

## Servus Place Quarterly Report Second Quarter 2014

### Income Statement of Revenue and Expenditures For the Period Ended June 30, 2014 (Un-Audited)

|  | 2014<br>Q2<br>Actual | 2014<br>Q2<br>Budget | 2014<br>Q2<br>Variance | 2014 YTD<br>Actual | 2014 YTD<br>Budget | 2014 YTD<br>Variance | 2014<br>Forecast<br>(As submitted<br>07-16) |
|--|----------------------|----------------------|------------------------|--------------------|--------------------|----------------------|---|
| Memberships                              | 684,372              | 700,800              | (16,428)               | 1,465,286          | 1,489,600          | (24,314)             | 2,743,400                                   |
| Admission Fees                           | 338,200              | 312,300              | 25,900                 | 849,105            | 791,200            | 57,905               | 1,518,300                                   |
| Lesson Fees                              | 234,321              | 252,500              | (18,179)               | 513,500            | 526,700            | (13,200)             | 1,081,600                                   |
| Rentals - Facility                       | 351,818              | 354,700              | (2,882)                | 855,139            | 834,600            | 20,539               | 1,715,900                                   |
| Advertising/Sponsorship                  | 152,622              | 145,300              | 7,322                  | 302,339            | 284,300            | 18,039               | 579,500                                     |
| Commissions & Vending                    | 149,545              | 137,000              | 12,545                 | 370,158            | 326,900            | 43,258               | 677,100                                     |
| Miscellaneous Revenue                    | 5,334                | 500                  | 4,834                  | 11,485             | 1,100              | 10,385               | 11,800                                      |
| <b>Total Revenue</b>                     | <b>1,916,212</b>     | <b>1,903,100</b>     | <b>13,112</b>          | <b>4,367,013</b>   | <b>4,254,400</b>   | <b>112,613</b>       | <b>8,327,600</b>                            |
| Personnel Costs                          | 1,219,009            | 1,284,000            | (64,991)               | 2,273,005          | 2,435,500          | (162,495)            | 4,804,400                                   |
| Contracted & General Services            | 178,307              | 190,400              | (12,093)               | 329,190            | 391,800            | (62,610)             | 797,000                                     |
| Utilities                                | 234,888              | 206,200              | 28,688                 | 514,025            | 471,800            | 42,225               | 1,118,500                                   |
| Materials, Goods & Supplies              | 179,354              | 147,700              | 31,654                 | 366,804            | 324,300            | 42,504               | 702,200                                     |
| Transfer to Reserves                     | 18,460               | 18,300               | 160                    | 45,430             | 44,200             | 1,230                | 89,000                                      |
| Transfer to Aquatics                     | 204,579              | 215,900              | (11,321)               | 351,386            | 363,900            | (12,514)             | 752,700                                     |
| Transfer to Public Works                 | 185,704              | 190,000              | (4,296)                | 359,928            | 381,000            | (21,072)             | 781,700                                     |
| <b>Total Expenditure</b>                 | <b>2,220,301</b>     | <b>2,252,500</b>     | <b>(32,199)</b>        | <b>4,239,768</b>   | <b>4,412,500</b>   | <b>(172,732)</b>     | <b>9,045,500</b>                            |
| <b>Net Surplus (Deficit)</b>             | <b>(304,089)</b>     | <b>(349,400)</b>     | <b>45,311</b>          | <b>127,245</b>     | <b>(158,100)</b>   | <b>285,345</b>       | <b>(717,900)</b>                            |
| <b>Recovery Rate</b>                     | <b>86%</b>           | <b>84%</b>           |                        | <b>103%</b>        | <b>96%</b>         |                      | <b>92%</b>                                  |
| Cost Centre 3171 Revenue                 | 99,452               | 101,300              | (1,848)                | 277,648            | 265,800            | 11,848               | 635,700                                     |
| Cost Centre 3171 Expenses                | 26,086               | 40,100               | (14,014)               | 59,986             | 74,600             | (14,614)             | 133,700                                     |
| <b>Operating Surplus (Deficit)</b>       | <b>73,366</b>        | <b>61,200</b>        | <b>12,166</b>          | <b>217,662</b>     | <b>191,200</b>     | <b>26,462</b>        | <b>502,000</b>                              |
| <b>Total Operating Surplus (Deficit)</b> | <b>(230,723)</b>     | <b>(288,200)</b>     | <b>57,477</b>          | <b>344,907</b>     | <b>33,100</b>      | <b>311,807</b>       | <b>(215,900)</b>                            |

# Servus Place Quarterly Report Second Quarter 2014

## Department Overview

During the second quarter of 2014, Servus Place resulted in a net deficit of \$304,089. This results in a contribution of \$12.94 per household to operate Servus Place, a decrease of \$5.33 from the same period in 2013. The number of households is based on the City of St. Albert 2012 Census.

The department is currently sitting at a 103% cost recovery, however, Servus Place is forecasting to end the year with an 92% cost recovery rate and a deficit of \$717,900 which is 1% ahead of budget.

Total revenue for Q2 2014 is \$1,916,212 which is on budget for the quarter. Variances in membership revenues and lesson fees were balanced out by additional revenues in admission fees, advertising and sponsorship and sale of goods.

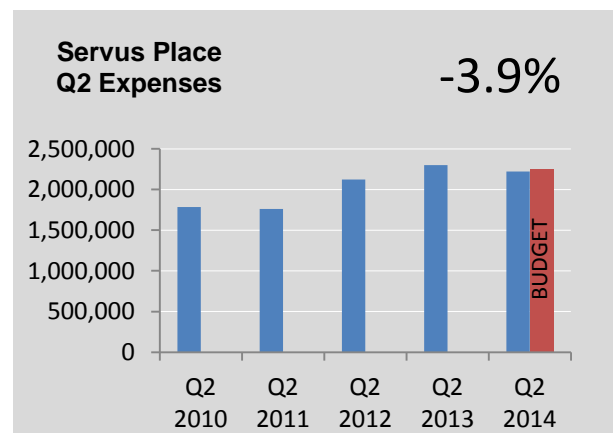
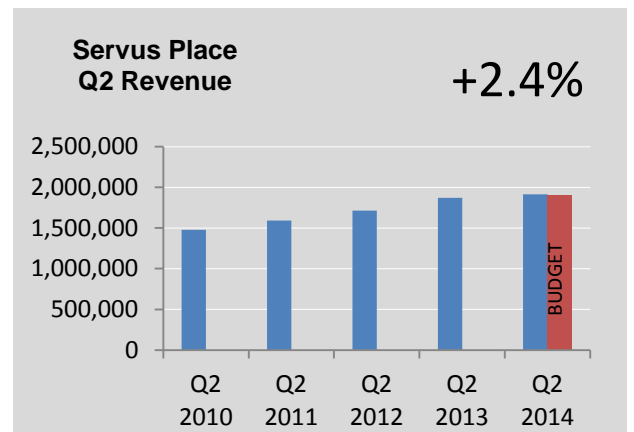
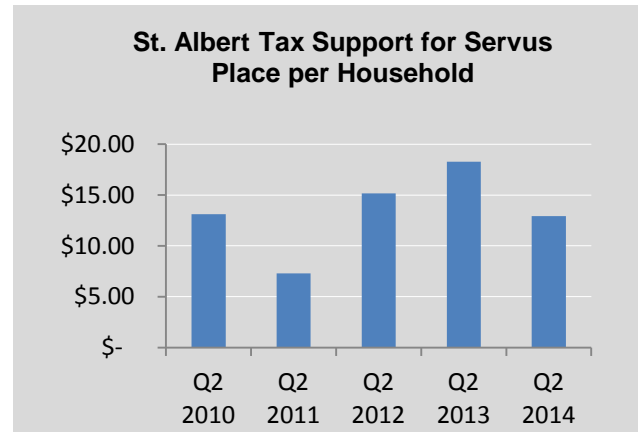
Year to date revenue is ahead of budget by 2.7% with memberships and lesson fees only slightly under budget (-1.6% and -2.5% respectively). All other revenue areas are ahead of budget.

Revenue is forecasted to end the year \$101,800 ahead of budget due to increases in admission fees (\$50,000), facility rental revenue (\$17,000), advertising and sponsorship revenue (\$15,000), sale of goods (\$30,000) and miscellaneous revenue (\$11,800). These increases are only slightly offset by a \$20,000 decrease in membership revenue.

