



# **MEMORANDUM**

## PARKS & RECREATION

**To:** Michael Mashburn, PARD Director  
**From:** Maria Minter, Recreation Center Manager  
**Date:** August 18, 2022  
**Subject:** Division 52 and Athletics FY21-22 Q3 Report

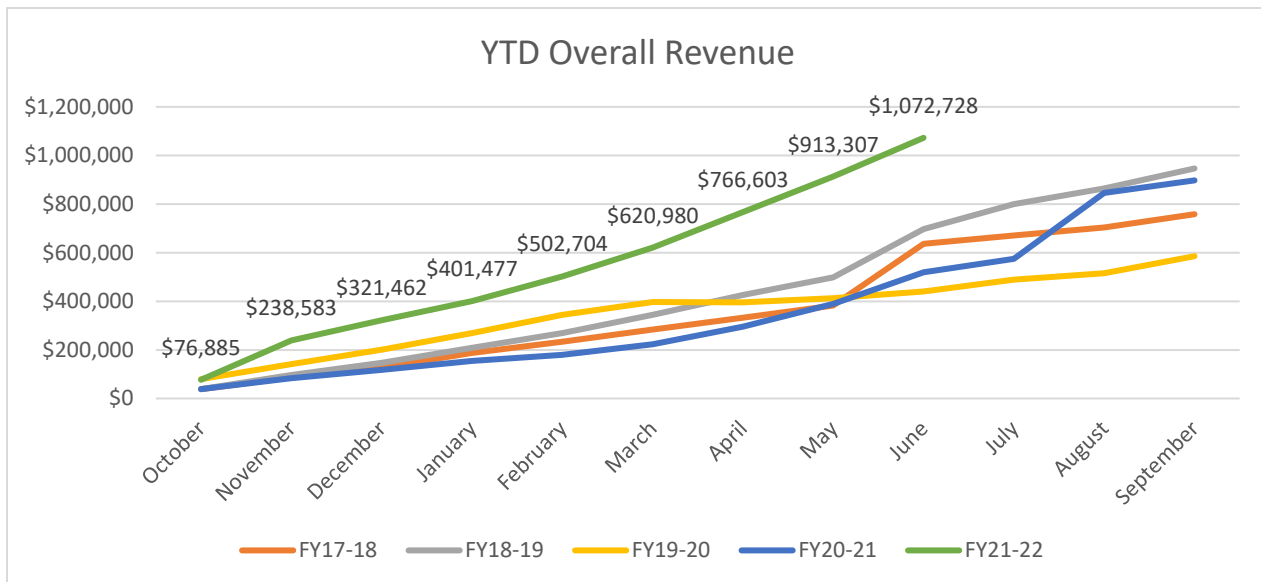
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### Recreation Center and Athletics

The quarterly report reflects year-to-date totals. The City's fiscal year runs from October through September. This report includes the months of October-June 2022. Numbers have not been audited and are subject to adjustment.

