

**Priorities Committee Meeting\_Jul16\_2019**

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**REPORT FOR INFORMATION****Report on Cost and Benefits of Millennium Cards for County Employees****Report Purpose**

To provide Priorities Committee with a report on the cost and benefits of providing Millennium Cards to County employees for free access to Strathcona County recreation facilities.

**Our Prioritized Strategic Goals**

Governance Requirement

Continuously improving the way we work, as one organization, in an agile and sustainable manner

**Report**

This report outlines the cost and benefits of providing County staff with free access to municipal recreational facilities, and also provides a summary of what other municipalities offer.

Free access to facilities increases the opportunity for employees to engage in physical activity. As per the Canadian Physical Activity Guidelines, being active can lead to improved fitness, strength and mental health while reducing premature death, chronic diseases, injury and weight issues. Healthy employees lead to a healthy workforce which is valuable to employers. It has been demonstrated that a healthy workforce increases employee engagement and morale and reduces absenteeism, accidents and injury. In turn, there is a positive impact on the organization leading to improved business performance as a result of better productivity, lower turnover and recruitment costs, and decreased direct costs for medical expenses and employee leaves. Healthy employees are more motivated to stay in work, recover from sickness quicker, and are at less risk of illness/injury. Overall, employers who encourage opportunities for health and wellbeing at the individual level are also promoting a healthy work culture at the organizational level.

A preliminary review of other municipalities identifies discounts from 10%-50% are being offered, with varying access to the types of facilities (e.g. gym, rink and pool) and may be dependent on the employee group. As an example, one municipality offers a discount to their pool and rink only for all employees while another municipality offers free access to employees who work in the facilities and a discount to all other employees.

Strathcona County would need to strategically evaluate the financial implications, operational considerations and potential perception issues if a free or discounted Millennium Card were to be offered to employees. Currently, a Millennium Card adult annual pass is \$588.00. At a high level, the estimated annual cost of Millennium Cards would be approximately \$1,250,000 to offer a card to all employees (this number would increase during the summer months with seasonal employees). The estimated cost would be approximately \$590,000 for only Classified permanent employees.

Further, there may be a loss of operating revenue if current cardholders were to receive a free Millennium Card instead of purchasing the card. As an example, if 100 employees currently have a card, it would be approximately \$60,000 in lost revenue and if 500 employees have a card, there is a potential for lost revenue of \$300,000. For the County,

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there may be increased administration to manage the benefit, to add/remove employees from the program and other implications that would need to be investigated. All of this requires time and effort and means additional financial considerations.

Complimentary access for employees may also present operational and perception issues. If the initiative has a revenue neutral impact for Recreation, Parks and Culture, it may have an impact on customer service and what is currently being offered. Access for employees may increase facility usage which may present capacity issues for activities such as drop-in swimming. Last, but not least, there may be taxpayer perceptions of supplying employees a Millennium Card. These potential issues would require further review to understand the full impact.

In summary, providing County staff with free access to municipal recreational facilities may promote a healthy workforce and culture, but, at the same time, there are other factors to assess such as financial, operational and perception considerations.

**Council and Committee History**

November 27, 2018      Council approved THAT Administration, by the end of the second quarter of 2019, prepare a report outlining the cost and benefits of providing County staff with free access to municipal recreational facilities; and that this report include what other municipalities in the region are doing with respect to recreation access for the municipal employees.

**Other Impacts**

**Policy:** N/A

**Legislative/Legal:** N/A

**Interdepartmental:** Recreation, Parks and Culture

**Master Plan/Framework:** N/A

**Enclosure**

1      Cost and Benefits of Millennium Cards for County Employees - Presentation