



MEMORANDUM

PARKS & RECREATION

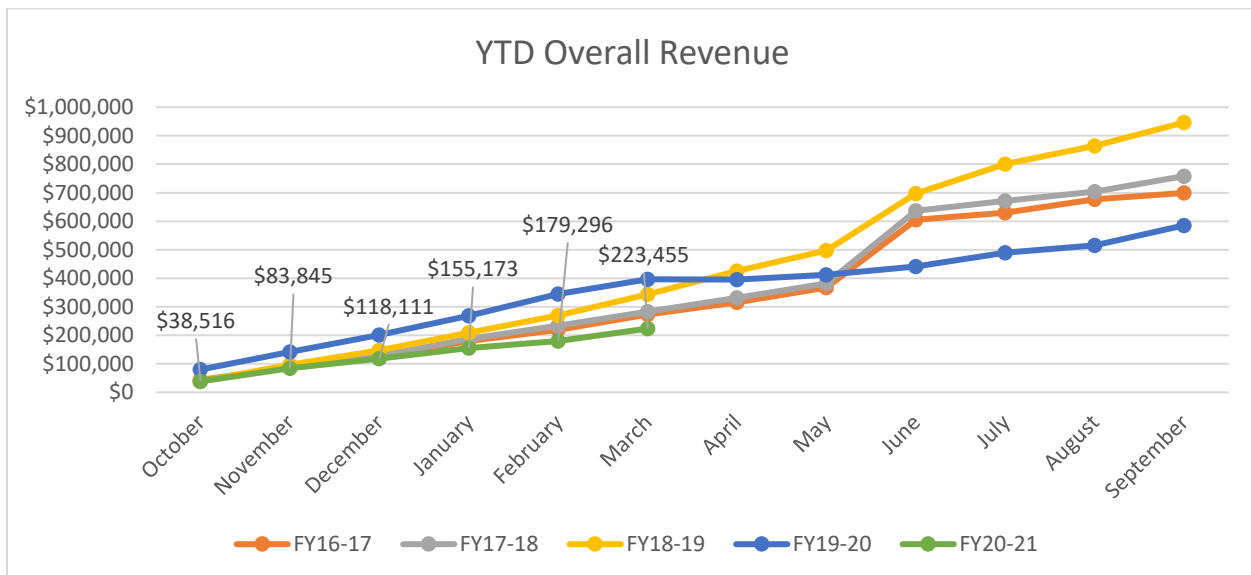
To: Rachael Arroyo, Recreation Superintendent
From: Maria Minter, Recreation Center Manager
Date: May 18, 2021
Subject: Division 52 and Athletics FY21 Q2 Report

Recreation Center and Athletics

The quarterly report reflects year-to-date (YTD) totals. The City's fiscal year (FY) runs from October through September. This report includes October 2020-March 2021 data. Numbers have not been audited and are subject to adjustment.

