



# Request for City Council Committee Action from the Minneapolis Fire Department and the Minneapolis Police Department

**Date:** July 27, 2009

**To:** Don Samuels, Chair, Public Safety & Regulatory Services Cmt.

**Referral to:** Paul Ostrow, Chair, Ways & Means/Budget Cmt.

**Subject:** Lifetime Fitness Contract Amendment – One Year Extension

**Recommendation:** That the proper City officers be authorized to execute Amendment #2 to Contract C-21915 to extend the contract for 2010, one additional year, at the 2009 rates.

### Previous Directives:

4/24/09 – Council approved amendment #1 with Lifetime Fitness to change the billing period from semi-annual to quarterly and increase amount to cover previously agreed upon rates.

5/2/2009 – Council approved issuance of a new RFP for health club membership services

4/29/2005 – Council approved fitness agreement contract between the Minneapolis Police Department and Northwest Athletic Club

1/28/2005 - Issue Request for Proposals for primary facility for four-year period; and Execute contract extension with Northwest Athletic Club to continue providing membership services through May 1, 2005.

### Department Information

Prepared by: Karen Lowery Wagner

Approved by: Chief Alex Jackson, Minneapolis Fire Department  
Deputy Chief Scott Gerlicher, Minneapolis Police Department

Presenters in Committee: Deputy Chief Gerlicher, MPD; Karen Lowery Wagner, MFD

### Reviews

- Permanent Review Committee (PRC): Approval \_\_\_ Date \_\_\_\_\_
- Civil Rights Approval Approval \_\_\_ Date \_\_\_\_\_
- Policy Review Group (PRG): Approval \_\_\_ Date \_\_\_\_\_

### Financial Impact

- No financial impact

### **Community Impact**

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

### **Supporting Information:**

**In 2005, the City entered into an agreement with Northwest Athletic Club to provide police, fire and park police personnel with fitness club memberships through 2009. In 2006, Life Time Fitness took over operations of certain health club facilities previously operated by Northwest Athletic Club. In 2007, the City and Lifetime Fitness entered into an addendum to the original agreement between the City and Northwest Athletic Club. Under the addendum, Lifetime Fitness assumed the rights and responsibilities of Northwest Athletic Club and continued to provide discounted monthly membership rates as previously negotiated with Northwest Athletic Club to the City for certain sworn personnel. The addendum also sets out applicable rate increases for various types of fitness club memberships. The current contract to provide health club memberships expires on December 31, 2009.**

**Lifetime Fitness has proposed a one-year contract extension and has offered to maintain the existing 2009 rates. The rates that are currently being charged to the City and those eligible for the sworn officer program will be held over for the period of January 1, 2010 – December 31, 2010. Lifetime will also continue to waive administrative fees and junior dues for current members and new enrollees as well.**

**The current monthly dues prices in accordance with our contract are as follows: \$36.78 for a single (paid for by the City); an additional \$11.69 to upgrade to a couples membership (paid for by sworn officer) or an additional \$19.49 to upgrade to a family membership (paid for by sworn officer). These rates provide access at Platinum Membership levels. Currently, administrative fees of \$85 or \$95 and junior dues of \$5 per child do not apply. The rates provided to sworn employees are substantially lower than the corporate rates provided to regular employees. Corporate rates of other metro area fitness centers are also substantially higher than the rates Lifetime charges for sworn employees.**

**By way of contrast, the prevailing monthly rates for the Platinum Membership type are \$79 for a single; \$129 for a couple and \$179 for a family. Administrative fees of \$85-\$95 and junior dues of \$5 per child also apply.**

**The estimated increase in the total contract amount is approximately \$500,000.00 for 2010 expenses. The offer to continue the current rates is a savings of \$18.00 per membership. For MPD that results in a savings of approximately \$11,000; for MFD the savings is estimated at \$5,200. The history of the monthly rates are summarized below:**

**2007 \$33.28**

**2008 \$35.04**

**2009 \$36.78**

The respective collective bargaining agreements require that the Federations approve of the specifications of the request for proposals, and that the selection of the successful proposal be made jointly by the City and the Federations. Both unions are happy with the services provided by Lifetime and are not seeking to make a change at this time.

The Police Department, the Park Police and the Fire Department would like to extend this contract for an additional year before a new RFP is issued for 2011. In summary:

- ◆ The current rate being proposed is a substantial discount to the sworn employees of the City. The rate is less than what would be paid for a membership at a 24-hour, franchised facility.
- ◆ Lifetime membership also include the additional benefits of: access to more equipment and larger facilities; classes and other resources to promote physical fitness; the provision of space to MPD for fitness testing and evaluations; and assistance with new enrollments.
- ◆ Issuance of an RFP could result in higher rates. Knowing the rate now allows greater predictability for 2010 budgets.
- ◆ Because Lifetime assumed the original agreement between the City and Northwest Athletic Club mid 2007, we have only been partnering with Lifetime for 2½ years.