### Revenue

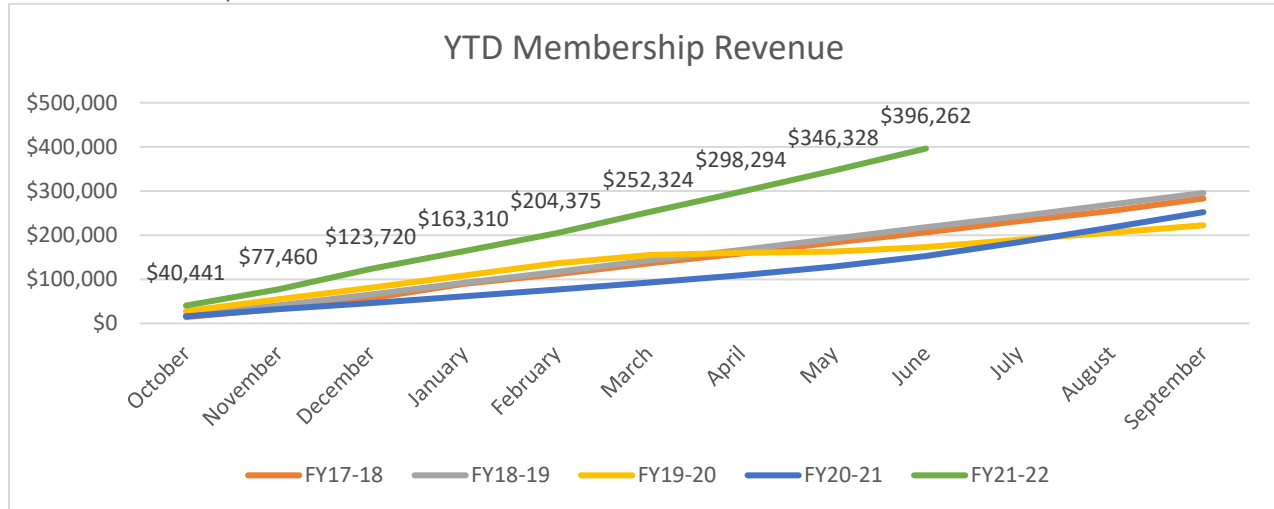
YTD Overall Revenue



The Recreation Division experienced record revenues this quarter, totaling \$1,072,728. Overall revenue is 54% higher than this time two years ago. Increased membership sales, Halloween in the Park admissions, early Summer Funshine registrations, and athletic rentals/user fees are the primary contributors to the

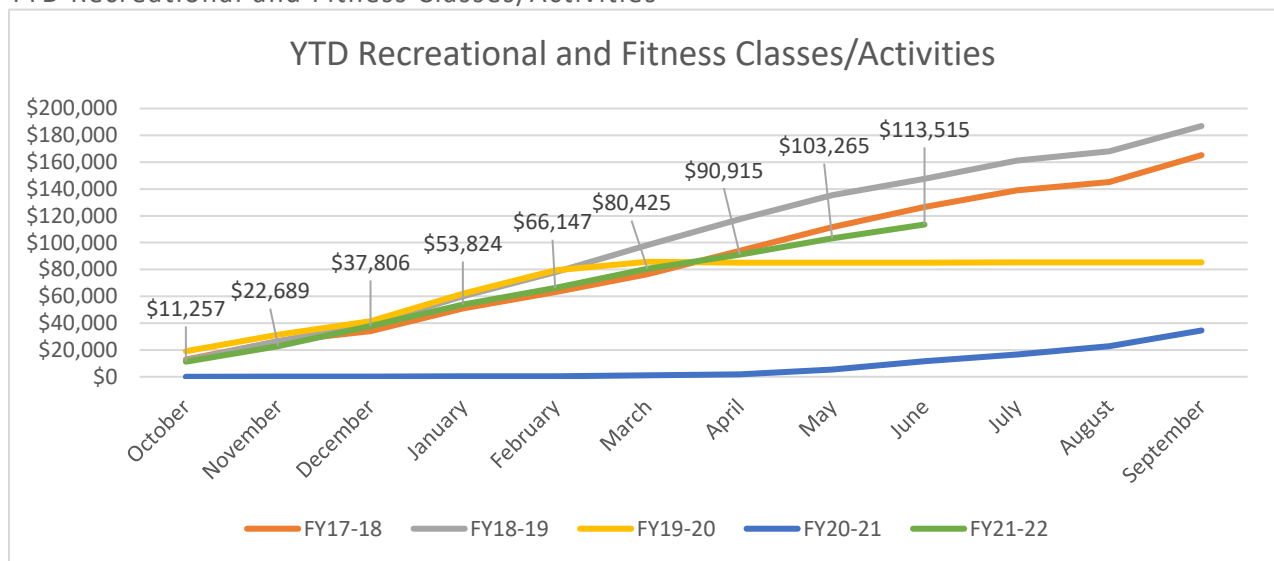
revenue increase. A noteworthy revenue source relative to memberships is Dallas Christian College. In the fall of 2021, the Recreation Center formed a partnership with the local college and garnered over 130 student memberships during the spring semester. The partnership is a success and staff is optimistic it will continue each semester for the foreseeable future.

