



REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: July 15, 2008

SUBJECT: Woodland Fitness Center Fee Schedule

Report in Brief

Woodland voters approved Measure E and one of the associated advisory measures which provided the revenue and authority to support the allocation of expenditures for Phase II of the Community & Senior Center which included a Dance Aerobic/Fitness Center. The City Council approved the budget and construction contract for the Phase II Project on November 6, 2007.

The operations and maintenance (O&M) cost to for the Fitness Center is estimated to be \$130,000 per year. The attached Fee Schedule has been developed to provide the revenue to offset the O&M cost of the Fitness Center. This schedule is based on a three years business plan that starts the fees at low membership cost and increases each year at a 5% rate.

Staff recommends that the City Council adopt a Resolution approving the attached Fee Schedule for the Woodland Fitness Center.

Background

The Community & Senior Center projects were supported with Measure H sales tax funding approved by the voters in March 2000. Measure E continued the sales tax funding for high priority community projects and an associated advisory measure, Measure C, provided the authority to allocate resources for the Phase II of the Project through its approval by 69.37% in June 2006. This project is necessary to meet parks level of service requirements identified in the General Plan and 2004 Parks Master Plan Update. This project completes the Community & Senior Center project.

The Fitness Center will include a large Dance Aerobic/Mini Gym, cardio/fitness area with weight and cardio machines. There will be approximately 23 pieces of cardio equipment including treadmills, elliptical machines, tread climber, recumbent bikes, and stair climbers. In addition, the Fitness Center will include about 18 pieces of strength equipment that will work most body muscles. All equipment will be state of the art machines that can be used by a wide variety of fitness enthusiasts.

Discussion

Local governments are funded from a variety of sources, with the primary sources being taxes, subventions, fees, special charges, fines and grants. As the traditional provider of basic services, cities are constantly struggling with securing sufficient funding to pay for the services expected/demanded/sought after by its citizenry. Many local government services are “global” in nature, (e.g., police and fire protection, open space, etc.). Other services benefit a particular segment of the population, most often providing a direct monetary benefit to the recipient. It is in this latter group that subsidy and recovery issues are brought to the fore. Given the “sum-sufficient” nature of government financing, un-recovered monies must be offset by a decrease in available funding for other public good activities.

User fee services are those services performed by a governmental agency on behalf of a private citizen or group. The assumption underlying most fee recommendations is that costs of services benefiting individuals, and not society as a whole, should be borne by the individual receiving the benefit. Setting user fees, therefore, is equivalent to establishing prices for services. Making a profit is not an objective for local government in providing services to the general public. It is commonly felt that fees should be established at a level that will recover the cost of providing each service, including direct, indirect and overhead costs.

It is generally accepted that recovery of costs should be in direct proportion to the individual/specific gain for services. This means that if a developer wants to rezone farm land for a housing development, the City may not want to charge that business a fee less than full cost, since to do otherwise would require a subsidy for other services that must be made up by the general citizenry who doesn't share in the particular benefit. Where new development causes an increase in infrastructure requirements, that increase should logically be shared prorate with the existing area proportionate to the degree that the new development benefits from the infrastructure. Conversely, a recreation program could logically be heavily subsidized from the general tax base in order to promote the overall well being of the general public, or to achieve specific socio-economic objectives.

Historically, subsidy issues were not stressed, since there were alternative tax avenues available to fund government services. This has not been the case in recent years. The City of Woodland recognizes, however, that there are circumstances and programs, which probably justify a subsidy (e.g., youth, senior and disadvantaged recreation programs, certain classifications of code enforcement, library services, etc.) *City of Woodland's Comprehensive Fee Schedule July 1, 2007 General Fee Principles*

Stantec Consulting Inc. commissioned a Fee Study for the Woodland Fitness Center and it discovered that Fitness Clubs in the Woodland Area charged between \$39 - \$47 per month for a single adult fitness membership. The recommended Fee Schedule is using a three-year business plan would start a single membership fee at \$29 and increase them by five dollars each year to realize the market rate.

