	10,749	(10,700)	21,449	21,498	(21,500)	42,998
<b>Total</b>	<b>\$ (23,752)</b>	<b>\$ (4,500)</b>	<b>\$ (19,252)</b>	<b>\$ (13,352)</b>	<b>\$ 16,300</b>	<b>\$ (29,652)</b>

Revenue includes all retail sales for the Starbucks store and expenses include all 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 operating loss for the quarter of \$13,003 and \$10,749 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 loss of \$23,752 against a budgeted loss of \$4,500.

Year end forecast anticipate a net positive operating profit of 47,600 with 43,000 transferred to City reserves.

The budget was based off estimated traffic, capture rate and average transaction which can only be truly measured by historical trends. As trends and historical information continues to be gathered, the budget will align closer with actuals. Costs continue to be closely managed and adjustments have been made to ensure that the forecasted positive bottom line is realised

# Servus Place Quarterly Report Second Quarter 2012

## Operations

As part of ongoing continuous improvement, Servus Place has made changes to the security coverage in the facility. An adjustment has been made from overnight coverage to late afternoon and evenings to heighten the security presence in the facility, reduce the number of incidents and to support front line staff.

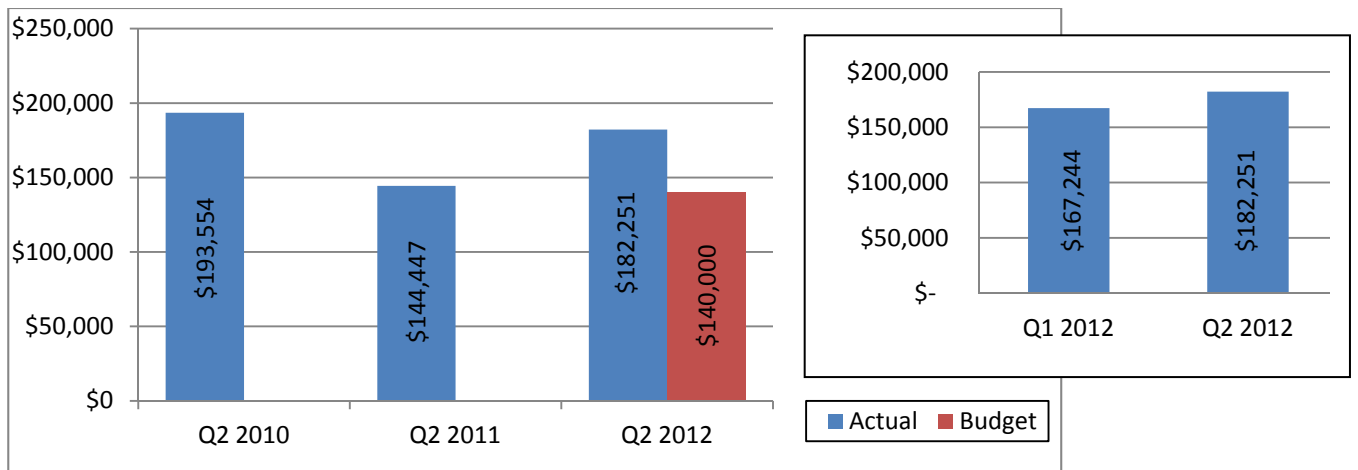
Janitorial services have also been improved, overnight janitorial coverage will now be provided by a contractor to do a set list of tasks and Servus Place janitorial staff will work exclusively during days and evenings. This gives us the ability to do deeper cleaning more often and maintain a higher standard of cleanliness.