Total expenses for Q2 2014 are \$2,220,301 which is \$32,199 below budget projections. This variance is due to savings in personnel costs (\$65,000), contracted and general services (\$12,000) and transfer to aquatics (\$11,000). These savings were offset by increase spending on utilities and materials, goods and supplies.

YTD expenses are slightly under with savings in personnel costs, contracted and general services, and internal transfers offset by utilities and materials goods and supplies.

Expenses are forecasted to end the year very close to budget. Decreases in personnel costs (\$187,200) and transfer to Aquatics (\$10,000) are offset by increased expenses in utilities (\$160,000) and materials, goods and supplies (\$30,000).

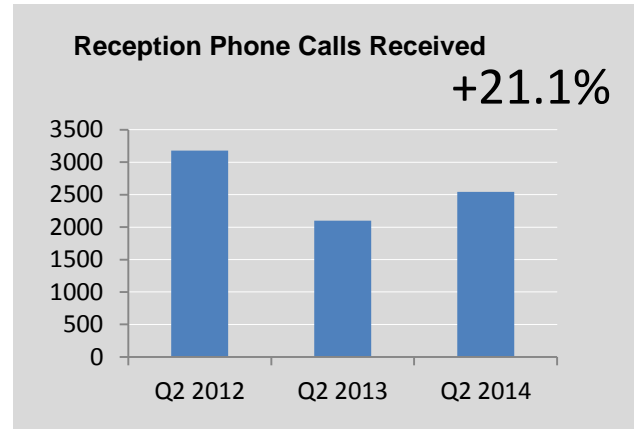


# Servus Place Quarterly Report Second Quarter 2014

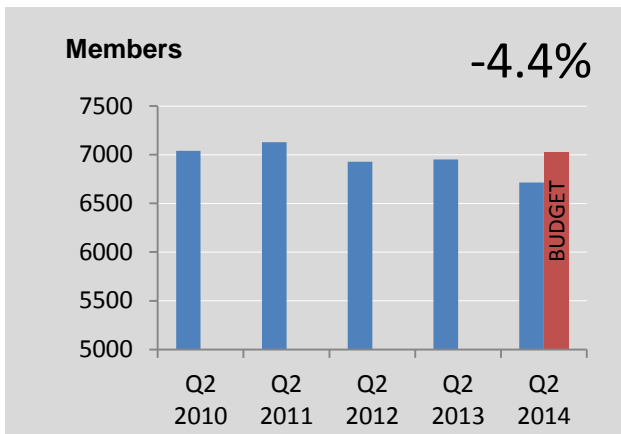
## Guest Services

Servus Place telephone reception continues to be a value added service with 2,542 calls taken in Q2 2014. This has increased 21.1% from Q2 2013. This increase could be due in part to the partnership that Servus Place has entered into with Corporate Communications & Design to forward the City of St. Albert reception calls to Servus Place during lunch hours and breaks.

On the first day of program registrations, there was a temporary issue with the online registration system that resulted in the public not being able to register for programs online. Consequently, a large volume of program registration calls were managed through Servus Place reception for a period of 1 day.



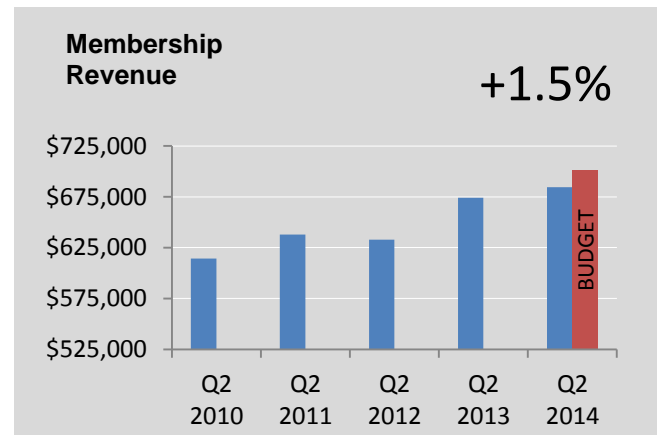
## Membership



Servus Place members of 6,715 are slightly below budget for Q2 2014.

The average number of family membership units per month for Q2 2014 is 515, which equates to 4.7 individual members per family membership unit.

Corporate memberships represent 22.5% of the Servus Place memberships.



Membership revenue for Q2 2014 is \$684,372 which is slightly below budget (-2.3%) and slightly above Q2 2013 (1.5%).

## Servus Place Quarterly Report Second Quarter 2014

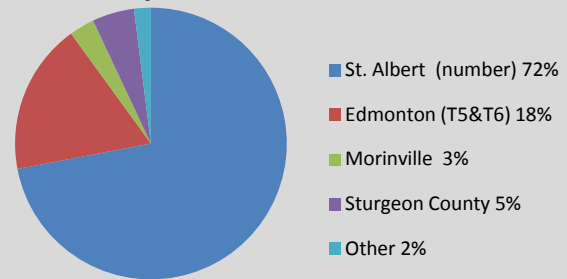
In Q2 2014, the average percentage of members who are St. Albert residents is 72% which is a 2% decrease from Q2 2012. This number has seen gradual decreases over the past few years. The improved accessibility to other communities has led to an increase in the number of members from outside of St. Albert.

The percentage of members that are from Edmonton has seen high growth from 9% in Q2 2012 to 18% in Q2 2014.

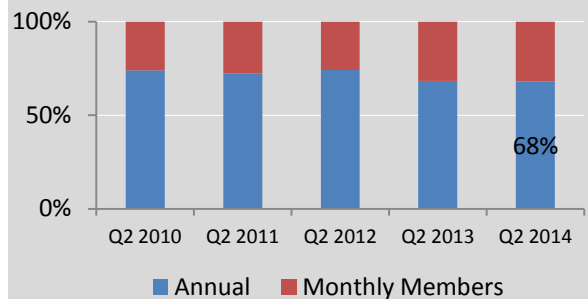
In Q2 2014, annual memberships accounted for 68% of the total memberships which is the same as it was in Q2 2013. Annual membership totals are the key indicators of sustained monthly revenues that contribute, as a large driver, to the facility financial model.

This quarter, 16% of Servus Place members were annual members who renewed their membership with no lapse and 11% were brand new members (monthly and annual) who have never had a membership before.

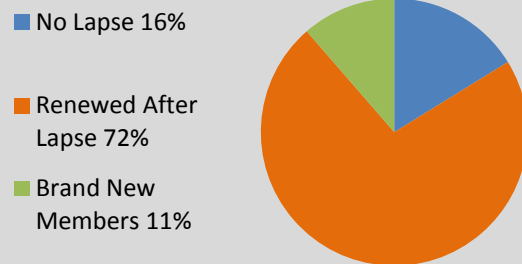
**Members by Postal Code - Q2 2013**



**Percentage of Annual Members**



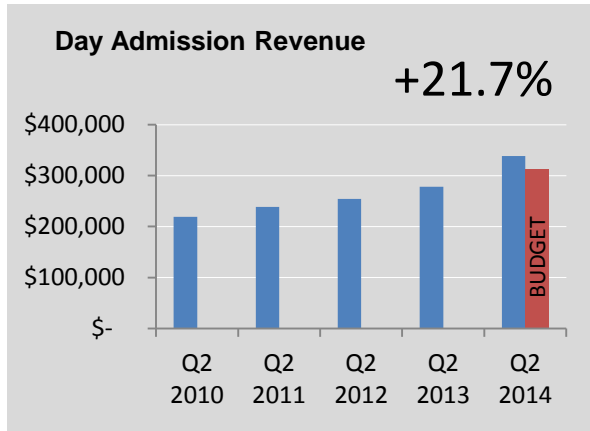
**Q2 2014 Members by Renewal Lapse Time**



| Memberships                 | Q2 2012 Actual    | Q2 2013 Actual    | Q2 2014 Actual    | Q2 2014 Budget    | Q2 2014 Variance   | YTD Actual         | YTD Budget         | YTD Variance       |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Adult                       | 2,863             | 2,791             | 2,651             | 2,726             | -75                | 2,953              | 2,972              | -19                |
| Child                       | 320               | 275               | 243               | 293               | -50                | 268                | 312                | -44                |
| Family                      | 2,344             | 2,397             | 2,399             | 2,441             | -42                | 2,463              | 2,595              | -132               |
| Senior                      | 760               | 782               | 857               | 802               | 55                 | 954                | 853                | 102                |
| Student                     | 358               | 351               | 353               | 349               | 4                  | 378                | 371                | 7                  |
| Youth                       | 284               | 256               | 211               | 279               | -68                | 234                | 297                | -63                |
| <b>Total Members</b>        | <b>6,929</b>      | <b>6,852</b>      | <b>6,715</b>      | <b>7,025</b>      | <b>-310</b>        | <b>7,248</b>       | <b>7,465</b>       | <b>-217</b>        |
| Total Paid Membership Units | 5,069             | 4,957             | 4,831             | 5,103             | -272               | 5,314              | 5,423              | -109               |
| Corporate Memberships       | 1,766             | 1,106             | 1,087             | 0                 | 1,087              | 1,092              | 0                  | 1,092              |
| <b>Membership Revenue</b>   | <b>\$ 633,004</b> | <b>\$ 674,007</b> | <b>\$ 684,372</b> | <b>\$ 700,800</b> | <b>\$ (16,428)</b> | <b>\$1,465,285</b> | <b>\$1,489,600</b> | <b>\$ (24,315)</b> |