Fiscal Impact

The proposed Fee Schedule for the Woodland Fitness Center will have a positive impact on the City of Woodland General Fund and will reduce the subsidy for the Woodland Community & Senior Center. All direct costs for the Fitness Center are incorporated into the Fee Schedule. Future fee increases as part of the business plan will recover indirect and overhead costs.

Public Contact

Posting City Council agenda.

Commission Recommendation

The Park & Recreation Commission recommended to City Council to adopt the attached Fee Schedule for the Woodland Fitness Center at their June 23, 2008 Meeting.

Alternative Courses of Action

1. Approve the attached Resolution to adopt the Fee Schedule for the Woodland Fitness Center based on a three-year business plan with the single adult membership rate starting at \$29 per month.
2. Approve the attached Resolution to adopt the Fee Schedule for the Woodland Fitness Center and use a two year business plan with the single adult membership rate starting at \$34 per month.
3. Approve the attached Resolution to adopt the Fee Schedule for the Woodland Fitness Center and use a one year business plan with the single adult membership rate starting at \$39 per month.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Daniel W. Gentry, Director
Parks & Recreation Department

Reviewed by: Ann M. Siprelle
City Attorney

Reviewed by: Amber DAMato
Assistant Finance Director

SUBJECT: Woodland Fitness Center Fee Schedule

PAGE: 4

ITEM:

Mark G. Deven
City Manager

Attachments: Fee Schedule

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF WOODLAND ADOPTING FEES FOR USE OF THE
WOODLAND FITNESS CENTER**

WHEREAS, California Government Code Section 50402(a) authorizes the City of Woodland (“City”) to impose fees for the purpose of defraying the cost of providing park and recreational services to the public; and

WHEREAS, the City Council approved Phase II of the Community & Senior Center to include a Dance Aerobic/Fitness Center; and

WHEREAS, the City of Woodland has conducted an extensive analysis of its services, the costs reasonably borne by the City to provide the services, the beneficiaries of the services, and the revenues produced by those paying fees and charges for special services;

WHEREAS, current fees charged for services provided by the City do not fully recover the actual costs of providing such services; and

WHEREAS, in order to fully recover the City’s costs, it is necessary to increase fees for the use of the Fitness Center.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Woodland as follows:

SECTION 1. This Resolution amends Resolution No. 4539 adopted May 14, 2008.

SECTION 2. The City Council hereby adopts the Fee Schedule for the Woodland Fitness Center as set forth in Exhibit "A" hereto. From time to time, the Fee Schedule may be amended by resolution adopted by the City Council to reflect increases in operation and maintenance costs resulting from inflation or other market conditions.

SECTION 3. The fees and charges imposed by this Resolution are for the purpose of defraying the operation and maintenance expenses of the Fitness Center, including employee wage rates and fringe benefits, as well as the purchasing and/or leasing of the supplies, equipment, and materials necessary to service the membership base.

SECTION 4. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Woodland this 15th day of July 2008, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF WOODLAND

Marlin H. Davies, Mayor

ATTEST:

Susan L. Vannucci, Director of
Administrative Services

APPROVED AS TO FORM:

Ann M. Siprelle, City Attorney

EXHIBIT A

CORE Membership

Strength Machines, Cardiovascular Machines, Core Group Exercise Classes

12-Month Agreement - Auto Payment Plan -

Member(s) agree to pay monthly dues for twelve consecutive months through electronic funds transfer (EFT)

Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$29.00	to	\$50.00	Range covers 5-year span
Couple (2 in same household)	\$44.00	to	\$75.00	Individual + 1/2 price for second person \$29 + \$15
Family (3 or 4 in same household)	\$59.00	to	\$100.00	Couple + 1/4 price for 3rd & 4th person \$44 + 7.50 + 7.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$15.00	to	\$25.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$22.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$30.00	to	\$50.00	50% off adult rate (rounded to next highest dollar)

Monthly Dues

Adults (18 - 54 years old)