### Public Works Internal Contracts

Public Works Internal Contracts	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
	\$ 193,554	\$ 144,447	\$ 182,251	\$ 140,000	\$ 42,251	\$ 349,490	\$ 367,000	\$ (17,504)

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



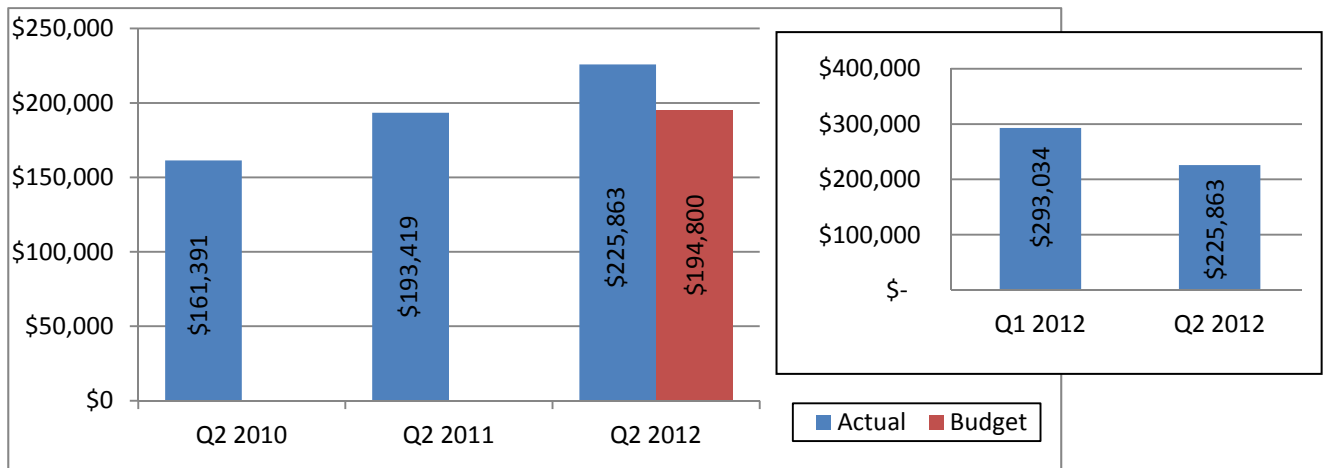
## Servus Place Quarterly Report Second Quarter 2012

### Utilities

Utilities	Q2 2009 Actual	Q2 2010 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
Electricity	\$ 107,881	\$ 136,273	\$ 150,452	\$ 130,000	\$ 20,452	\$ 338,604	\$ 307,000	\$ 31,604
Natural Gas	\$ 29,126	\$ 29,819	\$ 44,302	\$ 37,000	\$ 7,302	\$ 115,766	\$ 135,000	\$(19,234)
Water, Wastewater and Solid Waste	\$ 23,557	\$ 24,907	\$ 28,577	\$ 24,500	\$ 4,077	\$ 56,318	\$ 50,000	\$ 6,318
Telephone and Cable	\$ 827	\$ 2,420	\$ 2,532	\$ 3,300	\$ (768)	\$ 8,209	\$ 6,600	\$ 1,609
<b>Total</b>	<b>\$161,391</b>	<b>\$193,419</b>	<b>\$225,863</b>	<b>\$194,800</b>	<b>\$ 31,063</b>	<b>\$518,897</b>	<b>\$498,600</b>	<b>\$ 20,297</b>

Overall utilities ended the quarter over budget by 15.9% due to higher than anticipated utility rates, primarily on electricity. The forecast has been adjusted by \$30,000 to reflect this variance.