#### YTD Membership Revenue



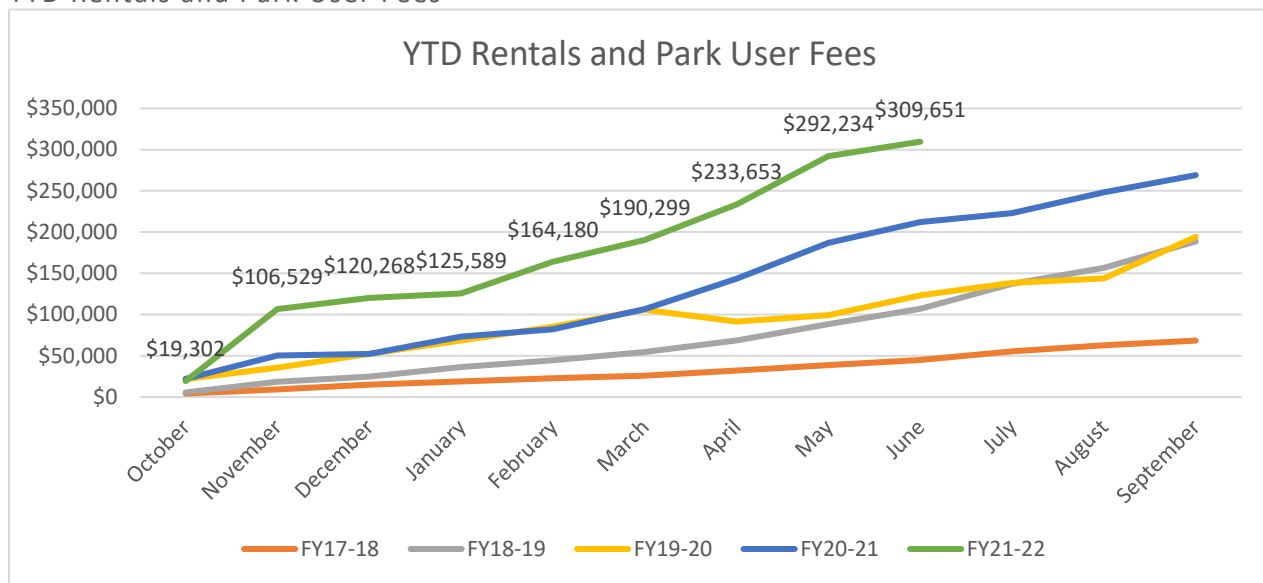
At the end of Q3 there were 3,402 active memberships and 5,204 current members. Membership revenue totaled \$396,262 which amounts to an 82% increase from this time three years ago (pre-COVID). This dramatic increase is attributed to the first floor renovation. A newly developed recruitment and retention program encourages potential members to join and engages current members. Additionally, robust marketing and promotional efforts have successfully put the Recreation Center in the forefront of the community as a high-end, yet affordable facility that offers outstanding recreation, fitness, social, and educational opportunities for individuals and families of all ages and abilities. Staff anticipates a total of 3,500 active memberships and 5,400 active members bringing in YTD membership revenue total of \$447,000 by Q4's end.