Individual	\$29.00	to	\$50.00	Baseline Dues
Couple	\$44.00	to	\$75.00	Individual + 1/2 price for second person \$29 + \$15
Family	\$59.00	to	\$100.00	Couple + 1/4 price for 3rd & 4th person \$44 + 7.50 + 7.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$15.00	to	\$25.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$22.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$30.00	to	\$50.00	50% off adult rate (rounded to next highest dollar)

Month-to-Month Agreement - Auto Payment Plan

Members may cancel their membership with 30 days written notice

Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$39.00	to	\$60.00	Baseline plus \$10 due to lack of 12 mo. commitment
Couple	\$59.00	to	\$90.00	Individual + 1/2 price for second person \$39 + \$20
Family	\$79.00	to	\$120.00	Couple + 1/4 price for 3rd/4th person \$59 + 10 + 10

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$20.00	to	\$30.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$30.00	to	\$45.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$40.00	to	\$60.00	50% off adult rate (rounded to next highest dollar)

Monthly Dues

Adults (18 - 54 years old)

Individual	\$39.00	to	\$60.00	Baseline plus \$10 per mo. due to lack of 12 mo. commitment
Couple	\$59.00	to	\$90.00	Individual + 1/2 price for second person \$39 + \$20
Family	\$79.00	to	\$120.00	Couple + 1/4 price for 3rd/4th person \$59 + 10 + 10

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$20.00	to	\$30.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$30.00	to	\$45.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$40.00	to	\$60.00	50% off adult rate (rounded to next highest dollar)

CORE Membership (continued)

Strength Machines, Cardiovascular Machines, Core Group Exercise Classes

Annual Agreement

Members pay one lump sum for a 12-month membership and receive One Month Free (13th month).

Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$29.00	to	\$50.00	Same price as 12-month auto dues agreement
Couple	\$44.00	to	\$75.00	Individual + 1/2 price for second person \$29 + \$15
Family	\$59.00	to	\$100.00	Couple + 1/4 price for 3rd & 4th person \$44 + 7.50 + 7.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$15.00	to	\$25.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$22.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$30.00	to	\$50.00	50% off adult rate (rounded to next highest dollar)

Annual Payment

Adults (18 - 54 years old)

Individual	\$348.00	to	\$600.00	12-month dues rate X 12 mos. Bonus 1 free month
Couple	\$528.00	to	\$900.00	12-month dues rate X 12 mos. Bonus 1 free month
Family	\$708.00	to	\$1,200.00	12-month dues rate X 12 mos. Bonus 1 free month

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$174.00	to	\$300.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$264.00	to	\$450.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$354.00	to	\$600.00	50% off adult rate (rounded to next highest dollar)

CORE/PLUS Membership

Strength Machines, Cardiovascular Machines, Core Group Exercise Classes PLUS A.) Open Gym Pass OR B.) Lap Swim Pass

12-Month Agreement - Auto Payment Plan

Member(s) agree to pay monthly for twelve consecutive months through electronic funds transfer (EFT)

Application Fee / Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$54.00	to	\$65.00	Core baseline fee of 39 + 15 for gym pass <u>or</u> swim pass
Couple	\$81.00	to	\$98.00	Individual + 1/2 price for second person \$54 + \$27
Family	\$108.00	to	\$131.00	Couple + 1/4 price for 3rd & 4th person \$81 + 13.50 + 13.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$27.00	to	\$33.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$41.00	to	\$49.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$54.00	to	\$66.00	50% off adult rate (rounded to next highest dollar)

Monthly Dues

Adults (18 - 54 years old)

Individual	\$54.00	to	\$65.00	Core baseline fee of 39 + 15 for gym pass <u>or</u> swim pass
Couple	\$81.00	to	\$98.00	Individual + 1/2 price for second person \$54 + \$27
Family	\$108.00	to	\$131.00	Couple + 1/4 price for 3rd & 4th person \$81 + 13.50 + 13.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$27.00	to	\$33.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$41.00	to	\$49.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$54.00	to	\$66.00	50% off adult rate (rounded to next highest dollar)