**Utilities Expenses (Gas, Water and Electricity)**



## Servus Place Quarterly Report Second Quarter 2012

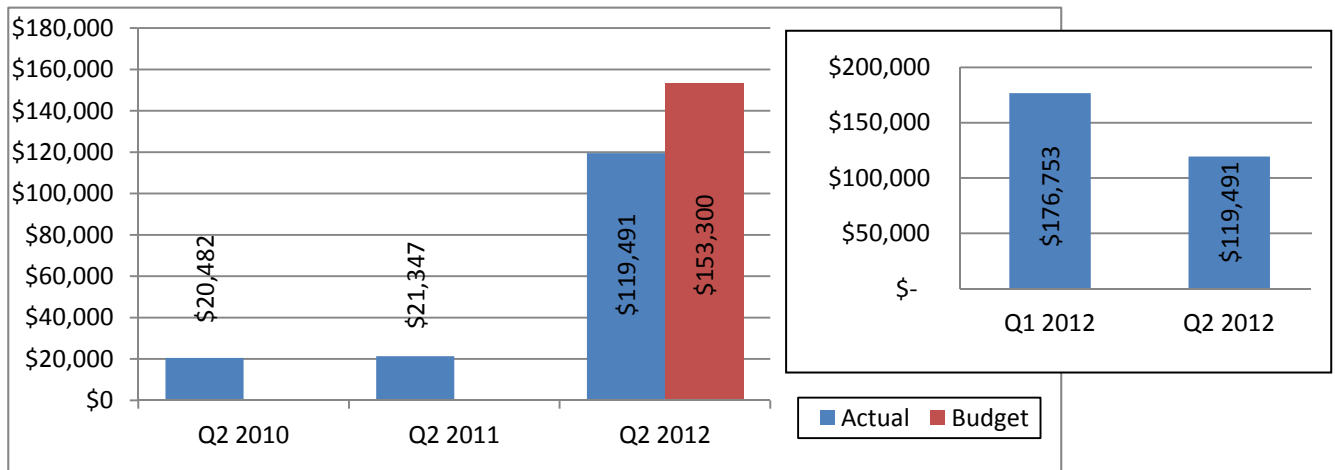
### Commissions & Vending

Commissions and Vending	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
Vending Commission	\$ 12,719	\$ 13,845	\$ 11,943	\$ 11,900	\$ 43	\$ 21,856	\$ 23,800	\$ (1,944)
Locker Total Revenue	\$ 6,322	\$ 5,726	\$ 6,753	\$ 8,100	\$ (1,347)	\$ 17,428	\$ 17,400	\$ 28
Guest Services	\$ 633	\$ 1,291	\$ 882	\$ 400	\$ 482	\$ 2,336	\$ 900	\$ 1,436
Miscellaneous	\$ 808	\$ 485	\$ 580	\$ -	\$ 580	\$ 1,050	\$ -	\$ 1,050
Retail Revenue	\$ -	\$ -	\$ 99,333	\$ 132,900	\$ (33,567)	\$ 253,574	\$ 342,900	\$ (89,326)
<b>Total Revenue</b>	<b>\$ 20,482</b>	<b>\$ 21,347</b>	<b>\$ 119,491</b>	<b>\$ 153,300</b>	<b>\$ (33,809)</b>	<b>\$ 296,244</b>	<b>\$ 385,000</b>	<b>\$ (88,756)</b>

The variance in commissions and vending is primarily due to lower than anticipated revenue from lockers and the retail cost centre. Although costs for the retail cost centre are under budget there is a corresponding variance on the revenue side. For more detailed information, please see page 29 of this report.

An adjustment of -\$130,000 has been made in the forecast to Commissions and Vending based on reforecasted Starbucks revenue. There is a corresponding decrease in expenses that is also captured in the forecast.

### Commissions & Vending Revenue



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



# Servus Place Quarterly Report

## Second Quarter 2012

### Personnel Costs

In cooperation with the Respectful Workplace Committee, Respectful Workplace signage is now being displayed at all public desks in the facility reminding patrons to be respectful to staff. In June, Recreation Programmers, the Childminding Supervisor and both Summer Coordinators participated in the Respectful Workplace Workshop.

Staff training in Q2 included the following:

- Marketing & Communications Coordinator attended three web-design courses at Grant MacEwan College.
- Servus Place Managers attended media training put on by Calder Bateman. This training was hosted by the Corporate Communications and Marketing department to further develop media relations knowledge and skills amongst key staff.
- Raving Fans training for 17 summer staff.
- Training in Fundamental Movement Skills was provided to 30 summer staff by in-house Learning Facilitators.