#### YTD Recreational and Fitness Classes/Activities



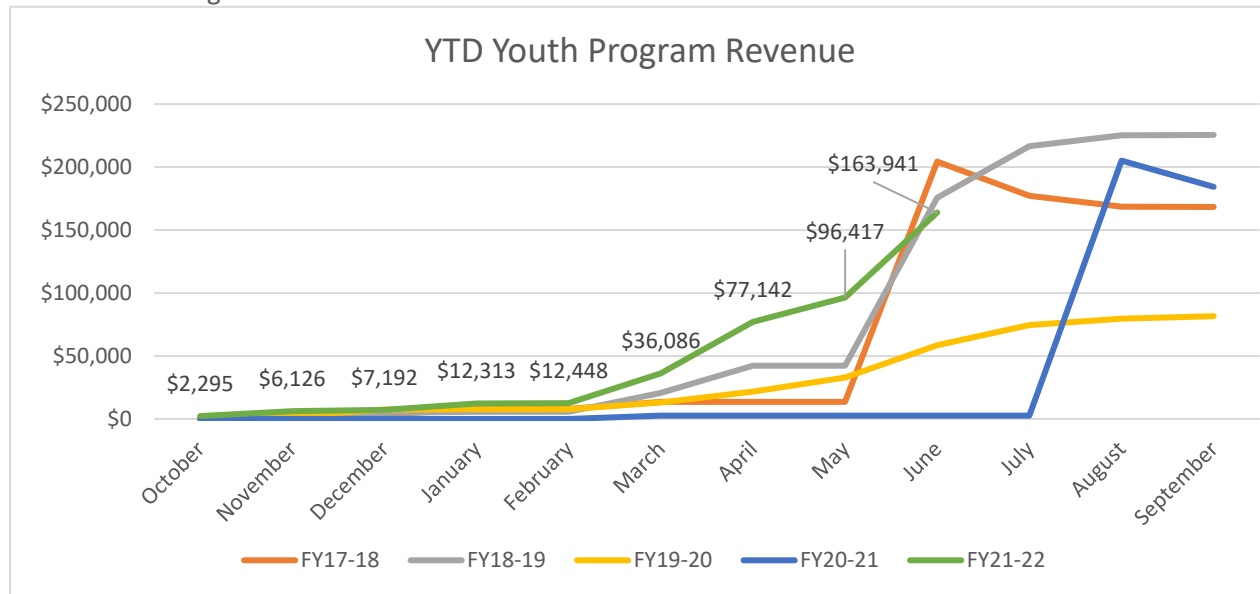
Revenue from recreational and fitness classes includes gymnastics, fitness, art programs, preschool classes, and the like. Q3 revenue for this service area was \$113,515. The projected YTD revenue by Q4's end is \$129,000. Revenue for this service area appears lower than previous years (excluding FY21) due to the payment structure with the new gymnastics program contractor. In previous years, all gymnastics registrations and payments were collected in house, and the City paid the instructor 80% of program revenue. In a typical year the City would collect approximately \$72,000 in gymnastics revenue with \$58,000 paid out to the instructor. This amounted to a net revenue of \$14,000 annually (approx \$1,167/month). With the current arrangement, the gymnastics contractor handles all registrations and pays the City 30% of the total revenue. As a result, the revenue appears lower, but there are no related expenses since the City is not paying the contractor. Current monthly gymnastics revenue is averaging between \$1,800-\$2,000/month which equates to an \$7,600-\$10,000 in additional gymnastics revenue annually over previous years.

#### YTD Rentals and Park User Fees



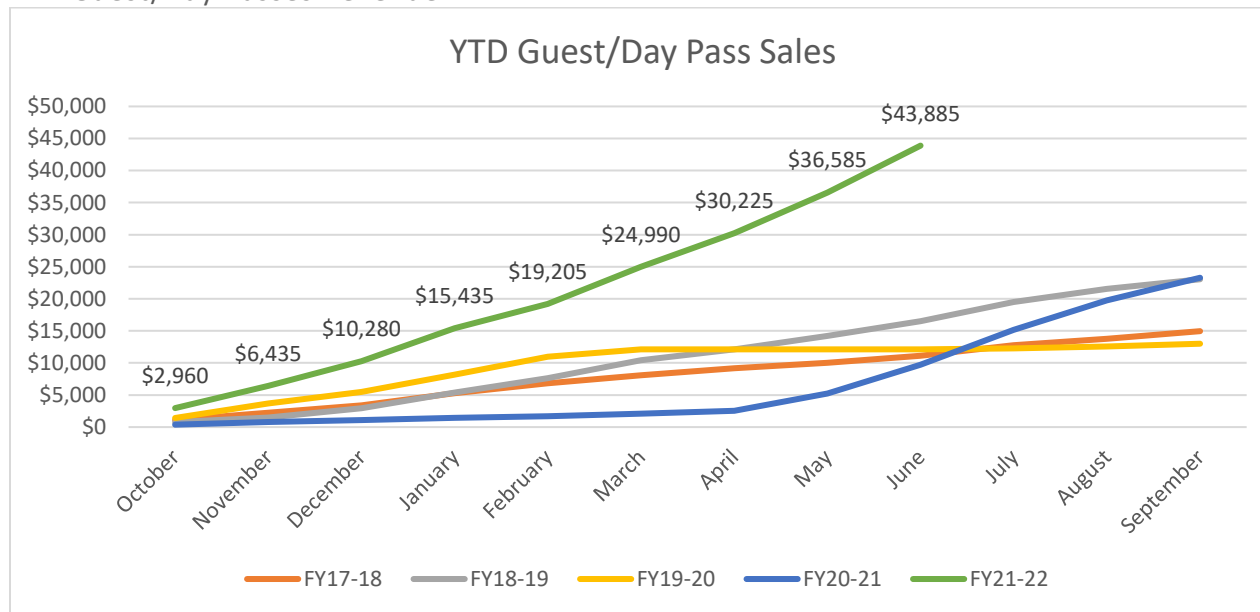
Rental revenue includes Recreation Center facilities, pavilion, athletic field rentals, garden usage fees, and athletic user fees. Athletic revenue makes up nearly 80% of all rental revenue. The athletic fields, especially the soccer fields at Cox Park, have shown significant wear due to the increased usage over the last several years. As a result, Cox Park will close for a few additional weeks this fiscal year to undergo much-needed maintenance and restoration. This closure will have a negligible impact on revenue and provides the fields at opportunity to return to their award-winning condition. The anticipated YTD revenue for this entire service area is by Q4's end is \$335,000 barring any weather events that would significantly affect field conditions.