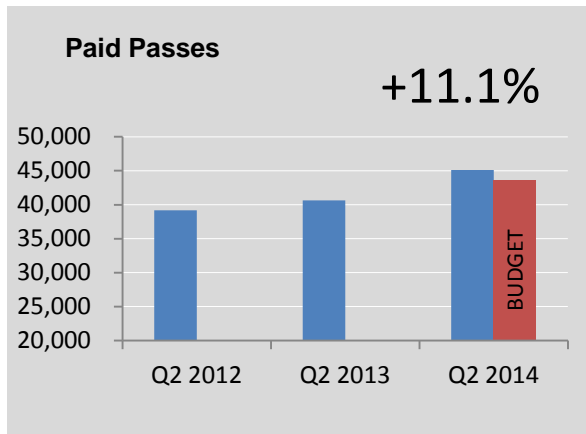
## Servus Place Quarterly Report Second Quarter 2014

### Day Admissions



The Day Admission revenue for Q2 2014 is \$338,200. This revenue has increased 21.7% from Q2 2013 and is ahead of budget for the quarter (+8.3%) due to increase in the number of paid passes. This increase is largely due to the fact that the Landrex Water Play Centre was only 3.5 days for their annual shut down compared to 21 days in 2013.

The day admissions are currently \$25,000 ahead of budget and this trend is anticipated to continue. This area is forecasted to end the year \$50,000 ahead of budget.



Admission highlights for Q2 2014 were:

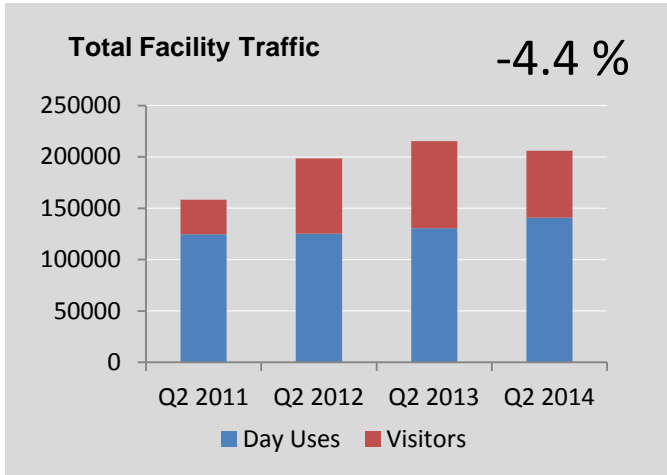
- Spring Break – 27,099 admissions.
- Easter Weekend – 7,950 admissions.

Paid passes are 39,782 for Q2 2014. An increase of 11.1% has been seen from Q2 2013 to Q2 2014 primarily in the adult and senior categories.

Paid Passes are the number of people that purchased a day admission to use the facility. Paid passes information has been collected since 2011 to provide a better indication of the number of individuals paying to access the facility.

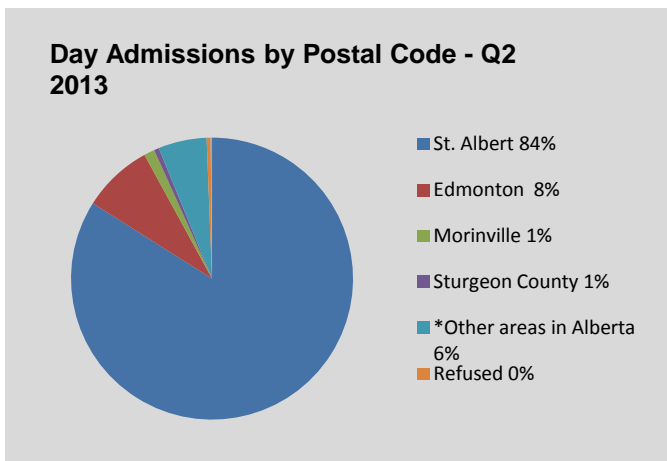
| Day Admissions                  | Q2 '12            | Q2 '13            | Q2 '14            | Q2 '14 Budget     | Q2 '14 Variance  | YTD               | YTD Budget        | YTD Variance     |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| Adult                           | 10,190            | 11,350            | 11,922            | 10,868            | 1,054            | 29,958            | 27,946            | 2,970            |
| Child                           | 12,227            | 12,686            | 13,536            | 13,500            | 36               | 31,981            | 34,716            | -5,506           |
| Family                          | 12,546            | 11,719            | 14,185            | 14,171            | 14               | 36,818            | 36,439            | 744              |
| Senior                          | 761               | 1,145             | 1,315             | 949               | 366              | 2,955             | 2,440             | 664              |
| Youth                           | 3,473             | 3,719             | 4,177             | 4,197             | -20              | 10,244            | 10,794            | -1,080           |
| <b>Total Paid Passes</b>        | <b>39,197</b>     | <b>40,619</b>     | <b>45,135</b>     | <b>43,685</b>     | <b>1,450</b>     | <b>111,956</b>    | <b>112,335</b>    | <b>-2,208</b>    |
| Total Membership Swipes         | 85,109            | 89,870            | 95,676            |                   |                  | 229,645           |                   |                  |
| <b>Total Day Uses</b>           | <b>124,306</b>    | <b>130,489</b>    | <b>140,811</b>    |                   |                  | <b>341,601</b>    |                   |                  |
| Paid Pass Revenue               | 241,516           | 264,140           | 309,894           | 160,278           | 149,616          | 773,121           | 622,078           | 152,470          |
| Multiple Access Revenue         | N/A               | N/A               | 13,569            | -                 | 13,569           | 40,451            | -                 | 67,333           |
| Childminding Revenue            | 12,782            | 13,779            | 14,737            | 12,500            | 2,237            | 35,534            | 29,600            | 9,631            |
| Comm. Drop-In Prog Rev          | 90                | 16                | -                 | -                 | -                | -                 | -                 | -                |
| <b>Total Admission Fees Rev</b> | <b>\$ 254,388</b> | <b>\$ 277,935</b> | <b>\$ 338,200</b> | <b>\$ 312,300</b> | <b>\$ 25,900</b> | <b>\$ 849,106</b> | <b>\$ 791,200</b> | <b>\$ 89,912</b> |

## Servus Place Quarterly Report Second Quarter 2014



Overall facility traffic has seen slight decrease from the same period in 2012 with just over 206,000 people through the facility in Q2 2014.

This decrease was seen primarily in April which saw 8,000 less individuals through the facility in Q2 2014, a slight decrease from Q2 2013.



Day admissions by postal code continue to see St. Albert as the highest demographic utilizing Servus Place via day admissions and has increased 600 day admission from Q2 2013. The percentage of day admissions from Edmonton has seen slight decreases (-5%) from Q2 2013, however, there has been a 3% increase in the number of members from Edmonton.