The annual Servus Place All Staff Meeting was held on June 3. This annual event brought together over 170 casual and permanent staff for a training and teambuilding opportunity that included speakers on "How Servus Place Moves Our Users" and "How Servus Place Moves the Community, Zumba fit break, a health and safety scavenger hunt and video presentations that shared the 2011 Servus Place highlights and accomplishments.

## Servus Place Quarterly Report Second Quarter 2012

Personnel by Cost Centre	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
Administration	\$ 62,572	\$ 64,974	\$ 73,470	\$ 67,700	\$ 5,770	\$ 136,536	\$ 130,500	\$ 6,036
Recreation	\$ 117,689	\$ 118,288	\$ 139,324	\$ 141,100	\$ (1,776)	\$ 257,480	\$ 273,800	\$ (16,320)
Fitness	\$ 205,319	\$ 221,082	\$ 265,672	\$ 239,700	\$ 25,972	\$ 472,307	\$ 436,600	\$ 35,707
Operations	\$ 211,067	\$ 191,750	\$ 191,815	\$ 182,600	\$ 9,215	\$ 396,858	\$ 378,800	\$ 18,058
Business & Marketing	\$ 31,291	\$ 52,473	\$ 56,622	\$ 56,800	\$ (178)	\$ 110,449	\$ 110,500	\$ (51)
Bookings and Events	\$ 67,851	\$ 64,374	\$ 68,440	\$ 71,700	\$ (3,260)	\$ 132,355	\$ 139,600	\$ (7,245)
Guest Services	\$ 158,731	\$ 153,096	\$ 201,200	\$ 206,500	\$ (5,300)	\$ 367,587	\$ 402,200	\$ (34,613)
Retail	\$ -	\$ -	\$ 43,248	\$ 45,500	\$ (2,252)	\$ 99,560	\$ 101,000	\$ (1,440)
<b>Subtotal</b>	<b>\$ 854,520</b>	<b>\$ 866,037</b>	<b>\$ 1,039,791</b>	<b>\$ 1,011,600</b>	<b>\$ 28,191</b>	<b>1,973,132</b>	<b>1,973,000</b>	<b>\$ 132</b>
Benefits	\$ 133,309	\$ 131,868	\$ 156,327	\$ 158,400	\$ (2,073)	\$ 302,661	\$ 306,900	\$ (4,239)
<b>Total Personnel Costs</b>	<b>\$ 987,829</b>	<b>\$ 997,905</b>	<b>\$ 1,196,120</b>	<b>\$ 1,170,000</b>	<b>\$ 26,120</b>	<b>\$ 2,275,795</b>	<b>\$ 2,279,900</b>	<b>\$ (4,105)</b>

The variance in Fitness personnel costs is primarily due to increased fitness programs and over 400 additional fitness services. This additional expense is reflected positively under lesson fee revenue.

Recreation personnel costs are under budget for the year due to a reduction in staffing levels that is reflected on the revenue side.

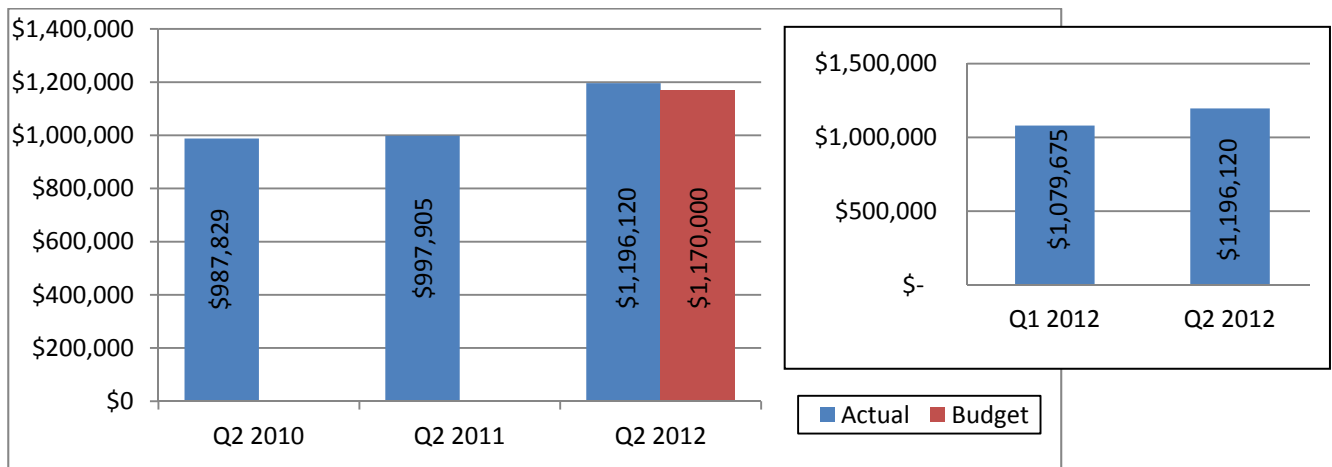
The variance in Operations is due to timing of initiatives such as floor waxing and the Fitness Centre Spruce Up. This account is anticipated to come in under budget for the year.

