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Executive Summary

The Castle Downs Family YMCA is a multi-purpose recreation facility located in northwest Edmonton, an area that consists of 19 communities. There is no City of Edmonton multi-use recreation facility in this area, making this facility the area's *de facto* recreation centre. This report looks at fees, membership, programming and participant satisfaction levels at the Castle Downs Family YMCA and several City-run recreation facilities. The report includes financial information for the YMCA, which may be useful in future discussions about partnership options. Below is a historical financial summary from 2015 to 2019 and two tables with the key financial points from the YMCA 2020 and 2021 forecasts, for likely and worst-case scenarios. In each case, program, camp and giving revenue is significantly reduced, and staff and promotion costs are also reduced, due to COVID-19 related closures and impacts, such as fewer participants and a decrease in members.

Castle Downs Family YMCA Financial Summary 2015-2019

	2015	2016	2017	2018	2019
Total Revenues	\$ 3,034,493	\$ 2,896,451	\$ 2,923,149	\$ 2,579,897	\$ 2,649,352
Total Expenses	\$ 3,070,314	\$ 3,015,518	\$ 2,918,226	\$ 2,813,277	\$ 2,811,262
Net Contributions	-\$ 342,852	-\$ 320,620	-\$ 290,900	-\$ 395,788	-\$ 445,770

Introduction

This current state report was developed in response to a motion made at the July 10, 2019, Community and Public Services Committee meeting.

“That Administration provides an update to Committee on the recreation partnership opportunities with the YMCA of Northern Alberta.”

In January 2020, a City of Edmonton/YMCA project team was assembled to respond to this motion. The project team began exploring how it could address financial sustainability challenges and explore community needs related to recreation programs and facilities in support of potential future capital investment. When the COVID-19 pandemic shut down all recreation facilities in the city and cancelled any possibility of public engagement, the project team determined that the best way to understand possible partnerships would be by understanding the current and possible future situation of the YMCA, and what its needs will be. To that end, the project team collected relevant information about the Castle Downs Family YMCA's operations and compared it to similar City of Edmonton recreation facilities. This was used to better understand the nuances of the Castle Downs Family YMCA, as well as if, and how, the City might be able to support this facility.

Background Information

The Castle Downs area consists of 19 communities in northwest Edmonton, some of which are in Ward 2 and some are in Ward 3. Recreation, leisure and learning programs in the area are delivered by a mix of private fitness centres and non-profit organizations such as community leagues or special interest groups. There are numerous sports fields and a large district park. This district park is where the Castle Downs Family YMCA is located. It is the only multi-purpose recreation and leisure centre (with a swimming pool, gymnasium, fitness area, indoor playground, meeting rooms, multi-purpose rooms, and child-minding space) in the area. Other outdoor amenities located at Castle Downs District Park include a skatepark, spray park, outdoor ice rinks, rectangular multi-use fields, cricket pitch, and ball diamonds. Situated adjacent to the Castle Downs Family YMCA is the City of Edmonton-operated twin arena - the Castle Downs Recreation Centre. A park pavilion was built in 2014. It has two program rooms that can be rented and currently lease space to the Seahawks Minor Football Club.

At the September 18/20, 2018, City Council meeting, the following motion was passed:

That Administration consult with YMCA's and regional partners on a unified approach to operating and fees at recreation centres and provide a report back to Committee in Second Quarter 2019

In response, on July 10, 2019, Administration presented an update on the work done with the YMCA of Northern Alberta to ensure ongoing recreation opportunities for Edmontonians including enhanced partnership opportunities with the Castle Downs YMCA. Through cooperation between the YMCA and Administration, the YMCA harmonized drop-in fees with City rates. This harmonized fee was put into effect in February 2020, just before the COVID-19 facility closures.

In July 2019, Community and Public Services Committee passed two subsequent motions to continue the work completed to date:

1. That Administration explore alternative operating models with the Castle Downs YMCA and report to Committee.
2. That Administration provide an update to Committee on the recreation partnership opportunities with the YMCA of Northern Alberta.

In October 2019, Administration returned to committee with an update on the first motion, which included several options for operating models that ranged from the city building a new recreation centre, the YMCA taking over the arena operations, maintaining the status quo with the YMCA operating the facility but with consideration of a City of Edmonton subsidy, minor operation changes, renovation of the facility and initiating planning discussions for facility improvements. The consensus of Administration and the YMCA was that the preferred option was to make some minor operating changes and renovate and enhance the amenities within the facility, which has lead to this current state

report. It should be noted that the uncertainties and economic devastation caused by the pandemic shutdown to both the City and the YMCA have made specific and detailed discussion of partnership options challenging.

Castle Downs Context - Setting the Stage

Castle Downs Recreation Society: 2018 Recreation Needs Assessment

In 2018, the Castle Downs Recreation Society commissioned Expedition Consulting to write a Recreation, Parks and Culture Assessment. Engagement for this report included 521 participants through a telephone survey of 300 randomly selected households, a Castle Downs Recreation Society Board workshop, a youth workshop and a community meeting.