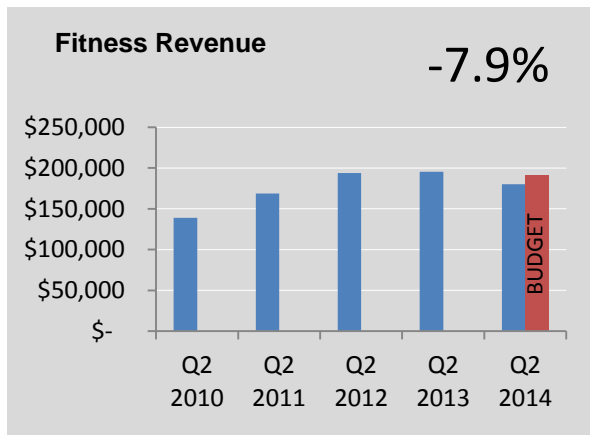
# Servus Place Quarterly Report

## Second Quarter 2014

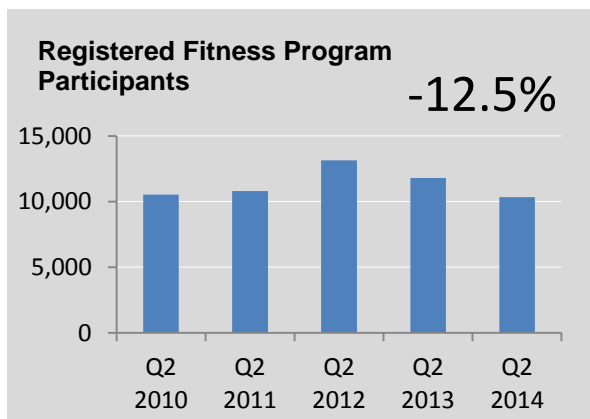
### Lesson Fees

Lesson fees are below budget for Q2 2014 due to lower than budgeted fitness and recreation revenue. This area is anticipated to end the year on budget.

### Fitness Programs & Services



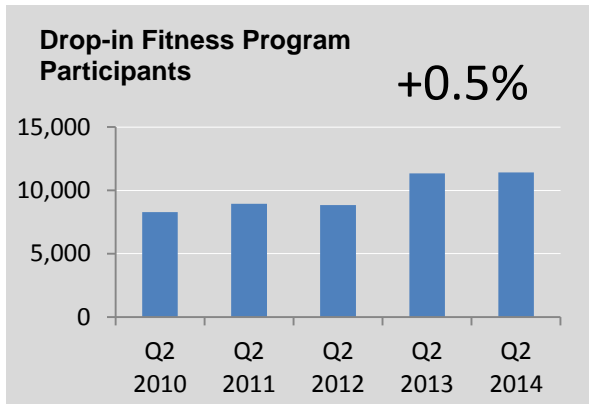
In Q2 2014, fitness program revenue is \$180,018 which is -6.0% below budget and -7.9% below Q2 2013. This variance is due to a decrease in the number of program registrants.



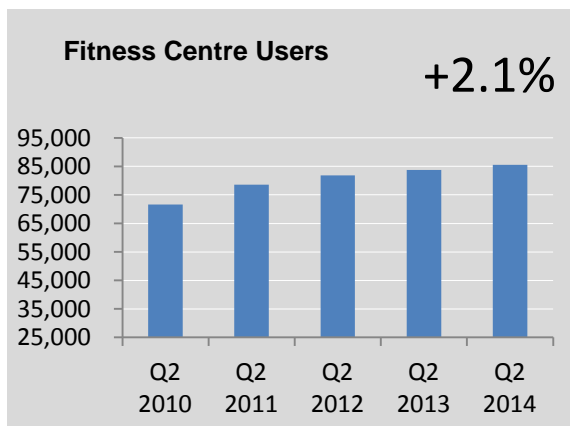
Registered fitness program participants are at 10,328 for Q2 2014 which is a significant decrease of -12.5% from Q2 2013.

Current trends in fitness programs include high registrations in pre and post natal programs as well as fusion programs such as *Spin and Soul* and *Triple Threat*.

## Servus Place Quarterly Report Second Quarter 2014



Drop-in participants were 11,407 in Q2 2014 which is 59 more than Q2 2013. There was an average of 64 participants per drop-in fitness program.



In Q2 2014, there were 85,499 users of the Fitness Centre which is a slight increase from Q2 2013 (2.1%).

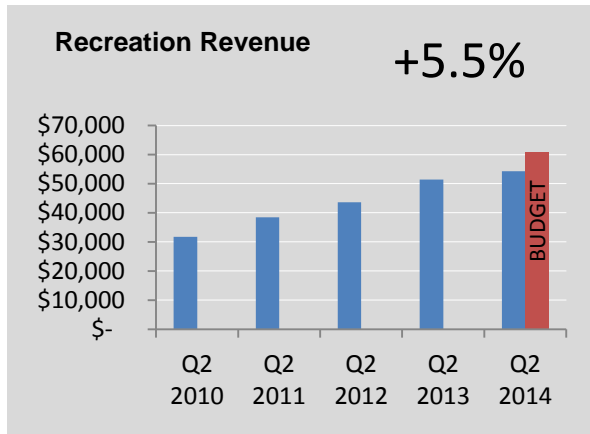
From June 23 to 24, the Fitness Centre was closed for the annual Spruce Up that included work in the Fitness Centre, Christenson Development Track and Training Centre, Fitness Studio, Mind Body Studio and fitness storage rooms. Work that was done included:

- The complete dismantling of the fitness centre for a deep clean, repair and maintenance on all cardio pieces, strength and plate loaded fitness equipment.
- All walls were painted to the ceiling.
- All lights and ballasts changed.
- A thorough deep clean of the floors and change rooms by the custodial staff.
- The track was thoroughly cleaned in each corner including all 24 spin bikes, 6 rowers and 6 fans.



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## Recreation Programs & Services

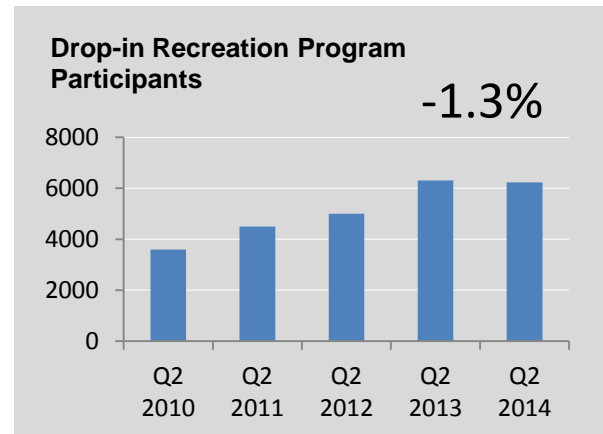
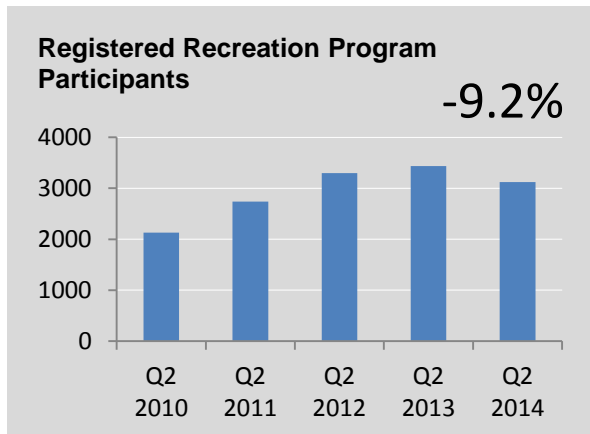


The Q2 2014 child minding participation decreased by 382 compared to Q2 2013.

Program evaluations were completed and recreation programs received 100% program satisfaction in Q2 with 22% of respondents very satisfied and 78% of respondents extremely satisfied.

Feedback from the program evaluations is used to ensure that programs are meeting people's expectations. Any feedback about a specific program is shared with the instructors so they can ensure they continue to deliver outstanding programs.

Recreation program revenue for Q2 2014 is \$54,303 which is 5.5% above Q2 2013 but below budget by -10.8% due largely to a decrease in the amount of weekday afterschool programs.



Registered Program participants are 3,121 in Q2 2014 which is a slight decrease from Q2 2013. There was an 88% fill rate in Servus Place and Community Recreation programs which is a decrease of 4% from the same period in Q2 2013. This is primarily due to the cancellation of all afterschool weekday programming and a slight reduction in community recreation programs.