Booking & Events personnel costs are under budget due to reduced casual hours due to timing of initiatives but will end the year on budget.

The YTD variance in Guest Services is due to reduced staffing hours through streamlining of schedules and lower than budgeted wages based on wage grid placement of casual staff. This trend has continued in 2012 with anticipated savings to continue through the year.

Salaries have been decreased by -\$100,000 in the forecast to account for vacancies in different areas throughout the year and a change in service provision from casual janitorial to contract janitorial.

### Personnel Costs



## Servus Place Quarterly Report Second Quarter 2012

### Contracted & General Services

Contracted & General Services	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
	\$ 141,496	\$ 147,352	\$ 133,113	\$ 197,900	\$ (64,787)	\$ 308,023	\$ 393,100	\$ (85,077)

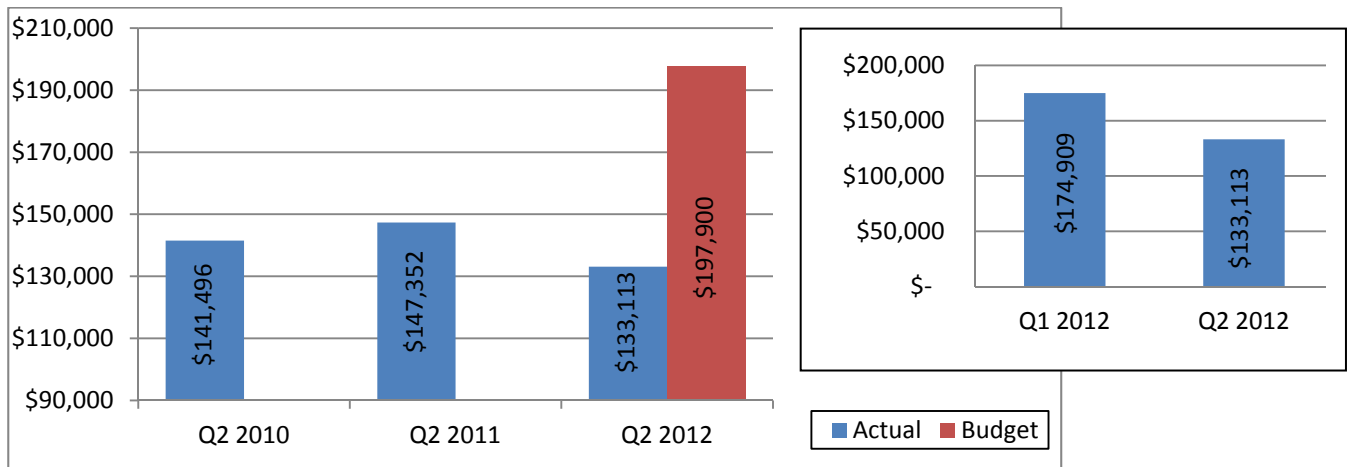
The variance in contracted and general services is due to timing of initiatives in advertising and promotions, insurance premiums, maintenance and repairs in fitness and development and training.