In the telephone survey, the majority of respondents reported being either somewhat (40%) or very satisfied (21%) with indoor recreational facilities in the area. It is not possible to disaggregate the feelings about the YMCA, the arena, and the pavilion, individually because the questions were for the entire area. More than one-third (37%) of the respondents were satisfied with structured recreational opportunities, and one-in-ten were very satisfied.

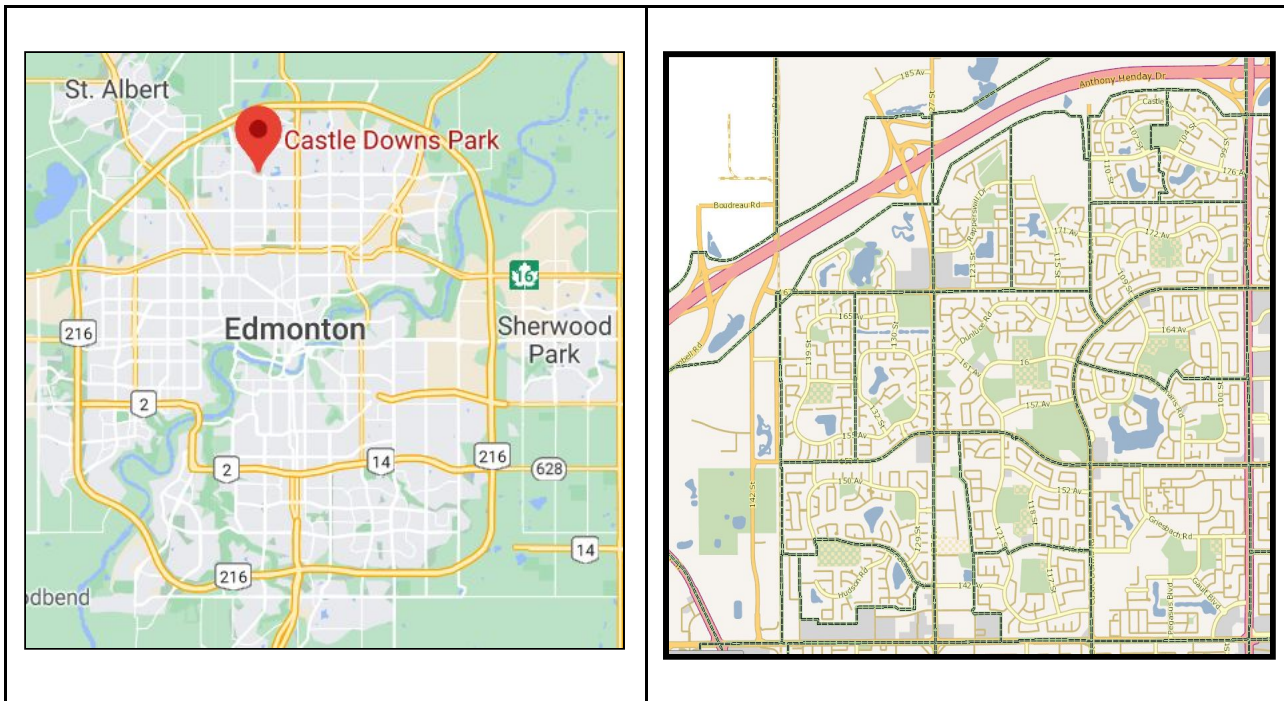
The needs assessment identified several priorities for facility enhancements. On the list was the creation of a brand new multi-purpose leisure centre (with a leisure pool, fieldhouse, walking track, fitness centre, leisure ice, and a gymnasium) and/or the renovation and improvement of the Castle Downs Family YMCA.

One of the perceived tasks of the joint City of Edmonton/YMCA project team was to confirm the results of the 2018 Castle Downs Recreation Society needs assessment. However, when the pandemic struck, all public engagement was cancelled. There were also concerns about conducting public engagement on behalf of a third party as this would be uncommon for the City of Edmonton to take on.

Castle Downs Area

As of 2019, the Castle Downs area had a population of 69,416. This was an 8 percent increase (5,180 residents) for the area since the 2016 Edmonton municipal census. The area includes the communities north of 137 Ave and south of Anthony Henday Drive, between Mark Messier Trail and 97 street. A map of the Castle Downs area is shown below.

Map of Castle Downs Area



Source: City of Edmonton SLIM Maps/Google Maps, 2020

Private Fitness Facilities in Castle Downs Area

Private fitness facilities in the Castle Downs area include:

- Fusion Fitness and Wellness Studio
- Orange Theory Fitness
- Momentum Health and Wellness
- LA Fitness
- Yoga Life Studios
- Crunch Fitness North Town
- Club Fitness
- UFC Gym
- Paul Sadler (in LA Fitness)
- Yoga Life Studios
- GYMVMT Fitness-Kensington
- GYMVMT Fitness Club-Northgate

St. Albert Recreation Centres

Northwest of the Castle Downs Family YMCA is the Servus Place in St. Albert, a multi-purpose complex with a pool, indoor soccer fields and hockey rinks. St. Albert also has Fountain Park (a multi-purpose facility with a pool, climbing wall, squash courts) and Grosvenor Park (an outdoor pool), as well as sports fields and ice rinks. Edmontonians are free to use these facilities, just like St. Albert residents are welcome to use City of Edmonton facilities. In 2019, over 46,000 visits were made by Edmontonians to these facilities.