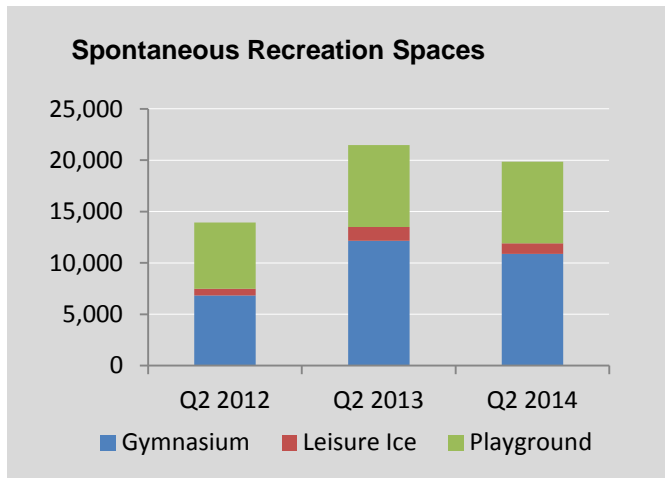
Drop in Program participants were 6,320. This number has seen slight decreases from Q2 2013.

# Servus Place Quarterly Report

## Second Quarter 2014

### Servus Place Recreation Programs

Over 21,000 individuals took advantage of the spontaneous spaces at Servus Place including the ReidBuilt Community Gymnasium (10,900) and the Kingsway Toyota Indoor Playground (7,900) and Leisure Ice (1,000). These numbers have decreased by 1,600 from Q2 2013. However, with the three week shut down of the Landrex Water Play Centre (LWPC) in 2013, individuals visiting the facility may have increased utilization of these other spontaneous spaces since the LWPC was not available to them.



# Servus Place Quarterly Report Second Quarter 2014

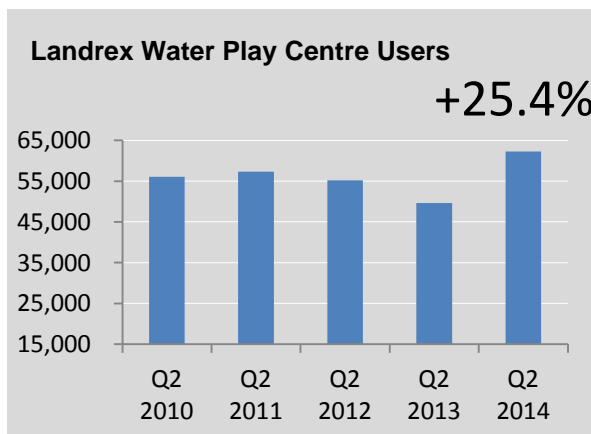
## Aquatics

The Annual Landrex Water Play Centre was scheduled for May 19 – May 23, however, the LWPC was able to be opened ahead of schedule in the afternoon of May 22. Highlights of the work completed included:

- Bench replacement in the sauna.
- Deep cleaning of the deck and locker rooms.
- Minor tile repairs in the steam room, deck and locker rooms.
- Lazy river pump refurbishment.
- Face plate replacement of all the outlets in the locker rooms.
- Minor paint touch ups.

In June, the family locker room stall partitions were replaced as part of the Servus Place Lifecycle program.

In conjunction with the Life Saving Society, new “Within Arms Reach” signage was installed in all City pools. The “Within Arms Reach” message is part of the Water Smart program designed to educate parents and caregivers on their role as a supervisor in the water. The new sign serves as a reminder to all caregivers to remain actively within arms reach of any child under the age of 8.



In Q2 2014, there were approximately 62,000 users of the Landrex Water Play Centre (LWPC), which is a 25.4% increase from Q2 2013. This increase was due to the annual Spruce Up requiring the LWPC to be closed for 4 days in 2014 whereas in 2013, the Spruce Up closed the LWPC for 21 days



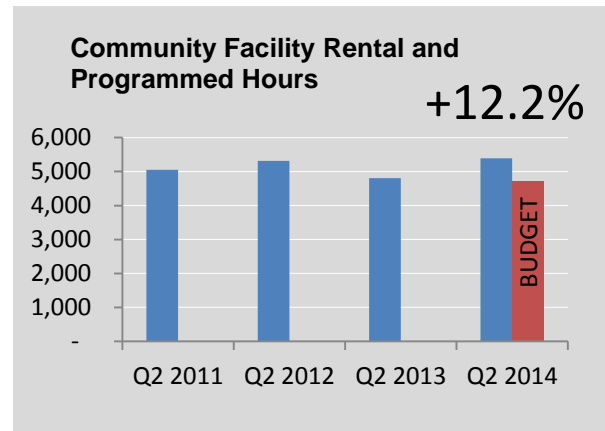
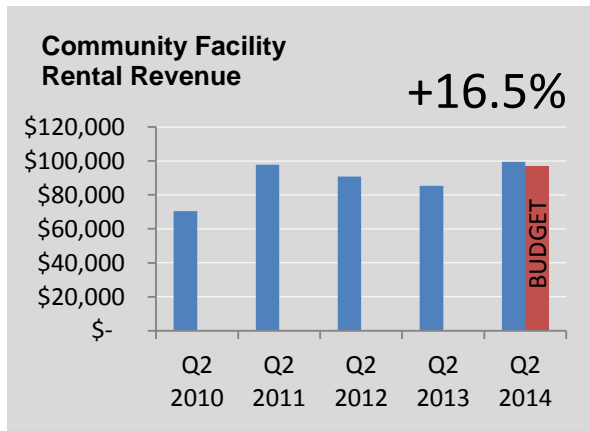
The Aquatics contract of \$204,579 was under budget for Q2 2014 by approximately \$11,000 for Q2. This area is anticipated to end the year \$10,000 below budget.

## Servus Place Quarterly Report Second Quarter 2014

### Booking & Events

In Q2 2014, Booking & Events staff completed the Fall/Winter 2014/15 ice allocation completed and met with schools to review 2014/15 booking schedule.

#### Community Facility Rental and Programmed Hours



Community recreation facility rental revenue of \$99,452 is slightly ahead of budget due to additional bookings by Figure Skating and 3 on 3 Hockey in the Akinsdale/Kinex arenas as well as the usage of outdoor rinks by outdoor field users.

Rental and programmed hours were 6,248 in Q2 2014 which is significantly ahead of budget.

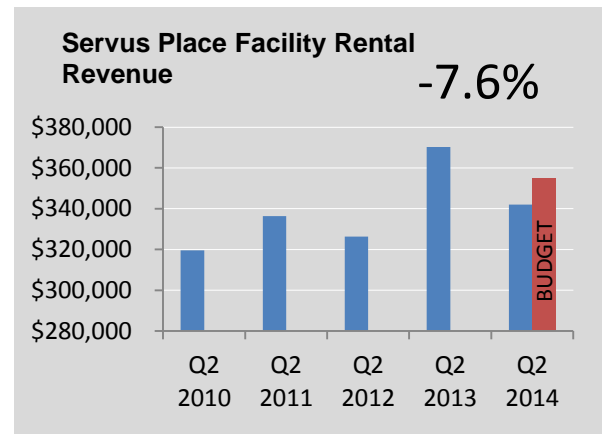
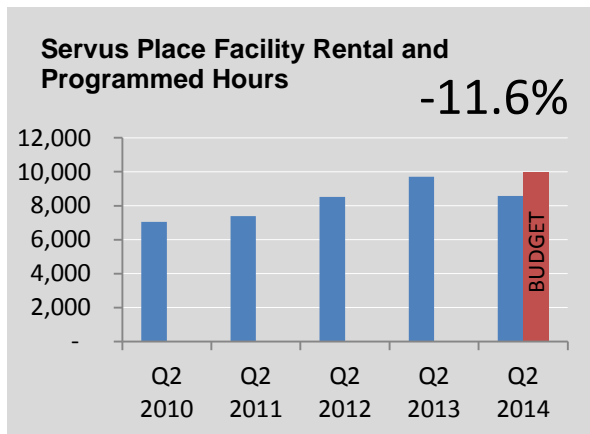
This area is anticipated to end the year \$10,000 ahead of budget.