## YTD Youth Programs Revenue



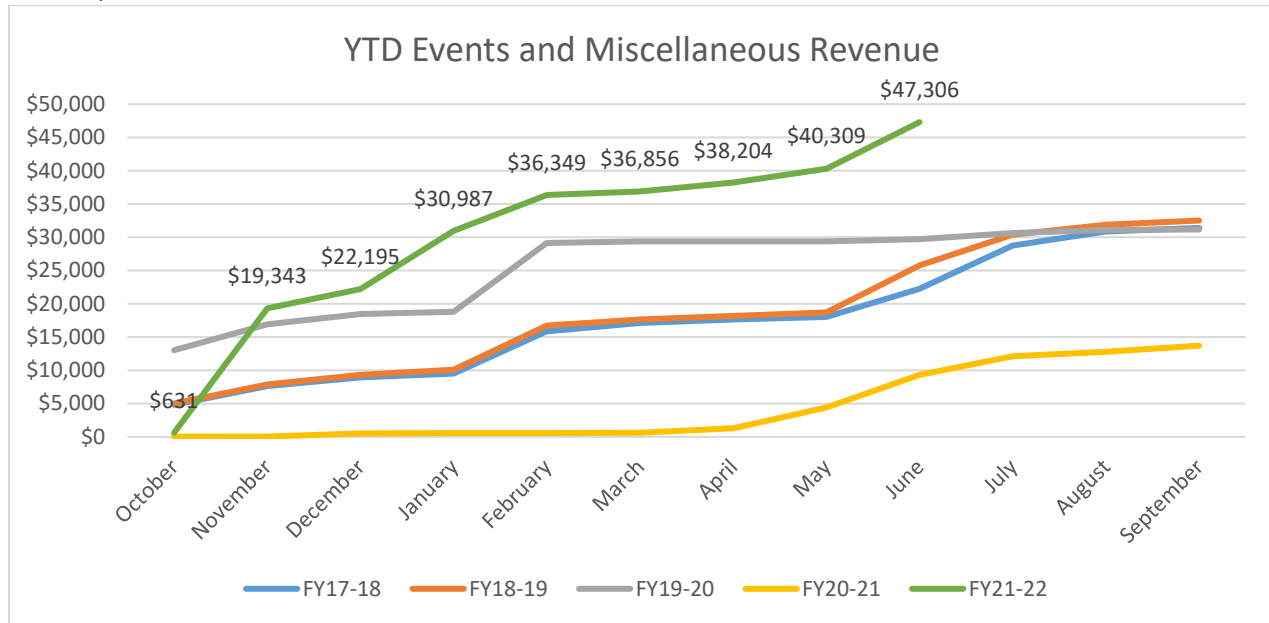
Youth Program revenue, which topped out at \$163,941 this quarter, includes Holiday Craze and Summer Funshine. YTD revenue is essentially even with revenue totals from two years ago. With Summer Funshine registration currently underway, revenue in this area has picked up. Q4 revenue should exceed \$270,000 which would be an all-time high for this service area.

## YTD Guest/Day Passes Revenue



Guest passes, also known as day passes, cost \$5/person. Guest passes are sold to individuals who choose not to purchase a membership because they are visiting family, trying out the facility for the first time, or feel they don't use the facility frequently enough to warrant purchasing a membership. Drop-in basketball play is the highest source of Guest/Day Pass revenue. Q3 revenue for Guest/Day Pass revenue was \$43,885 which is more than double Q3 totals from any previous years.