The Castle Downs YMCA Facility

The [Castle Downs Family YMCA](#) is situated in Castle Downs District Park. It opened in June 1998 offering an indoor pool, fitness centre, 100-metre track, dry-land programming and child care.

- The Castle Downs Recreation Society raised more than \$300,000 towards the YMCA's \$5 million capital fundraising campaign.

- The YMCA operates the Castle Downs Family YMCA through a City of Edmonton lease agreement, which expires in 2027.
- The YMCA subsidizes 36 percent of the total members at the Castle Downs Family YMCA. This causes the facility to lose between \$160,000 and \$240,000 annually in operating revenues. The subsidy along with their contribution to the operational overhead of the association as a whole (approx. \$280,000 to \$290,000), leaves the Castle Downs Family YMCA with an operating deficit of between \$440,000 and \$530,000 per year. As a result, it is very difficult to raise funds to support more programming opportunities and to support major capital improvements or additions.
- A fee harmonization program was launched in February 2020 to harmonize single admission prices with City facilities and recreation centres.

Castle Downs District Park and Amenities



Source: Google Maps, August 2020

Approach to Community Recreation Facility Planning

The *Approach to Community Recreation Facility Planning* is the City's guiding document for determining how, when and where recreation facilities should be developed to serve important, but sometimes conflicting, community recreation priorities.

The City does not have a multi-purpose recreation centre in the northwest. Instead, the City has partnered with the YMCA as the *de facto* provider of those services. There are two aquatic facilities within 5 kilometres of the Castle Downs Family YMCA, O'Leary and Grand Trunk Fitness Centres; however, these are slightly outside of the Castle Downs area. St. Albert's Servus Centre is a large

multi-purpose facility about 8 kilometres from the YMCA. The Edmonton Garrison Fitness Centre (Lancaster Park, Canadian Forces Base) is 11 kilometres from the Castle Downs Family YMCA. It is a multi-purpose recreation facility that serves the Canadian Military families and area residents. It has a large gymnasium, a fieldhouse, pool, weight room, squash courts, a climbing wall and a running track.

Castle Downs Family YMCA and City of Edmonton Partnership Agreement

The City sold land to the YMCA in 1997 for the development of the Castle Downs YMCA Family Centre. The land was rezoned to DC2, to allow for private or public recreation, institutional and community service uses. The term of sale conditions ends in May 2027. The YMCA must then determine the future use of the facility. The City may only buy the land back if, during the term, the YMCA does not use the land for a recreation facility. The YMCA may sell the land to a third party for continued “recreational purposes”. The City and the YMCA also have agreed to a restrictive indenture that ensures the land is used for recreational purposes.

At the end of the 30-year term of the agreement, the YMCA would have to determine if it is prepared for an extension. The agreement can be extended for a further 30-year term (2028-2058). It's conceivable that the other terms related to operations could be negotiated at this time. If no extension is made, the City will have an option to buy the land back. There is also a lease agreement that allows the YMCA to lease space within the twin arena building, to give them extra room for programming.

Conditions of use include:

- The public has access to market-driven programs and facilities
- Recreation and swim fees charged will be similar to equivalent City charges
- Can provide market-driven specific skill programs
- Drop-in times required for the public
- Access to programs/facility will take into account the local residents ability to pay for services
- Rentals are market-driven, so as not to harm schedule priorities

Rates, Membership, Programs and Satisfaction

The following sections compare information relating to drop-in admission and annual membership rates, the amount of subsidized membership for the facilities, the quantity and type of programming available, and the satisfaction of the patrons.

Drop-in and Annual Rates

Both the YMCA and the City of Edmonton offer a variety of membership options including drop-in, continuous monthly and month-to-month, annual and punch-card options. The YMCA also offers a continuous bi-monthly membership. The rates for using a City of Edmonton recreation facility vary depending on what tier the facility is determined to be. Facilities with more amenities are tiered higher

and the cost to use the facility increases. In the charts below, comparisons between an all-access City of Edmonton recreation facilities and the Castle Downs Family YMCA are shown.

Drop-In Rates

	Adult	Youth/ Senior	Child	Family
City of Edmonton (all access)	\$11.50	\$9.00	\$7.25	\$31.50
YMCA	\$10.50	\$8.75	\$7.00	\$27.75

Annual Pass Rates

	Adult	Youth/Senior	Child	Family
City of Edmonton a) Annual Pass b) Facility Plus Pass c) All Facility Pass	a) \$504 b) \$648 c) \$686	a) \$432 b) \$525 c) \$530	a) \$330 b) \$415 c) \$421	a) \$1356 b) \$1764 c) \$1928
YMCA Family Advantage (Castle Downs Family YMCA only)	\$708 n/a	\$567/ \$665 n/a	\$521 n/a	\$2206 \$1761

The Castle Downs Family YMCA drop-in prices, in all categories, are slightly less than the City of Edmonton drop-in rates. The YMCA uses a membership inclusive model and includes drop-in fitness classes, swimming lessons, childminding, children's after-school programs and reduced fees for registered programs. The YMCA's annual membership fee is slightly more than the City's All Facility Pass, although the offering does include more, so it is difficult to make a one-to-one comparison.