Month-to-Month Agreement - Auto Payment Plan

Members may cancel their membership with 30 days written notice

Application Fee / Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$64.00	to	\$75.00	12-mo. price plus \$10 due to lack of 12 mo. commitment
Couple	\$96.00	to	\$113.00	Individual + 1/2 price for second person \$64 + \$32
Family	\$128.00	to	\$151.00	Couple + 1/4 price for 3rd/4th person \$96 + 16 + 16

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$32.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$48.00	to	\$57.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$64.00	to	\$76.00	50% off adult rate (rounded to next highest dollar)

Monthly Dues

Adults (18 - 54 years old)

Individual	\$64.00	to	\$75.00	12-mo. price plus \$10 due to lack of 12 mo. commitment
Couple	\$96.00	to	\$113.00	Individual + 1/2 price for second person \$64 + \$32
Family	\$128.00	to	\$151.00	Couple + 1/4 price for 3rd/4th person \$96 + 16 + 16

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$32.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$48.00	to	\$57.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$64.00	to	\$76.00	50% off adult rate (rounded to next highest dollar)

CORE/PLUS Membership (continued)

Strength Machines, Cardiovascular Machines, Core Group Exercise Classes PLUS A.) Open Gym Pass OR B.) Lap Swim Pass

Annual Agreement

Members pay one lump sum for a 12-month membership and receive One Month Free (13th month).

Application Fee / Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$54.00	to	\$65.00	Same price as 12-month auto dues agreement
Couple	\$81.00	to	\$98.00	Individual + 1/2 price for second person \$54 + \$27
Family	\$108.00	to	\$131.00	Couple + 1/4 price for 3rd & 4th person \$81 + 13.50 + 13.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$27.00	to	\$33.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$41.00	to	\$49.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$54.00	to	\$66.00	50% off adult rate (rounded to next highest dollar)

Annual Payment

Adults (18 - 54 years old)

Individual	\$648.00	to	\$780.00	12-month dues rate X 12 mos. Bonus 1 free month
Couple	\$972.00	to	\$1,176.00	12-month dues rate X 12 mos. Bonus 1 free month
Family	\$1,296.00	to	\$1,572.00	12-month dues rate X 12 mos. Bonus 1 free month

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$324.00	to	\$390.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$486.00	to	\$588.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$648.00	to	\$786.00	50% off adult rate (rounded to next highest dollar)

CORE/SPORT Membership

Strength Machines, Cardiovascular Machines, Core Group Exercise Classes PLUS Open Gym AND Lap Swim

12-Month Agreement - Auto Payment Plan

Member(s) agree to pay monthly for twelve consecutive months through electronic funds transfer (EFT)

Application Fee / Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$54.00	to	\$75.00	Core baseline fee of \$29 + 25 for gym pass AND swim pass
Couple	\$81.00	to	\$113.00	Individual + 1/2 price for second person \$54 + \$27
Family	\$108.00	to	\$151.00	Couple + 1/4 price for 3rd & 4th person \$81 + 13.50 + 13.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$27.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$41.00	to	\$57.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$54.00	to	\$76.00	50% off adult rate (rounded to next highest dollar)

Monthly Dues

Adults (18 - 54 years old)

Individual	\$54.00	to	\$75.00	Core baseline fee of \$39 + 25 for gym pass AND swim pass
Couple	\$81.00	to	\$113.00	Individual + 1/2 price for second person \$54 + \$27
Family	\$108.00	to	\$151.00	Couple + 1/4 price for 3rd & 4th person \$81 + 13.50 + 13.50

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$27.00	to	\$38.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$41.00	to	\$57.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$54.00	to	\$76.00	50% off adult rate (rounded to next highest dollar)

Month-to-Month Agreement - Auto Payment Plan

Members may cancel their membership with 30 days written notice

Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$64.00	to	\$85.00	12-mo. price plus \$10 due to lack of 12 mo. commitment
Couple	\$96.00	to	\$128.00	Individual + 1/2 price for second person \$64 + \$32
Family	\$128.00	to	\$171.00	Couple + 1/4 price for 3rd/4th person \$96 + 16 + 16