| Community Recreation Facilities Rental Revenue | Q2 '12           | Q2 '13           | Q2 '14           | Q2 '14 Budget    | Q2 '14 Variance | YTD Actual        | YTD Budget        | YTD Variance     |
|--|------------------|------------------|------------------|------------------|-----------------|-------------------|-------------------|------------------|
| 10920 Akinsdale/Kinex                          | \$ 53,459        | \$ 54,192        | \$ 50,551        | \$ 49,300        | \$ 1,251        | \$ 218,619        | \$ 204,200        | \$ 14,419        |
| 10921 Playfields/Playgrounds                   | \$ 23,123        | \$ 13,925        | \$ 25,338        | \$ 26,400        | \$ (1,062)      | \$ 25,338         | \$ 26,400         | \$ (1,062)       |
| 10922 Outdoor Rinks                            | \$ 140           | \$ 72            | \$ 3,962         | \$ 75            | \$ 3,887        | \$ 10,665         | \$ 8,100          | \$ 2,565         |
| 10923 Clubhouses                               | \$ 1,381         | \$ 1,648         | \$ 1,704         | \$ 1,500         | \$ 204          | \$ 3,767          | \$ 2,500          | \$ 1,267         |
| 10924 Riel Sport Field                         | \$ 12,709        | \$ 15,542        | \$ 17,897        | \$ 19,500        | \$ (1,603)      | \$ 17,897         | \$ 20,100         | \$ (2,203)       |
| <b>Total</b>                                   | <b>\$ 90,811</b> | <b>\$ 85,379</b> | <b>\$ 99,452</b> | <b>\$ 96,775</b> | <b>\$ 2,677</b> | <b>\$ 276,285</b> | <b>\$ 261,300</b> | <b>\$ 14,985</b> |

## Servus Place Quarterly Report Second Quarter 2014

### Servus Place Facility Rental and Programmed Hours

| Q2 2014 Events List                                      | Approx. Participants | Approx Spectators | Date          |
|--|----------------------|-------------------|---------------|
| St. Albert Chamber of Commerce Lifestyle Expo Trade Show |                      | 8000-10000        | April 4-6     |
| City Manager's Cup                                       | 100                  |                   | April 10      |
| Snowmobile Dealers Preview                               | 200                  |                   | April 11-12   |
| Ringette Alberta RAB Cup                                 | 150                  |                   | April 25-27   |
| Blues Lacrosse Tournament                                | 600                  | 600               | April 25-27   |
| Desa Spirit of the North Karate                          | 400                  | 300               | May 3-4       |
| Kinderland Market  | 100 exhibitors       | 1500              | May 3         |
| Poundmaker Lodge Spring Dance Festival                   | 600                  |                   | May 16 - 18   |
| Road Rage  | 400                  |                   | May 24-25     |
| The Eek! Comic & Pop Culture Fest                        | 100                  | 5000              | May 30-June 1 |
| Take It or Leave It                                      | 2000                 |                   | June 7        |
| Baggataway Lacrosse Tournament                           | 600                  |                   | June 6-8      |

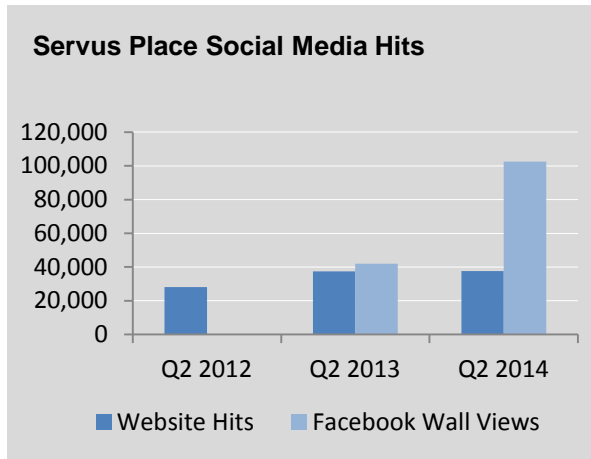


Servus Place rental hours (8,585) and revenue (\$351,818) are both slightly under budget for Q2 2014.

| Servus Place Rental Revenue | Q2 '12            | Q2 '13            | Q2 '14            | Q2 '14 Budget     | Q2 '14 Variance   | YTD Actual        | YTD Budget        | YTD Variance     |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|
| Arenas                      | \$ 172,929        | \$ 198,199        | \$ 198,424        | \$ 193,500        | \$ 4,924          | \$ 477,363        | \$ 463,800        | \$ 13,563        |
| Fieldhouses                 | \$ 51,259         | \$ 53,545         | \$ 54,406         | N/A               | N/A               | \$ 174,124        | N/A               | N/A              |
| Gymnasiums                  | \$ 5,285          | \$ 7,399          | \$ 7,412          | N/A               | N/A               | \$ 19,686         | N/A               | N/A              |
| Meeting rooms               | \$ 40,312         | \$ 46,381         | \$ 27,082         | N/A               | N/A               | \$ 43,670         | N/A               | N/A              |
| Leaseholders                | \$ 53,782         | \$ 52,012         | \$ 53,363         | \$ 55,500         | \$ (2,137)        | \$ 109,544        | \$ 92,500         | \$ 17,044        |
| Party Rentals               | \$ 2,809          | \$ 2,345          | \$ 1,373          | N/A               | N/A               | \$ 3,023          | N/A               | N/A              |
| Refurbishment Charges       | \$ -              | \$ 10,441         | \$ 9,760          | \$ 9,600          | \$ 160            | \$ 27,831         | \$ 26,600         | \$ 1,231         |
| <b>Total Revenue</b>        | <b>\$ 326,375</b> | <b>\$ 370,322</b> | <b>\$ 351,820</b> | <b>\$ 354,700</b> | <b>\$ (2,882)</b> | <b>\$ 855,139</b> | <b>\$ 834,600</b> | <b>\$ 20,539</b> |

# Servus Place Quarterly Report Second Quarter 2014

## Business & Marketing

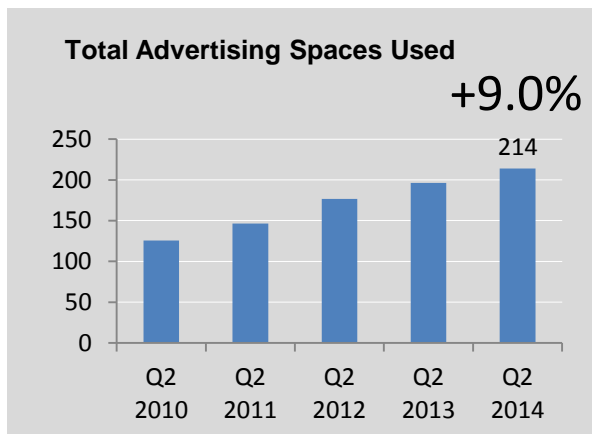


Facebook wall views have more than doubled from Q2 2013 to Q2 2014. The number of Servus Place Facebook posts has only increased by 5 over this period, however with 1,503 Facebook page likes and 2,722 visitors; the page has experienced significantly increased traffic.

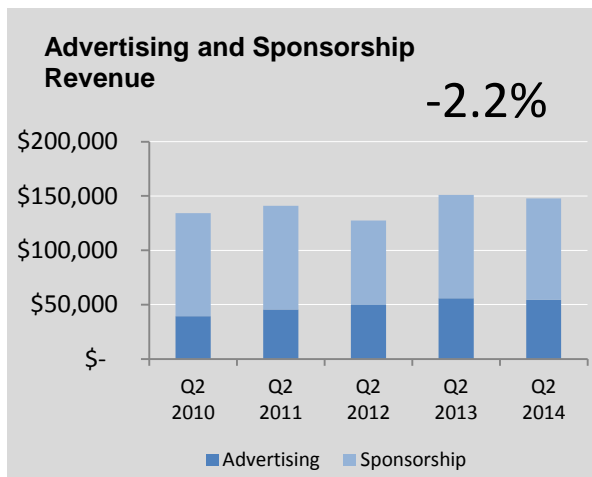
As the marketing of Servus Place continues to evolve, the development and growth of electronic marketing and communication tools is becoming more and more important in how facility users get their information. In 2013, the Servus Place mobile app was launched and it currently has over 1,900 downloads.

Other work completed by Business & Marketing in Q2 2014 includes:

- Continued implementation of the LCD screen system at Servus Place.
- The Economic Impact Study report was completed in Q2. This report is the result of a year-long survey process to understand the impact of major events on the St. Albert economy.



Total advertising spaces used have increased by 18 spaces from Q2 2013 to Q2 2014. This addition is due to new spaces being added to support two new advertisers who were looking for creative space usage.