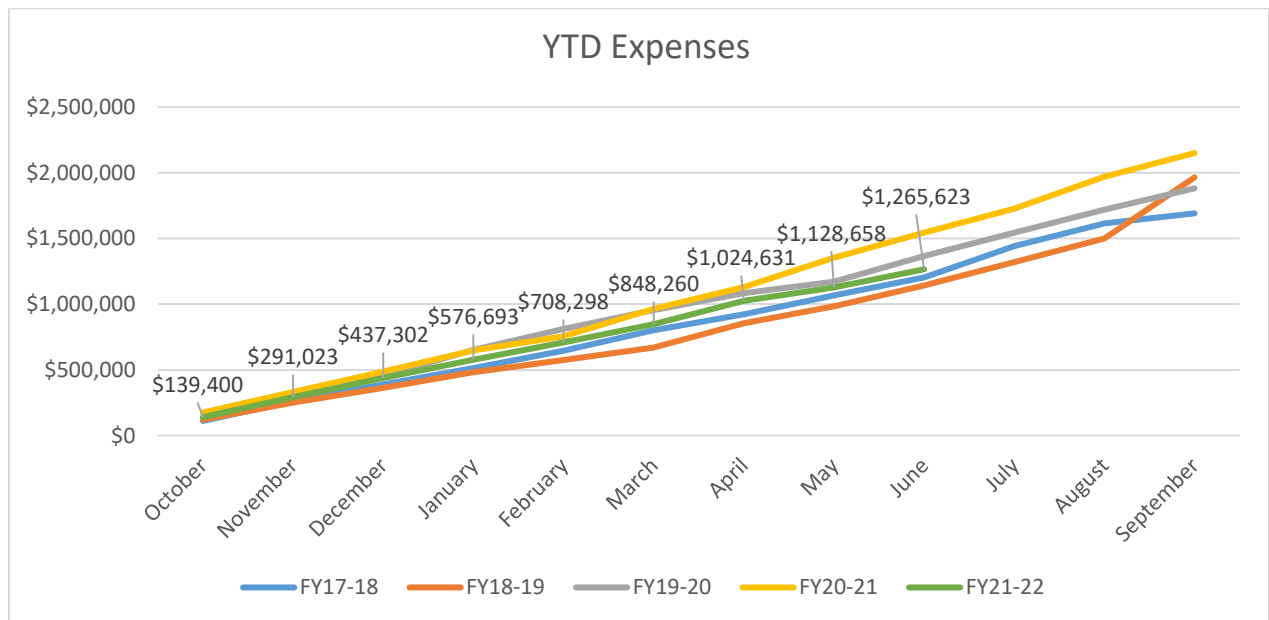
## Events/Miscellaneous



Events and miscellaneous revenue includes event admissions, Teen Leadership Program registrations, a portion of event concession sales, Kid Zone childcare fees, vending machine sales, branded merchandise, locker rentals, and other miscellaneous sales. Halloween in the Park's gate admission, Haunted Hedge admission, and concession sales made up the majority of YTD revenue.

## Expenses

### YTD Expenses



Expenses include operational costs, supplies, services, maintenance, and personnel. Also included are expenses related to the Recreation Center renovation project. Expenses are lower than the last few years due to the first-floor renovation being completed and not having a monthly gymnastics instructor payroll disbursement.

## Summary

The current cost-recovery percentage, including renovation project expenses, is 85%. The Recreation Center team continues to operate efficiently to keep costs down while maintaining a safe environment for guests. The Recreation Division is tasked with achieving 70% cost recovery for the fiscal year.

Q3 Overall Revenue- \$1,074,560

Memberships- \$396,262

YTD Recreational and Fitness Classes/Activities- \$113,515

Rentals and Park User Fees- \$309,651

Youth Programs- \$163,941

Day/Guest Passes- \$43,885

Events/Misc- \$47,306

Q2 Expenses- \$848,260

Providing exceptional customer service remains a top priority and has been adopted by each team member, aiding in outstanding feedback and reviews from members and guests. The Recreation Center's cumulative NPS\* is 83. The facility's NPS has steadily increased since reopening in April 2021. When narrowed down to the last six months, the NPS rating is 90.

The facility has a 4.7 Google rating, which is, on average, higher than local municipal and private facilities. The average Google rating of recreation centers in neighboring cities is 4.4, while nearby private fitness facilities have an average rating of 4.0.

\*Net Promoter Score (NPS) is a management tool used to gauge the loyalty of an organization's customer relationships and gathers real-time feedback to help improve operations and retain customers who may be at risk of leaving. A Net Promoter Score of 50 or greater is considered excellent, and anything over 70 is exceptional.