The Fee Harmonization Program

In September 2018, City Council directed Administration to consult with the YMCA and regional partners on a unified approach to operations and fees. Through cooperation and collaboration between the YMCA and Administration, the YMCA harmonized drop-in fees with the City rates. The harmonization project took place late in early February of 2020, just prior to facilities closures due to the COVID-19 pandemic. The new prices were not in effect long enough to know if they were affecting facility usage.

Low Income/Subsidized Membership

Both the City of Edmonton and the YMCA offer membership subsidies for low-income individuals and families, although how these are calculated differs slightly. The City of Edmonton's [Leisure Access Program](#) (LAP) application requirements includes:

- Resident of Edmonton

- Recipient of Assured Income for the Severely Handicapped (AISH) or CPP-Disability Benefit
- Recipient of Government of Alberta Income Support or Learner's Income Support
- New immigrant or refugee (i.e, in Canada less than one year and are not eligible to file a tax return)
- A child under government care

Families or individuals pay what they can afford based on their total household income. This amount, the intended use, as well as the duration that assistance is required, is determined in the application process.

The YMCA's Subsidized Membership Program is pre-approved for anyone who is already receiving social assistance such as income support, Assured Income for the Severely Handicapped or Alberta Adult or Child Health Benefits. For low-income earners, membership rates are based on need, as determined through an interview process that determines income thresholds (determines eligibility) and the number of bedrooms in the household (which determines the level of support).

Families or individuals unable to pay the full fee for a YMCA membership, summer day camp (two camps per year), and day camps (winter/spring break) are encouraged to apply for financial assistance. The YMCA of Northern Alberta provides about \$1.6 million in financial assistance to thousands of members of the community each year through donor contributions. To see tables that describe the levels of income support for both the City and the YMCA, please see Appendix 1.

The following table shows the number of low income or subsidized admissions (scans) as a percentage of the total number. The City of Edmonton and the YMCA do not track these in the same way, so these numbers are approximate but serve to show how the number of subsidies is increasing following the economic downturn in 2018.

Low Income/Subsidized Membership as a Percentage of All Memberships Admissions

	2017	% of Total	2018	% of Total	2019	% of Total	2020 (Jan - Mar)	% of Total
Based on CoE's Leisure Access Program Pass (LAPP) admission scans								
Peter Hemingway	41,835	19%	47,213	31.5%	64,674	39%	12,482	25.5%
Londonderry	43,035	22%	53,032	28%	62,370	33%	16,854	34%
Mill Woods	34,853	26%	54,854	32.5%	55,565	37.5%	13,756	37%
Total subsidized membership at Castle Downs Family YMCA								
CD YMCA	1730	33%	1665	34%	1795	36%	--	--

Castle Downs Family YMCA Membership- Including Financial Assistance Member Summary 2015 to 2019

	2015	2016	2017	2018	2019	Averages
Total Annual Membership	5620	5566	5178	4688	5004	5211
Financially Assisted Membership	1405	1588	1730	1605	1796	1625
Percent Financial Assistance	25%	29%	33%	34%	36%	31%
Subsidy Cost						
	2015	2016	2017	2018	2019	Averages
YMCA Member Subsidy Cost	-\$ 317,073	-\$ 388,366	-\$ 426,451	-\$ 376,701	-\$ 395,677	-\$ 380,854
YMCA Program Subsidy Cost	-\$ 36,020	-\$ 44,451	-\$ 51,351	-\$ 66,895	-\$ 38,565	-\$ 47,456
YMCA Giving Revenue	\$ 60,084	\$ 44,805	\$ 55,886	\$ 61,763	\$ 44,623	\$ 53,432
Net Subsidy Cost	-\$ 293,009	-\$ 388,012	-\$ 421,916	-\$ 381,833	-\$ 389,619	-\$ 374,878

Notes:

- YMCA Member Subsidy = Difference between what subsidy members pay for membership and the total value of membership: YMCA cost
- YMCA Program Subsidy = Difference between what subsidy participants pay for the program and the total value of the program: YMCA cost
- YMCA Giving = This represents the money the YMCA raises through the Y Giving campaign to offset the cost of the subsidy
- Net Cost = Represents the total cost to the YMCA for membership and program subsidy net of YMCA Giving revenues

Drop-in and Registered Programs

The City of Edmonton offers an extensive range of programming at all its recreation facilities. Programming opportunities are varied and are dependent on the type of facility, number of rooms, and needs of the local community. Most City facilities have a combination of drop-in programs and registered programs.