Advertising sales are above budget by \$5,000 due to continued implementation of the advertising strategy. The strategy identified new inventory opportunities such as LCD screens and wall signs. Advertising has been steadily growing over the past two years and this year continues to see such growth.

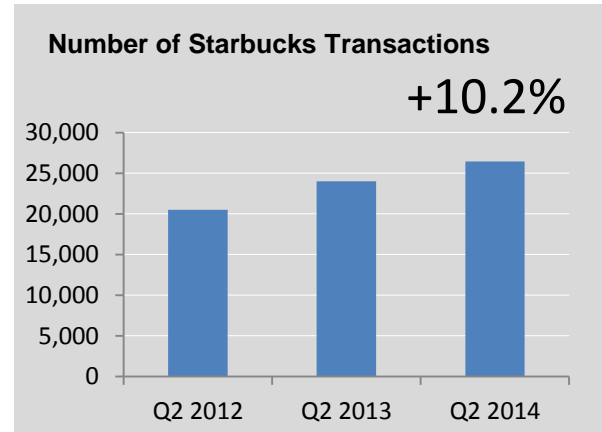
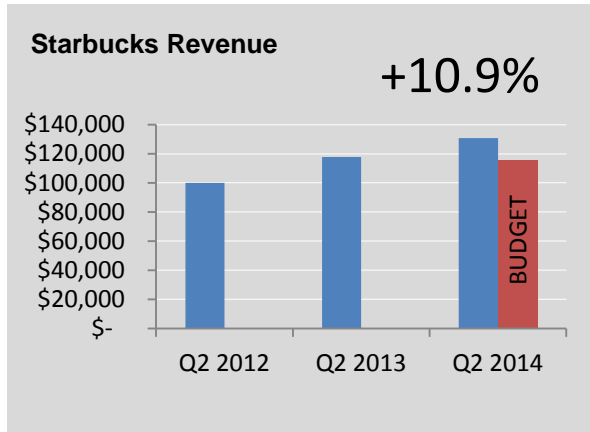
Sponsorship revenue is over budget by \$1,800 due to unbudgeted revenue from program sponsors. These are short-term agreements that expire in 2014 and carry through from 2013. The implementation of the sponsorship strategy and tactical plan has produced steady growth over the past two years.

This area is anticipated to end the year \$15,000 ahead of budget based on signed advertising and sponsorship commitments.

The Servus Place website had almost 38,000 hits in Q2 with April seeing the highest number of hits (16,380). This is a slight increase in the number of website hits from Q2 2013.

## Servus Place Quarterly Report Second Quarter 2014

### Retail



| Retail Revenue       | Q2 '12            | Q2 '13            | Q2 '14           | Q2 '13 Budget    | Q2 '13 Variance   | YTD              | YTD Budget       | YTD Variance     |
|----------------------|-------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| Operating Revenue    | \$ 99,955         | \$ 117,878        | \$ 130,698       | \$ 115,500       | \$ 15,198         | \$ 334,571       | \$ 286,100       | \$ 48,471        |
| Operating Expenses   | \$ 112,958        | \$ 126,106        | \$ 131,919       | \$ 103,080       | \$ 28,839         | \$ 275,671       | \$ 222,140       | \$ 53,531        |
| <b>Subtotal</b>      | <b>-\$ 13,003</b> | <b>-\$ 8,228</b>  | <b>-\$ 1,221</b> | <b>\$ 12,420</b> | <b>-\$ 13,641</b> | <b>\$ 58,900</b> | <b>\$ 63,960</b> | <b>-\$ 5,060</b> |
| Transfer To Reserves | \$ 3,750          | \$ 8,800          | \$ 8,700         | \$ 8,700         | \$ -              | \$ 17,600        | \$ 17,600        | \$ -             |
| <b>Total</b>         | <b>-\$ 16,753</b> | <b>-\$ 17,028</b> | <b>-\$ 9,921</b> | <b>\$ 3,720</b>  | <b>-\$ 13,641</b> | <b>\$ 41,300</b> | <b>\$ 46,360</b> | <b>-\$ 5,060</b> |

In Q2 2014, Starbucks sales were strong with an increase of 10.9% over Q2 2013 and an increase of 13.2% over budget. There are corresponding increases in expenses as a result. Starbucks saw 26,458 transactions in Q2 with an average of \$4.94 per transaction. This is an increase of over 2,400 transactions (10.2%) from in Q2 2013.

This area is anticipated to end the year ahead of budget in revenue, with corresponding increases in operating supplies.

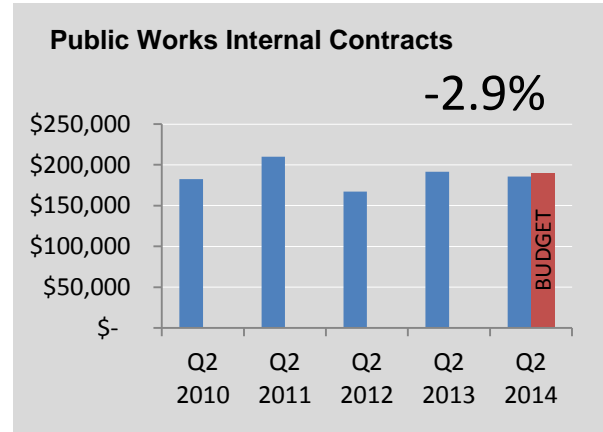
# Servus Place Quarterly Report Second Quarter 2014

## Operations

### Public Works Internal Contracts

The Transfer to Public Works was \$ 185,704 which is 2.3% below budget and 2.9% below Q2 2013.

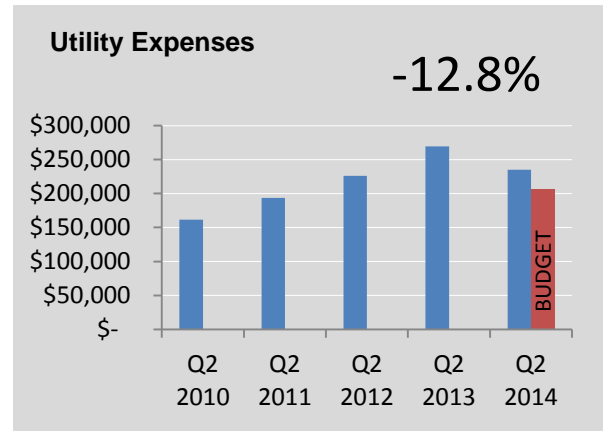
This account is anticipated to end the year on budget.



### Utilities

Utilities were \$234,888 in Q2 which is \$28,688 over budget but 12.8% below Q2 2013 totals. This area is forecasted to end the year \$160,000 ahead of budget.

The utility budget is set based on the City's corporate utility model. Further analysis is required to ensure that the utility model is accurately reflecting the utility costs for Servus Place as the trend has been to end of the year over budget.

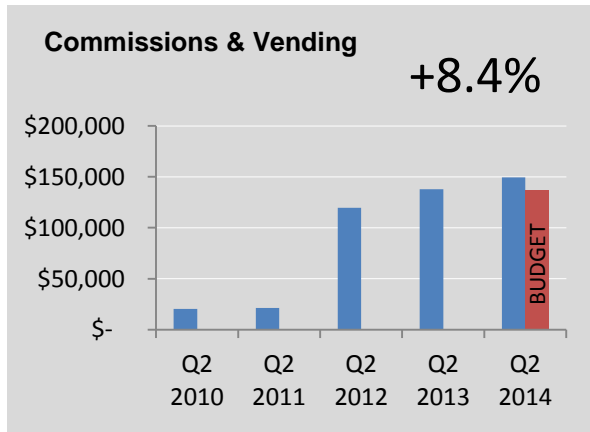


| Utility Expenses    | Q2 '12            | Q2 '13            | Q2 '14            | Q2 '14 Budget     | Q2 '14 Variance  | YTD Actual        | YTD Budget        | YTD Variance     |
|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| Electricity         | \$ 150,452        | \$ 176,780        | \$ 127,555        | \$ 131,200        | \$ (3,645)       | \$ 289,516        | \$ 283,900        | \$ 5,616         |
| Natural Gas         | \$ 44,302         | \$ 64,432         | \$ 72,866         | \$ 50,300         | \$ 22,566        | \$ 162,021        | \$ 137,300        | \$ 24,721        |
| Water and Waste     | \$ 28,577         | \$ 23,845         | \$ 29,859         | \$ 21,400         | \$ 8,459         | \$ 53,624         | \$ 44,000         | \$ 9,624         |
| Telephone and Cable | \$ 2,532          | \$ 4,176          | \$ 4,608          | \$ 3,300          | \$ 1,308         | \$ 8,865          | \$ 6,600          | \$ 2,265         |
| <b>Total</b>        | <b>\$ 225,863</b> | <b>\$ 269,233</b> | <b>\$ 234,888</b> | <b>\$ 206,200</b> | <b>\$ 28,688</b> | <b>\$ 514,026</b> | <b>\$ 471,800</b> | <b>\$ 42,226</b> |



## Servus Place Quarterly Report Second Quarter 2014

### Commissions & Vending



Commissions and vending was \$149,545 for Q2 2014 which is 8.4% over Q2 2013 and 9.2% over budget. The variance in commissions and vending is primarily due to higher than budgeted retail revenue. Lower than budgeted vending commissions have offset this revenue.

