

## Corporate LeisureCard

### ISSUE

Alternative admission products are designed to increase leisure centre admissions and revenues and support the City of Saskatoon's strategic goals of Asset and Financial Sustainability by reducing the reliance on property taxes; and Quality of Life by ensuring recreation and cultural facilities are accessible, physically and financially and meet community needs. As leisure centre admission revenues fluctuate, there is an increased need to ensure a mix of admission products are available to stay relevant in a constantly changing market. Approval is required to establish a Corporate LeisureCard.

### RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that a Corporate LeisureCard which provides a 20% discount on adult, youth or family LeisureCard admission products be available for approved corporations that employ more than 25 employees and have offices located in Saskatoon.

### BACKGROUND

Recreation and Community Development Division operates six indoor leisure centres (Saskatoon Field House, Harry Bailey Aquatic Centre, Cosmo Centre, Lakewood Civic Centre, Lawson Civic Centre and Shaw Centre). Admission fees are established based on the principle that users benefitting from utilizing leisure facilities pay a fair and equitable share of the cost of the service being provided.

Participation in leisure activities is essential in achieving City Council's Strategic Goal – Quality of Life. This goal is also balanced with the strategic goal of Asset and Financial Management. Based on these goals, City Council adopted key principles that were established to:

- 1) Help achieve a balanced approach when establishing rates and fees for indoor leisure centres;
- 2) Speak to the importance of participation, choice, availability and making leisure opportunities affordable to the broadest spectrum of residents;
- 3) Convey the importance of subsidizing children, youth, families and special interest groups; and
- 4) Address the importance of establishing rates and fees so as not to discourage other providers from participating in the delivery of leisure services.

In spring of 2014, a comprehensive market research study was undertaken to better understand Saskatoon residents' opinions, perceptions and expectations of leisure centre offerings. Primary results of that survey indicated price was the main deterrent preventing residents from visiting leisure centres. In fall of 2014, a follow up market survey was conducted to:

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- 1) Understand the price sensitivity and impact of different pricing structures for leisure centres;
- 2) Gain customer input regarding the leisure centres and their current price structure; and
- 3) Develop price structure recommendations.

What research could not capture was the entire market preference or take into account external factors, such as economic outlook, weather conditions or other factors that may influence the purchase of a LeisureCard.

Based on this research, City Council adopted a reduction in LeisureCard rates and maintained general admission and bulk ticket rates:

<b>2015 to 2018 Approved Admission Products and Rates</b>		
<b>Admission Option</b>	<b>Individual</b>	<b>Family</b>
<b>General Admission</b>	\$9.80	\$19.60
<b>LeisureCard</b>	\$45.00/month	\$90.00/month
<b>Bulk Tickets 10's</b>	\$75.00 (\$7.50/ticket)	\$150.00

In September 2015, after implementation of the new LeisureCard rate, there was a surge in admissions and revenues. Since that time, admission volumes and revenues have remained relatively flat or have trended slightly downward.

During the 2019 budget deliberations, City Council approved Administration's recommendation of a \$5.00 increase to the individual LeisureCard adult rate, making the current rate \$50 per month for adults or \$100 per month for families. The bulk ticket and general admission rates did not change. The approved rates are in effect for the period January 1, 2019 to December 31, 2021.

### **DISCUSSION/ANALYSIS**

LeisureCard sales and usage continue to be the main contributing factor to the leisure centre revenues. In an effort to strategically increase participation and revenues, Administration is recommending the establishment of a Corporate LeisureCard which would provide a 20% discount to employees of corporations, including Not for Profit corporations, who employ more than 25 employees and have offices located in Saskatoon. While the primary purpose of this discount would be to increase admissions and participation at the leisure centres, additional benefits of this discount are as follows:

- 1) Promoting health and wellness for Saskatoon residents;
- 2) Assisting corporations in promoting the importance of health and wellness for their employees;
- 3) Supporting the City of Saskatoon's business friendly initiative for existing and potential employers; and
- 4) Increasing revenue and helping reduce the leisure centres' level of reliance on the mill rate for operations.

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A review of five other municipalities (Calgary, Edmonton, Whitby, Barrie and Vancouver) identified a range of discounts that are provided to corporations and a variety of eligibility criteria that must be met. The majority offered at minimum a 20% discount on at least their adult admission products.

A survey was sent to six companies located in Saskatoon with five companies responding. The companies ranged in size from 35 to 3,000 employees. The survey was to gauge interest in this Corporate LeisureCard admission opportunity. The respondents felt their employees would be very likely or somewhat likely interested in taking advantage of this corporate discount (see Appendix 1) and as a corporation, were very supportive of the concept. The companies surveyed responded they would be willing to assist with communicating the Corporate LeisureCard opportunity to their employees. In addition to the survey, the City regularly receives calls and emails inquiring about discounts for corporations.

### FINANCIAL IMPLICATIONS

The intent of the Corporate LeisureCard (20% discount) is to increase admissions and revenues at the leisure centres. However, there is a risk that current leisure center patrons will have the ability to participate in the Corporate LeisureCard program and therefore, receive a discounted rate on an admission product they previously paid full price for. This risk cannot be quantified, as there is no way of knowing how many current LeisureCard holders may take advantage of the Corporate LeisureCard rate. Other municipalities that offer Corporate LeisureCards have confirmed that some of their regular LeisureCard holders have taken advantage of corporate discounts. The intent of offering the Corporate LeisureCard would to generate a net increase in the volume and revenues generated from LeisureCard sales with the new offering.

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#### Recommended Admission Products and Rates for 2020 & 2021

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Admission Option	Current Rate	Corporate Rate
Adult LeisureCard	\$50/month	\$40/month
Youth LeisureCard	\$30/month	\$24/month
Family LeisureCard	\$100/month	\$80/month

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### OTHER IMPLICATIONS

There are no privacy, legal, social, or environment implications identified.

### NEXT STEPS

Pending approval by City Council of the proposed Corporate LeisureCard discount, a strategic marketing initiative will be developed and implemented to ensure companies are aware of the new discounted admission product and the rollout of the Corporate LeisureCard is successful. In addition, the process for corporations to register for the program and the process for employees to access the Corporate LeisureCard will be developed. Administration has determined that pending City Council approval, the Corporate LeisureCard program could be implemented in the third quarter of 2020.

### APPENDICES

1. Corporate LeisureCard Participation Research

### REPORT APPROVAL

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SP/2020/RCD/PDCS/Corporate LeisureCard./jdw