Likewise, the Castle Downs Family YMCA offers a wide array of drop-in and registered options. In total, there are 70 classes a week, with an average attendance of 1,096 per week. The YMCA estimates that approximately 131,880 attendees (in total, not unique visitors), and that just under 2,000 children participate in the camp programs and 28,800 children and youth participate in drop-in youth programming.

These are some of the programs that are offered:

<ul style="list-style-type: none"> • Bootcamp • TRX/ HIIT • Cardio • Cyclefit • Strength 	<ul style="list-style-type: none"> • Zumba/ Strong • Family dance • Women's only • Barre 	<ul style="list-style-type: none"> • Yoga • Stretch/Mobility • Tai Chi • Aikido 	<ul style="list-style-type: none"> • Swimming classes • Aquasize • Aqua Zumba • Aqua Baby and Me • Lane swim
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The Castle Downs Family YMCA also hosts Kids Club, childminding, Teen Night, Teen Lounge and Family Fun Zone. It has a fitness centre, with orientation classes and a personal wellness program. There are pickleball, badminton, volleyball, squash and racquetball courts that can be booked. There is a gym that can be booked for activities such as basketball, floor hockey, indoor soccer and other sports. The YMCA runs a variety of child and youth after-school recreation programs and day camps in the summer and over the longer school breaks. The pool is used by a competitive swim team and for swimming and lifesaving classes.

Member Satisfaction

Visitor satisfaction is a performance measure used to determine if there are any issues in how patrons view a facility (cleanliness, safety), if the patron would likely use the facility again and if they would recommend the facility to a friend. Below is a table with visitor satisfaction rates for the YMCA and two sample City of Edmonton recreation facilities.

Visitor Satisfaction Rates¹

Question	YMCA (2019)	Londonderry (2019)	Peter Hemingway (2015)	Commonwealth (2017)
Overall Satisfaction	87%	97%	75% (very) 24% (satisfied)	73%(very), 18% (satisfied)
Net Promoter Score (YMCA)	57%	--	--	--
Likelihood to Recommend (COE)	--	97%	86% (very likely), 8% (likely)	82%
Likelihood to renew (YMCA)/ Likelihood to return (COE)	63% Certain, 31% Probably = 94%	96%	99%	93%
Facility and Staff Satisfaction	89%	100%	95%	93%
Safe	89%	99%	--	--
Clean and well maintained	92%	94%	74%	100%
Convenient	83%	83%	--	--

¹ Data from the YMCA's [2019 SAM 2.1 Membership Satisfaction and Involvement Survey](#), Londonderry Recreation Centre: 2019 Leger Mystery Shoppers and Intercept Survey Report, Commonwealth Recreation Centre 2017 Intercept Survey, Peter Hemingway Pool: 2015 Intercept Survey

Castle Downs Family YMCA Financials and Financial Forecasts

This period of time was marked by an economic downturn, which is reflected in the reduced number of full-paying memberships and an uptick in the number of subsidized memberships. Similar trends are evident in the City of Edmonton's recreation facility data.

Castle Downs Family YMCA - Financial Summary 2015 to 2019

Membership	2015	2016	2017	2018	2019
Annual Avg Membership	5620	5566	5178	4688	5004
Percent Annual Change	-2.80%	-1.00%	-6.90%	-9.40%	6.74%

Revenues	2015	2016	2017	2018	2019	
Membership Revenue	\$ 2,393,877	\$ 2,244,200	\$ 2,196,266	\$ 1,952,903	\$ 1,983,457	Member revenue including full pay and financial assistance net of subsidy expense
Program Revenue	\$ 545,393	\$ 557,367	\$ 612,424	\$ 522,642	\$ 575,735	Program revenue, new member building fees, public swim, day pass, day camp
Other	\$ 35,139	\$ 50,078	\$ 58,571	\$ 42,589	\$ 45,537	Facility rental, summer employment grants, vending commission, miscellaneous revenue
Contributions	\$ 60,084	\$ 44,806	\$ 55,887	\$ 61,763	\$ 44,624	Y Giving revenue, designated contributions
Total Revenues	\$ 3,034,493	\$ 2,896,451	\$ 2,923,149	\$ 2,579,897	\$ 2,649,352	

Expenses	2015	2016	2017	2018	2019	
Staff and Benefits	\$ 1,909,406	\$ 1,911,089	\$ 1,808,344	\$ 1,762,594	\$ 1,826,711	Salaries, benefits, prof. fees, staff/volunteer training & recognition
Occupancy	\$ 480,022	\$ 467,641	\$ 470,586	\$ 499,856	\$ 469,354	Utilities, insurance, cleaning, operations, facility refurbishment
Building Repairs	\$ 253,686	\$ 240,829	\$ 259,895	\$ 238,093	\$ 225,340	Building repair costs, contract maintenance, equipment repair
Other	\$ 427,200	\$ 395,959	\$ 379,402	\$ 312,734	\$ 289,857	Printing, promotions, phone, postage, travel, interest on debt
Total Expenses	\$ 3,070,314	\$ 3,015,518	\$ 2,918,226	\$ 2,813,277	\$ 2,811,262	

