



December 1, 2011

To: Planning & Strategy Committee Members
From: Rob Goldman
CCs: CA Board of Directors, Phil Nelson, Susan Krabbe, Bob Bellamy, Valerie Bernard
Re: Policy Statements Re: Membership Rates & Fees

The CA Board at the November 22, 2011, meeting asked staff to rework the proposed policy statements related to membership rates and fees based on the Board discussion of that evening. The Board also asked staff to recommend changes to the Membership Marketing Parameters that are now 25 years old. The following are staff's recommended changes:

Policy Statements Related to Membership Rates & Fees

1. The Columbia Association's goals in setting resident membership rates are to maximize participation and to obtain a fair contribution to operating expenses.
2. The Columbia Association is committed to making membership affordable to all Columbia residents. Accordingly, CA will provide programs that will enable qualified residents to buy memberships at deeply discounted rates or earn memberships.
3. As long as there is capacity for CA residents to use and enjoy CA's Sport & Fitness facilities as often as they like, CA will market to and sell memberships to non-residents.
4. In recognition of the fact that CA residents pay an annual charge to CA, resident membership rates will be significantly less than non-resident rates and other resident program and use fees will be less than non-resident rates.
5. Non-resident membership rates are set relative to other similar facilities in the market.
6. CA's goal in setting non-resident rates will be to maximize revenue.
7. The Columbia Association recognizes that its Sport & Fitness facilities compete with many similar sport & fitness facilities in and around Howard County. CA will employ state-of-the-art marketing and advertising programs and techniques in order to compete successfully.

The following Membership Marketing Parameters were previously approved by the Board:

- ~~1. Discounts, premiums, incentives and promotions will be limited to 20% of the FY 1987 projected membership sales revenue.~~
2. 1. Cash and time value discounts will be limited to 25% of the approved retail sales.
3. 2. Non-cash premiums will be limited to ~~\$75~~ \$150 retail value.
4. 3. Volume purchasers, corporate sales and upgrade-add-on membership sales are limited to a 50% discount, depending on the size of the purchase, one time only.
5. 4. CA Management will report on these parameters to the Columbia Council on a quarterly basis.
6. 5. There will be no double discounting.