

COMMITTEE OF THE WHOLE - MAY 15, 2006

EMPLOYEE FITNESS MEMBERSHIPS

Recommendation

The Commissioner of Community Services, in consultation with the Director of Recreation and Culture, recommends:

1. That the following report, on the response and results of extending the employee fitness membership to eligible dependents, be received.

Economic Impact

The collected revenue by extending the employee fitness membership program to family dependants is \$10,600.00 The direct operating costs to provide the fitness membership to family dependants is \$17,052.00 resulting in a net cost of \$6,452.00. If the program is extended into Year 2, all things being equal, the direct operating costs will be \$8,552.00. (less the \$50.00/person one time initiation fee)

Purpose

The purpose of this report is to provide information on the response and results of extending the employee fitness membership to eligible dependents that commenced in April 2005.

Background - Analysis and Options

On April 4, 2005 Committee of the Whole approved extending the employee fitness membership discount to full-time employees' eligible dependents. Dependents eligible for benefits are defined as an employee's spouse or common-law spouse and each unmarried child, step-child or common-law child who is under 22 years of age or under 25 years age if attending an accredited educational institute, college or university on a full-time basis. Council approved a 50% discount to full-time City of Vaughan immediate family members for a 1-Year fitness membership. A \$50.00 one time initiation fee was also charged to eligible family members upon applying for a membership.

Council requested that in May of 2006 staff provide a report on the response and results of extending the employee fitness membership to eligible dependents. Since April 2005, 20 Adult and 22 Student memberships have been processed to full-time employees' dependents. This represents 8% of the total employee membership (42 of 506).

The total revenue generated by extending the memberships to dependents at a 50% discount is \$10,600.00. The direct operating costs to provide the fitness membership to family dependants is \$17,052.00 over a 12 month period resulting in a net cost of \$6,452.00. If Council chooses to continue the program in Year 2, all things being equal, the direct operating costs for the \$8,552.00 (less the \$50.00/person one time initiation fee).

Employee Fitness Membership – Extended Dependents Impact	
April 2005 – April 2006	
Revenue @ 50% discount for Dependents	
42 new members x \$50.00 one time initiation fee	\$2,000
20 new members paying 50% of the Adult membership fee = \$243.00 ¹	\$4,860

22 new members paying 50% of student membership fee = \$170.00 ¹	\$3,740
Total Actual Revenue	\$10,600.00
Total Cost to deliver the 42 memberships @ \$406/membership	\$17,052.00
Net Cost	\$6,452.00

Notes:

1. Annual Fitness Membership: Adult \$486.00 / Student \$341.00 (2005 Rates)

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council, particularly 1.3.2 Identify and implement the necessary elements that will create an environment where staff are motivated to provide effective and efficient services, and 5.4.1 Ensure the City of Vaughan is regarded as a "preferred employer." This report recommends a change from the priorities previously set by Council and the necessary resources have not been allocated.

Conclusion

On April 4, 2005 Committee of the Whole approved extending the employee fitness membership discount to full-time employees' eligible dependents. Over the one year period a total of 42 new memberships were purchased at the 50% discount for a total revenue of \$10,600.00. The cost to deliver the 42 memberships @ \$406/membership is \$17,052.00 resulting in a net cost of \$6,622.00. If Council chooses to continue the program in year 2, all things being equal, the direct operating costs (less the \$50.00/person one time initiation fee) will be \$8,552.00.

Attachment

None

Report Prepared By

Paul Compton, Area Recreation Manager - West, ext. 8358

Respectfully submitted,

Marlon Kallideen
Commissioner of Community Services