Contribution	2015	2016	2017	2018	2019	
Gross Contribution	-\$ 35,821	-\$ 119,067	\$ 4,923	-\$ 233,380	-\$ 161,910	Gross contribution before association overhead
Association Overhead	-\$ 307,031	-\$ 301,552	-\$ 291,823	-\$ 281,328	-\$ 281,126	10% of total expenses for association expenses (IT, HR, Finance, Marketing & Promotions)
Net Contribution	-\$ 342,852	-\$ 420,619	-\$ 286,900	-\$ 514,708	-\$ 443,036	Net contribution including 10% association overhead costs, before capital reinvestment

Castle Downs Family YMCA - Facility Reinvestment Summary 2015 to 2019

Member Numbers	2015	2016	2017	2018	2019	5 Year Tot.	
Annual Facility Refurbishment	\$ 38,563	\$ 32,214	\$ 23,786	\$ 57,487	\$ 30,428	\$ 182,478	<i>Returning finishings to new including painting, floor refinishing and replacement, parking maintenance, millwork)</i>
Annual Facility Capital Investment	\$ 10,235	\$ 68,343	\$ 46,921	\$ 28,327	\$ 43,492	\$ 197,318	<i>(New furnishings, equipment or major work to extend the life of facility or equipment)</i>
Annual Equipment Capital Investment	\$ 1,405	\$ 1,588	\$ 11,748	\$ 128,553	\$ 80,537	\$ 223,831	<i>(Replacement of fitness equipment including cardiovascular and strength equipment)</i>
Special Project Capital Investment	\$ -	\$ 88,513	\$ 46,820	\$ 53,718	\$ -	\$ 189,051	<i>(Major capital projects to renovate facility or extend the life of centre - Canada 150 Project to Renovate Hall space)</i>
Total Annual Investment	\$ 50,203	\$ 190,658	\$ 129,275	\$ 268,085	\$ 154,457	\$ 792,678	

YMCA Budget Forecasts for 2020 and 2021

The following tables show the YMCA's budget forecasts for 2020 and 2021, in both a likely and worst-case scenario.

Castle Downs YMCA 2020 Budget Forecast Summary

2020 Budget		Financial Projection (Based on June Actuals)				
Revenues	Budget	Likely Case	Variance	Worst Case	Variance	
Membership	\$ 2,128,500	\$ 611,137	-\$ 1,517,363	\$ 584,336	-\$ 1,544,164	(full pay & financial assistance membership revenue)
Program	\$ 582,500	\$ 110,061	-\$ 472,439	\$ 107,661	-\$ 474,839	(program, day camp, day pass, public swim revenue)
Other	\$ 58,500	\$ 17,000	-\$ 41,500	\$ 17,000	-\$ 41,500	(rentals, miscellaneous, Y Giving revenue)
Total Revenue	\$ 2,769,500	\$ 738,197	-\$ 2,031,303	\$ 708,997	-\$ 2,060,503	
Expenses	Budget	Likely Case	Variance	Worst Case	Variance	
Staff & Benefits	\$ 1,865,000	\$ 710,428	-\$ 1,154,572	\$ 760,293	-\$ 1,104,707	(staff salaries/wages, benefits)
Occupancy	\$ 530,000	\$ 356,439	-\$ 173,561	\$ 361,932	-\$ 168,068	(utilities and insurance costs)
Repairs & Maintenance	\$ 238,000	\$ 121,237	-\$ 116,763	\$ 135,721	-\$ 102,279	(facility repairs, building refurbishment, contract services)
Other	\$ 307,500	\$ 249,052	-\$ 58,448	\$ 249,135	-\$ 58,365	(supplies, promotions, bank charges, finance, bad debt)
Total Expense	\$ 2,940,500	\$ 1,437,156	-\$ 1,503,344	\$ 1,507,081	-\$ 1,433,419	
Operating Contribution	Budget	Likely Case	Variance	Worst Case	Variance	
Total Contribution	-\$ 171,000	-\$ 698,959	-\$ 527,959	-\$ 798,085	-\$ 627,085	
Net Contribution	Budget	Likely Case	Variance	Worst Case	Variance	
Association Overhead	\$ 294,050	\$ 143,715.61	-\$ 150,334	\$ 150,708.14	-\$ 143,342	(10% association overhead for IT, Finance, HR, Mark Comm)
Net Contribution	-\$ 465,050	-\$ 842,670	-\$ 377,620	-\$ 948,788	-\$ 483,738	

Forecast Assumptions (Likely Case)

- 37% of previous years membership in January, progressing to 52% at year-end
- Program revenue reduced by 55% or -\$320,000, summer day camp reduced by 51% or -\$185,000
- YMCA Giving revenue reduced by 50% or -\$30,000
- Staff expenses reduced by 50% from the prior year or -\$926,000
- Building occupancy and repair costs expected to remain similar to 2020