As part of ongoing continuous improvement, Servus Place has made changes to the security coverage in the facility. An adjustment has been made from overnight coverage to late afternoon and evenings to heighten the security presence in the facility, reduce incidents and support front line staff.

Janitorial services have also been improved, overnight janitorial coverage will now be provided by a contractor to do a set list of tasks and casual Servus Place staff will work exclusively during days and evenings. This gives us the ability to do deeper cleaning more often and maintain a higher standard of cleanliness.

There has been an increase to Contracted and General Services of \$10,000 in the forecast. This adjustment is based on an increase \$50,000 for the change in service provision from casual janitorial to contract janitorial and a decrease of \$40,000 based on lower than budgeted insurance premiums

### Contracted & General Services Expenses



## Servus Place Quarterly Report Second Quarter 2012

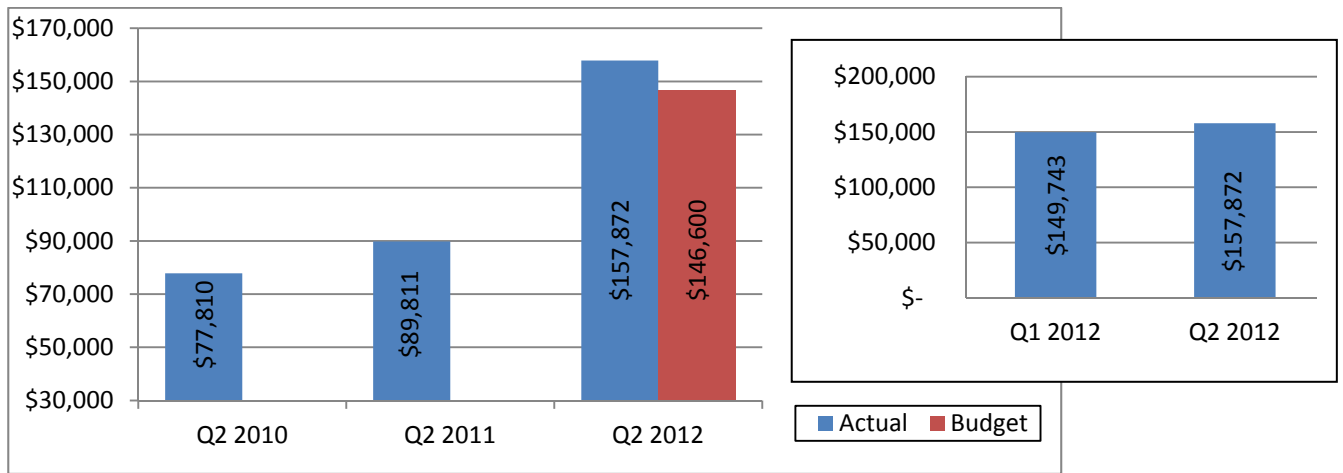
### Materials, Goods & Supplies

Materials, Goods & Supplies	Q2 2010 Actual	Q2 2011 Actual	Q2 2012 Actual	Q2 2012 Budget	Q2 2012 Variance	YTD 2012 Actual	YTD 2012 Budget	YTD 2012 Variance
	\$ 77,810	\$ 89,811	\$ 157,872	\$ 146,600	\$ 11,272	\$ 307,615	\$ 347,000	\$ (39,385)

Materials, goods and supplies are under budget primarily due to reduced operating supplies for the retail cost centre and timing of purchase of department uniforms.

This area is forecasted to end the year \$70,000 under budget due to lower than anticipated Starbucks revenue. This decrease in expenses is reflected on the revenue side under Commissions and Vending. For more detailed information, please see page 29 of this report.