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$32.00	to	\$43.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$48.00	to	\$64.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$64.00	to	\$86.00	50% off adult rate (rounded to next highest dollar)

Monthly Dues

Adults (18 - 54 years old)

Individual	\$64.00	to	\$85.00	12-mo. price plus \$10 due to lack of 12 mo. commitment
Couple	\$96.00	to	\$128.00	Individual + 1/2 price for second person \$64 + \$32
Family	\$128.00	to	\$171.00	Couple + 1/4 price for 3rd/4th person \$96 + 16 + 16

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$32.00	to	\$43.00	50% off adult rate (rounded to next highest dollar)
Couple / 2 Siblings	\$48.00	to	\$64.00	50% off adult rate (rounded to next highest dollar)
3 - 4 or more siblings	\$64.00	to	\$86.00	50% off adult rate (rounded to next highest dollar)

CORE/SPORT Membership (continued)

Strength Machines, Cardiovascular Machines, Core Group Exercise Classes PLUS Open Gym AND Lap Swim

Annual Agreement

Members pay one lump sum for a 12-month membership and receive One Month Free (13th month).

Application Fee / Membership Processing Fee

Adults (18 - 54 years old)

Individual	\$64.00	to	\$75.00	Same price as 12-month auto dues agreemer
Couple	\$96.00	to	\$113.00	Individual + 1/2 price for second person \$64 +
Family	\$128.00	to	\$151.00	Couple + 1/4 price for 3rd & 4th person \$96 +

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$32.00	to	\$38.00	50% off adult rate (rounded to next highest dc
Couple / 2 Siblings	\$48.00	to	\$57.00	50% off adult rate (rounded to next highest dc
3 - 4 or more siblings	\$64.00	to	\$76.00	50% off adult rate (rounded to next highest dc

Annual Payment

Adults (18 - 54 years old)

Individual	\$768.00	to	\$900.00	12-month dues rate X 12 mos. Bonus 1 free r
Couple	\$1,152.00	to	\$1,356.00	12-month dues rate X 12 mos. Bonus 1 free r
Family	\$1,536.00	to	\$1,812.00	12-month dues rate X 12 mos. Bonus 1 free r

Youth/Senior (Youth <18 / Senior 55+)

Individual	\$324.00	to	\$450.00	50% off adult rate (rounded to next highest dc
Couple / 2 Siblings	\$486.00	to	\$678.00	50% off adult rate (rounded to next highest dc
3 - 4 or more siblings	\$648.00	to	\$906.00	50% off adult rate (rounded to next highest dc

Other Fees:

Group Rates - Apply **ONLY** to CORE/SPORT, 12-Month Auto Plan Memberships

- 10 - 15 Memberships (Can be Individual, Couple, or Family) - **15% Discount**
- 16 - 20 Memberships (Can be Individual, Couple, or Family) - **20% Discount**
- 21 - 25 Memberships (Can be Individual, Couple, or Family) - **25% Discount**
- 26 - 30 Memberships (Can be Individual, Couple, or Family) - **30% Discount**
- 31 or > Memberships (Can be Individual, Couple, or Family) - **35% Discount**

Daily Walk-in Rates

Adults	\$10.00	to	\$13.00
Youth/Seniors	\$5.00	to	\$7.00

Two-week Trial

Adults	\$36.00	to	\$46.00
Youth/Senior	\$18.00	to	\$23.00

Monthly Statements*

Monthly Processing Fee	\$10.00		\$13.00
------------------------	---------	--	---------

*With the exception of Annual Agreements, all dues (monthly) are paid via Electronic Funds Transfer and will be automatically debited from member's accounts on a monthly basis. Members may opt out of the auto payment plan in favor of receiving monthly statements. Members who request monthly statements will be required to pay additional monthly processing fees.

Special Promotional Rates

Special promotional offers and discount rates may be used to market fitness center memberships and programs.