- Supply, finance, promotions, staff development expenses reduced by 7% or -\$131,000 from the previous year

Forecast Assumptions (Worst Case)

- 30% of previous years membership in January, progressing to 39% at year-end
- Program revenue reduced by 75% or -\$436,000, summer day camp reduced by 72% or -\$260,000
- YMCA Giving revenue reduced by 67% or -\$40,000
- Staff expenses reduced by 51% from the prior year or -\$953,000
- Building occupancy and repair costs expected to remain similar to 2020
- Supply, finance, promotions, staff development expenses reduced by 7.5% or -\$140,000 from the previous year

YMCA 2021 Operating Budget Forecast Summary

2020 Budget		2021 Financial Projection				
Revenues	Budget	Likely Case	Variance	Worst Case	Variance	
Membership	\$ 2,128,500	\$ 972,850	-\$ 1,155,650	\$ 724,848	-\$ 1,403,652	<i>full pay & financial assistance membership revenue</i>
Program	\$ 582,500	\$ 262,600	-\$ 319,900	\$ 146,000	-\$ 436,500	<i>Programs, day camp, day pass, public swim revenue</i>
Other	\$ 58,500	\$ 40,000	-\$ 18,500	\$ 19,500	-\$ 39,000	<i>rentals, miscellaneous, Y Giving revenue</i>
Total Revenue	\$ 2,769,500	\$ 1,275,450	-\$ 1,494,050	\$ 890,348	-\$ 1,879,152	
Expenses	Budget	Likely Case	Variance	Worst Case	Variance	
Staff & Benefits	\$ 1,865,000	\$ 939,152	-\$ 925,848	\$ 911,602	-\$ 953,398	<i>(staff salaries/wages, benefits)</i>
Occupancy	\$ 530,000	\$ 518,000	-\$ 12,000	\$ 522,000	-\$ 8,000	<i>(utilities and insurance costs)</i>
Repairs & Maintenance	\$ 238,000	\$ 229,000	-\$ 9,000	\$ 229,000	-\$ 9,000	<i>(facility repairs, building refurbishment, contract services)</i>
Other	\$ 307,500	\$ 176,500	-\$ 131,000	\$ 167,500	-\$ 140,000	<i>(supplies, promotions, bank charges, finance, bad debt)</i>
Total Expense	\$ 2,940,500	\$ 1,862,652	-\$ 1,077,848	\$ 1,830,102	-\$ 1,110,398	
Operating Contribution	Budget	Likely Case	Variance	Worst Case	Variance	
Total Contribution	-\$ 171,000	-\$ 587,202	-\$ 416,202	-\$ 939,754	-\$ 768,754	
Net Contribution	Budget	Likely Case	Variance	Worst Case	Variance	
Association Overhead	\$ 294,050	\$ 186,265	-\$ 107,785	\$ 183,010	-\$ 111,040	<i>(10% association overhead for IT, Finance, HR, Mar Comm)</i>
Net Contribution	-\$ 465,050	-\$ 773,467	-\$ 308,417	-\$ 1,122,764	-\$ 657,714	

Forecast Assumptions (Likely Case)

- 37% of previous years membership in January, progressing to 52% at year-end
- program revenue reduced by 55% or -\$320,00, summer day camp reduced by 51% or -\$185,000
- YMCA Giving revenue reduced by 50% or -\$30,000
- YMCA Staff expenses reduced by 50% from the prior year or -\$926,000
- Building occupancy and repair costs expected to remain similar to 2020
- Supply, finance, promotions, staff development expenses reduced by 7% or -\$131,000 from the previous year

Forecast Assumptions (Worst Case)

- 30% of previous years membership in January, progressing to 39% at year-end
- Program revenue reduced by 75% or -\$436,000, summer day camp reduced by 72% or -\$260,000
- YMCA Giving revenue reduced by 67% or -\$40,000
- Staff expenses reduced by 51% from the prior year or -\$953,000
- Building occupancy and repair costs expected to remain similar to 2020
- Supply, finance, promotions, staff development expenses reduced by 7.5% or -\$140,000 from the previous year

The Castle Downs Family YMCA remains closed as of October 20, 2020, due to COVID-19s. At this time, the William Lutsky YMCA is open and it is operating at 15 percent of pre-COVID 19 membership. Don Wheaton YMCA and Jaime Platz YMCA opened October 21, 2020, at reduced capacity. The YMCA uses its network of facilities in a way that allows the more profitable facility to support the less profitable ones. Because of the financial situation of the Castle Downs YMCA facility, it will not open until other, more profitable recreation facilities are open.

Conclusions, Proposed Options and Next Steps**Conclusions**

The performance measures reviewed in this report (admissions, patron satisfaction, and programs), reveal that the Castle Downs Family YMCA performs in a comparable way to a City-run recreation facility. The YMCA patrons express high-levels of satisfaction with the facility. There is a wide range of programs available that are used by tens of thousands of participants, generally from a 5-kilometre radius of the facility. With a focus on family and youth programming, it is an important facility to area residents.

