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## **Fitness Centre at Ray Twinney Complex Information Report**

Report Number: INFO-2023-16

Department(s): Recreation & Culture

Author(s): Colin Service, Director, Recreation & Culture

Date: June 23, 2023

In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### **Purpose**

The purpose of this report is to advise Council of an opportunity to repurpose a space at the Ray Twinney Recreation Complex to accommodate a fitness centre.

### **Background**

The Recreation Playbook was published and endorsed by Council in 2015. Within that document, there were recommendations regarding the development of a town-operated fitness centre. The following year, the Town opened its first fitness centre at the Magna Centre. The Playbook also recommended that a fitness centre be included within the Ray Twinney Recreation Complex after a suitable period of operation and evaluation of the success at the Magna Centre.

The Magna Centre fitness centre has been an overwhelming success. The operating model was built with forecasting of about 2,500 members. At the peak, prior to Covid closures, there were almost 6,000 members. Over the last year, many patrons have been returning and we have surpassed 5,000 members again and continue to grow.

## **Discussion**

There is an excellent opportunity to open a new fitness centre at Ray Twinney Recreation Complex, possibly as early as this fall – a centre that could positively contribute to the overall financial performance this year.

### **Repurposing the Multipurpose Room**

The Multipurpose Room is a large room located adjacent to the pool and changerooms. This room would make an ideal fitness centre for a number of reasons. These reasons include:

Size - based on the size, a good quality mix of cardio equipment, selectorized weight equipment and a small free weight area can be accommodated.

Location – the room is ideally situated within the building to make use of the existing pool change rooms. Additionally, the room has large windows bringing lots of natural light to a workout space.

Parking – there is ample parking at the RJT complex to accommodate the patrons of the fitness centre.

Modifications – the room is ready for a fitness centre and will only require minor room modifications. This includes minor flooring changes, and electrical additions. There may also be some additional HVAC work required to ensure the air handling system can accommodate the increased intensity of usage associated with a fitness centre.

### **Equipment Lease**

The current fitness centre at Magna includes an annual budget allocation for leased equipment. The operating model was built on the premise that equipment would be leased and then replaced at the expiration of each lease. The current lease expired this past April. However, the equipment still had significant life left given the number of closures during the height of the pandemic. As such, we bought the equipment out for \$1 at the conclusion of the lease. However, we maintain the current budget allocation for equipment. As such, new equipment, which is one of the largest expenses of a fitness centre, can be acquired through a lease and there would be no additional expense beyond what is currently budgeted. We anticipate that the current equipment at Magna will last another 2 full years at minimum. The cost of additional leased equipment will be phased over future years and this expense will be offset by revenues.

### **REC Pass**

The current fitness membership includes access to the fitness centre, walking track at Magna, all public swims, lane swims, public skating, all aquafitness classes, group fitness classes and drop-in gym programs like basketball and pickleball. In the fall we are looking to expand the offerings to include Youth Centre Drop-In programs and Newmarket Seniors Meeting Place town run fitness programs. In opening an additional

fitness centre, it is an opportune time to rebrand the fitness membership into a REC Pass given that there are so many activities included that provide a valuable experience.

## **Conclusion**

The financial implications are explored further within the Budget Impact section. However, it is anticipated that all additional staffing costs and room modification costs will be more than offset by additional revenues through the opening of the new fitness centre. Given that the financial impact will be positive and the service to our community will be enhanced, this is an opportune time to proceed with the addition of a fitness centre.

## **Business Plan and Strategic Plan Linkages**

The addition of a fitness centre aligns with four of the five Council Strategic Priorities:

Community and Economic Vibrancy – the REC Pass and available services at facilities across town create a network of connection through Recreation for community members.

Customer-first way of life – provides access to a desired amenity in another location on the opposite side of town.

Extraordinary Spaces and Places – the addition of a fitness centre rounds out the offerings at Ray Twinney Recreation Complex.

Diverse, welcoming and inclusive community – through our CARE Program (financial subsidy program) all residents are able to access affordable recreation by attaining a membership regardless of ability to pay.

## **Consultation**

We have received tremendous community feedback over the years requesting an additional fitness site given the sheer volume of membership at the existing fitness centre.

## **Human Resource Considerations**

Contract staff will be hired. All costs will be more than offset by new revenues.

## **Budget Impact**

The following chart outlines the anticipated financial implications in 2023 only:

New Expenses	
Staff Wages & Benefits – includes supervision and fitness attendants	\$40,000
Room Modification Costs	\$75,000
Miscellaneous	\$20,000
Total Expenses	\$135,000
New Revenues	
Membership Sales – based on a conservative estimate of 1,200 members	\$150,000
Net Financial Position	\$15,000

As is demonstrated in the above noted chart, a conservative forecast suggests that up to \$30,000 in net financial gain can be realized in 2023. This would further increase in 2024.

## Attachments

None.

## Approval

Colin Service, Director, Recreation & Culture

Jeff Payne, Commissioner, Community Services

## Contact

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