The budget for commissions and vending significantly increased in 2012 with the addition of Starbucks Revenue to the Servus Place operating budget.

This area is anticipated to end the year by above budget by \$30,000 due to higher than budgeted retail revenue.

| Commissions & Vending Revenue | Q2 '12            | Q2 '13            | Q2 '14            | Q2 '14 Budget     | Q2 '14 Variance  | YTD Actual        | YTD Budget        | YTD Variance     |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| Vending Commission Rev        | 11,943            | 12,132            | 10,193            | 13,000            | (2,807)          | 14,747            | 23,800            | (9,053)          |
| Locker Revenue                | 6,753             | 7,310             | 7,955             | 8,700             | (745)            | 18,850            | 17,400            | 1,450            |
| Guest Services                | 882               | 761               | 1,035             | -                 | 1,035            | 2,373             | -                 | 2,373            |
| Miscellaneous Revenue         | 580               | 560               | 500               | 300               | 200              | 980               | 700               | 280              |
| Retail Revenue                | 99,333            | 117,208           | 129,862           | 115,000           | 14,862           | 333,209           | 285,000           | 48,209           |
| <b>Total C&amp;V Revenue</b>  | <b>\$ 119,491</b> | <b>\$ 137,971</b> | <b>\$ 149,545</b> | <b>\$ 137,000</b> | <b>\$ 12,545</b> | <b>\$ 370,159</b> | <b>\$ 326,900</b> | <b>\$ 43,259</b> |

## Servus Place Quarterly Report Second Quarter 2014

### Personnel Costs

Personnel Costs for Q2 2014 are \$1,219,009 which is on budget for the quarter.



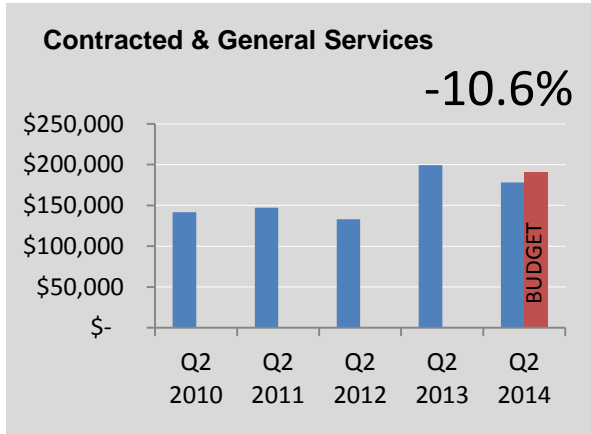
The Administration Personnel costs are significantly under budget due to the transfer of the Recreation and Parks Director's salary (formerly Servus Place Director) to the new department's administrative cost centre. This area is anticipated to end the year under budget. This change was part of the realignment of the Recreation Services and Servus Place departments in September 2013 to reflect the new department wide focus for the position.

Savings in Guest Services, Recreation, Booking and Events and Recreation Infrastructure can be attributed to a long term staff vacancies being filled with casual part-time resources.

| Personnel by Cost Centre     | Q2 '12              | Q2 '13              | Q2 '14              | Q2 '14 Budget       | Q2 '14 Variance    | YTD Actual          | YTD Budget          | YTD Variance        |
|------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|
| Admin                        | \$ 73,470           | \$ 69,017           | \$ 36,716           | \$ 70,800           | \$ (34,084)        | \$ 71,594           | \$ 139,500          | \$ (67,906)         |
| Recreation                   | \$ 139,324          | \$ 165,060          | \$ 157,722          | \$ 172,200          | \$ (14,478)        | \$ 287,982          | \$ 309,300          | \$ (21,318)         |
| Fitness                      | \$ 265,672          | \$ 279,432          | \$ 287,706          | \$ 280,500          | \$ 7,206           | \$ 525,044          | \$ 517,300          | \$ 7,744            |
| Recreation Infrastructure    | \$ 191,815          | \$ 165,012          | \$ 170,136          | \$ 189,300          | \$ (19,164)        | \$ 315,792          | \$ 370,100          | \$ (54,308)         |
| Marketing                    | \$ 56,622           | \$ 59,930           | \$ 70,344           | \$ 61,800           | \$ 8,544           | \$ 132,385          | \$ 121,500          | \$ 10,885           |
| Bookings and Events          | \$ 68,440           | \$ 63,465           | \$ 75,639           | \$ 77,700           | \$ (2,061)         | \$ 144,061          | \$ 152,100          | \$ (8,039)          |
| Guest Services               | \$ 201,200          | \$ 206,997          | \$ 215,208          | \$ 214,000          | \$ 1,208           | \$ 404,071          | \$ 404,900          | \$ (829)            |
| Retail                       | \$ 43,248           | \$ 53,420           | \$ 49,295           | \$ 46,100           | \$ 3,195           | \$ 95,212           | \$ 91,900           | \$ 3,312            |
| <b>Subtotal</b>              | <b>\$ 1,039,791</b> | <b>\$ 1,062,333</b> | <b>\$ 1,062,766</b> | <b>\$ 1,112,400</b> | <b>\$ (49,634)</b> | <b>\$ 1,976,141</b> | <b>\$ 2,106,600</b> | <b>\$ (130,459)</b> |
| Benefits                     | \$ 156,327          | \$ 162,614          | \$ 156,243          | \$ 171,600          | \$ (15,357)        | \$ 296,864          | \$ 328,900          | \$ (32,036)         |
| <b>Total Personnel Costs</b> | <b>\$ 1,196,118</b> | <b>\$ 1,224,947</b> | <b>\$ 1,219,009</b> | <b>\$ 1,284,000</b> | <b>\$ (64,991)</b> | <b>\$ 2,273,005</b> | <b>\$ 2,435,500</b> | <b>\$ (162,495)</b> |

## Servus Place Quarterly Report Second Quarter 2014

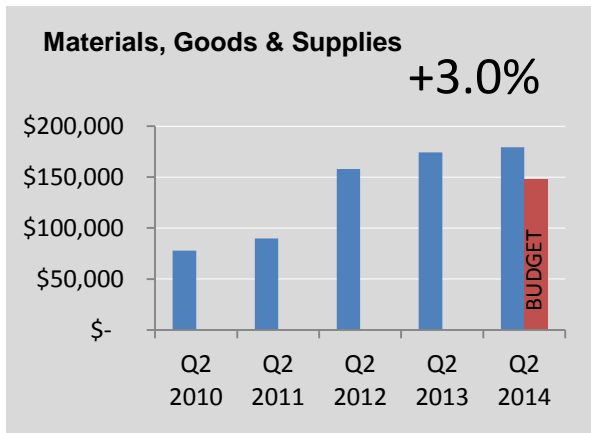
### Contracted & General Services



Contracted and general services were \$178,307 for Q2 2014 which is -10.6% below Q3 2013 and 6.4% below budget. The variance is due to timing of initiatives in advertising and promotions and maintenance contracts.

This area is forecasted to end the year on budget.

### Materials, Goods & Supplies



Materials, goods and supplies are \$179,354 which is 21.4% above budget but only 3.0% ahead of Q2 2013. This variance is due to increased expenses in operating supplies for the retail cost centre and construction and maintenance materials.

This area is forecasted to end the year over budget by \$30,000 due to increased expenses in retail supplies which is reflected in increased sales on the revenue side.