The financial situation of the Castle Downs Family YMCA, even before the pandemic shutdown, was difficult. This particular YMCA was subsidizing up to 36 percent of its members, which is slightly more than most City of Edmonton recreation facilities. However, this increasing burden of subsidized members was costing the YMCA in the order of \$200,000 a year. The Castle Downs Family YMCA is employing a range of tactics to try to improve its own financial situation. Tactics include active

solicitation for grant or sponsorship funding, changes to program and membership models, increased emphasis on Y Giving fundraising, naming rights for facility and changes to the distribution of YMCA Association Y Giving revenues.

Proposed Options

1. Discussions between the YMCA and the City of Edmonton should be opened to discuss short and long-term funding options. Short-term options to allow the Castle Downs Family YMCA to open as soon as possible and to bridge the increased financial deficit as a result of the pandemic closures and ongoing landscape.

Long-term support might take the form of operational funding, capital funding support or possibly removing the burden of the subsidized memberships in some manner.

It would be expedient to have these conversations as soon as possible to support the reopening of the Castle Downs Family YMCA to ensure the health and recreation needs of the community of northwest Edmonton are met.

2. The Castle Downs Family YMCA might choose to conduct a building assessment to understand the state of the infrastructure and what, if any, upgrades may be needed, should the City decide to offer funding for infrastructure upgrades.

The Castle Downs Family YMCA currently does not have capital reserves for facility upgrades and does not have a long-range plan for capital improvements. A building assessment would give the partners a better understanding of the long-range capital costs to support the infrastructure components for the current facility.

Options Matrix

Note: It is very challenging to predict what scenario might unfold in the future. The long term (5+ years) outlook for this project would be considered in the 2027-2030 budget term, and the municipal elections occurring in 2021, 2025 and 2029.

Castle Downs Family YMCA	Short Term - 2020-2022 Current City 4 yr Budget (2019-2022) Civic Election Oct 2021	Medium Term - 2023-2026 Next City 4yr Budget (2023-2026) Civic Election Oct 2025
Operating	The City of Edmonton and Castle Downs Family YMCA continue to discuss funding options to bridge the gap between the pandemic closures and a time when the facility can be fully operational.	

Capital	CD YMCA to report current building condition and the lifespan projection, plus any replacement costs and impacts. Use this information to open discussions about capital grants or funding to upgrade the facility.	CD YMCA could investigate if there are corporate partners wanting to get involved in co-creating/investing in physical spaces and upgrades to a future state CD Family YMCA facility.
Programming	City and CD YMCA investigate cost-sharing arrangements or methods to increase revenues and to save on programming costs to support the YMCA's future sustainability.	
Financial Opportunities	This may include but not be limited to: Facility naming rights, corporate sponsorships for capital elements within the facility or a capital funding program contribution made annually by the City of Edmonton to support future CD YMCA capital needs.	Investigate if a 3-5 year pilot could be launched to support a reduction in CD YMCA's operating losses due to its subsidized members.

Next Steps

1. Open discussions between the YMCA and Administration to discuss immediate and long-term funding support options.

Appendix 1: Low-Income Memberships Tables

The table below shows how the income thresholds required, in order to receive the City of Edmonton subsidy for recreation centres.

People in Household**	Household Income for LAP Annual Program	Household Income for LAP Monthly Pass
1	\$29,069	\$29,070 - \$33,033
2	\$36,189	\$36,190 - \$41,124
3	\$44,490	\$44,491 - \$50,556
4	\$54,017	\$54,018 - \$61,383
5	\$61,265	\$61,266 - \$69,619
6	\$69,095	\$69,096 - \$78,518

The YMCA's subsidy program is based first on if the applicant is already receiving government assistance, in which case they are pre-approved. Otherwise, the applicant goes through an interview in which his/her income is determined to determine eligibility. After that, the number of bedrooms in their household is used as a proxy to determine the amount of subsidization level. Below is a table that shows this

YMCA's Low Income Subsidy Program

Families - With Dependent Child		OPTION 2: SUBSIDY RATES & ELIGIBILITY									
		Member Pays:									
Size of rented or owned dwelling	Suggested Occupancy Range	45%		48%		58%		68%		No Subsidy	
1 Bedroom	Minimum 2	\$39,000	\$40,950	\$40,951	\$42,900	\$42,901	\$44,850	\$44,851	\$46,800	Above:	\$46,800
2 Bedroom	2 to 3	\$50,000	\$52,500	\$52,501	\$55,000	\$55,001	\$57,500	\$57,501	\$60,000	Above:	\$60,000
3 Bedroom	3 to 4	\$59,500	\$62,475	\$62,476	\$65,450	\$65,451	\$68,425	\$68,426	\$71,400	Above:	\$71,400
4 Bedroom +	4+	\$64,500	\$67,725	\$67,726	\$70,950	\$70,951	\$74,175	\$74,176	\$77,400	Above:	\$77,400
<i>Income Eligibility Range:</i>		CNIT + 5%		CNIT + 10%		CNIT + 15%		CNIT + 20%			