#### Materials, Good & Supplies Expenses



## Servus Place Quarterly Report Second Quarter 2012

### 2012 Forecast

	2012 Department Budget	2012 Department Forecast (Based on Q2 Actuals)	Variance Between Budget and Forecast
Memberships	\$ 2,530,400	\$ 2,520,400	\$ (10,000)
Admission Fees	1,284,700	1,284,700	-
Lesson Fees	897,900	947,900	50,000
Rentals - Facility	1,561,900	1,581,900	20,000
Advertising/Sponsorship	444,500	484,500	40,000
Sale of Goods (Commission & Vending)	745,100	615,100	(130,000)
Miscellaneous Revenue	13,800	13,800	-
<b>Total Revenue</b>	<b>\$ 7,478,300</b>	<b>\$ 7,448,300</b>	<b>\$ (30,000)</b>
Personnel Costs	\$ 4,692,300	4,592,300	\$ (100,000)
Contracted & General Services	823,800	833,800	10,000
Utilities	970,900	1,000,900	30,000
Materials, Goods & Supplies	707,000	637,000	(70,000)
Transfer to Reserves	96,500	96,500	-
Transfer to Operations - Aquatics	775,800	726,000	(49,800)
Transfer to Operations - Public Works	741,100	741,100	-
<b>Total Expenses</b>	<b>\$ 8,807,400</b>	<b>\$ 8,627,600</b>	<b>\$ (179,800)</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ (1,329,100)</b>	<b>\$(1,179,300)</b>	<b>\$ 149,800</b>
Recovery Rate	85%	86%	1%
<b>Cost Centre 3171</b>			
<b>Total Revenue</b>	<b>\$ 489,700</b>	<b>509,700</b>	<b>20,000</b>
<b>Total Expenses</b>	<b>145,500</b>	<b>145,500</b>	<b>-</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ 344,200</b>	<b>\$ 364,200</b>	<b>\$ 20,000</b>
<b>Total Operating Surplus (Deficit)</b>	<b>\$ (984,900)</b>	<b>\$ (815,100)</b>	<b>\$ 169,800</b>

## Servus Place Quarterly Report Second Quarter 2012

Based on the Q2 financial information and analysis of trends, Servus Place is forecasting a year end net deficit of \$1,179,300 against a budgeted deficit of \$1,329,100. This is a decrease to the net deficit of \$149,800 and increase to the cost recovery by 1%.

### Revenue

- Memberships are anticipated to end the year below budget by \$10,000 due to lower than anticipated members
- Lesson fees have been adjusted by \$50,000 to reflect increased participation in registered fitness programs and fitness services, specifically in personal training.
- Rentals – Facility is forecasted to end the year \$20,000 over budget due to additional lease revenue from sport partners and non-traditional rentals.
- Advertising and Sponsorship has been adjusted by \$40,000 to reflect new signed commitments for sponsorships and advertisement in the facility.
- An adjustment of -\$130,000 has been made to Commissions and Vending based on reforecasted Starbucks revenue. There is a corresponding decrease in expenses.

### Expenses

- Salaries have been decreased by -\$100,000 in the forecast to account for vacancies in different areas throughout the year and a change in service provision from casual janitorial to contract janitorial.
- There has been an increase to Contracted and General Services of \$10,000. This adjustment is based on an increase \$50,000 for the change in service provision from casual janitorial to contract janitorial and a decrease of \$40,000 based on lower than budgeted insurance premiums
- Utilities have been increase by \$30,000 to account for higher than anticipated utility rates, primarily on electricity.
- Materials, Goods & Supplies are forecasted to end the year \$70,000 under budget due to lower than anticipated Starbucks revenue. This decrease in expenses is reflected on the revenue side under Commissions and Vending.
- Transfer to Operations – Aquatics is forecasted to end the year \$49,800 under budget based on facility traffic, actual expenses to date and reduced staffing levels.

### Cost Centre 3171 – Community Facility Rental

- Rental revenue for Akinsdale and Kinex Arenas is forecasted to end the year \$20,000 over budget. While the ammonia was being replaced in Troy Murray and Mark Messier Arenas at Servus Place, ice bookings were moved to Akinsdale and Kinex Arenas. These ice rentals brought in more revenue at this facility than the anticipated dry floor rentals.