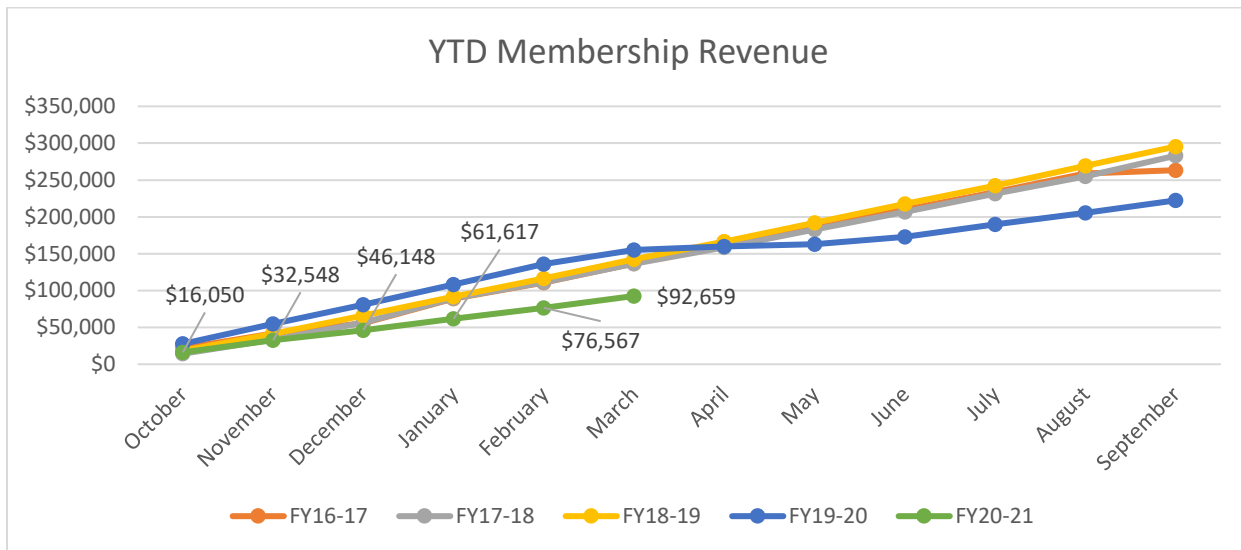
Revenue

YTD Overall Revenue



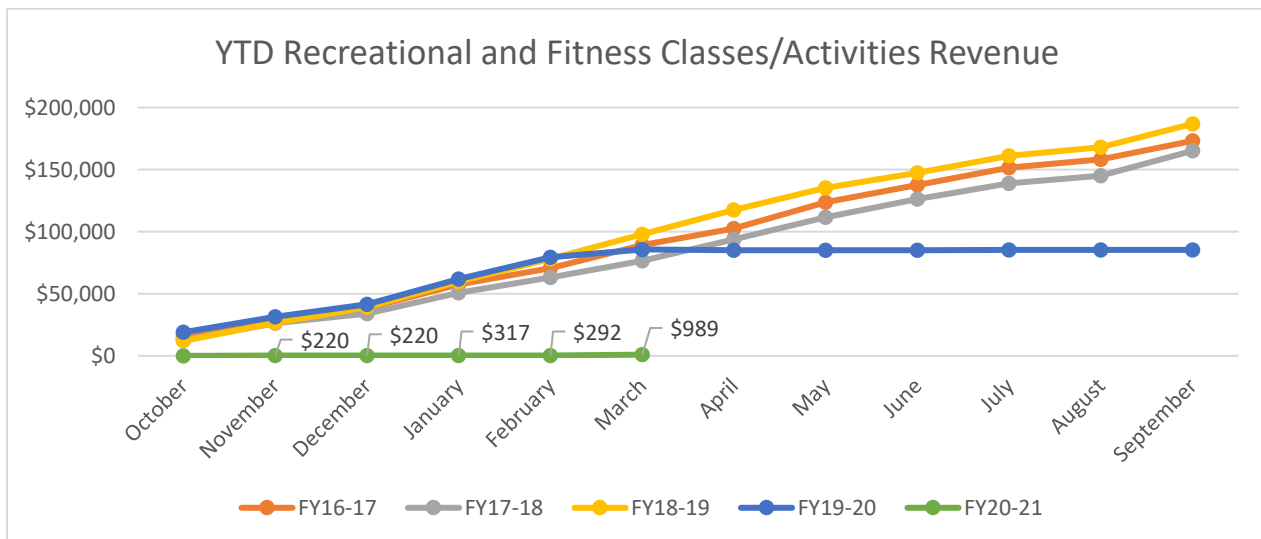
The first half of the fiscal year is seeing lower-than-normal revenues. This is due to the ongoing coronavirus pandemic and first-floor renovations. The silver lining is that both the pandemic and renovations are temporary. With the dropping numbers of COVID cases in Dallas County and easing of restrictions combined with the completion of first-floor renovations, brighter days appear to be ahead for the Recreation Center and our community. Revenue topped out at \$223,455 for the first half of the fiscal year, which is 43% lower than this time year.

YTD Membership Revenue



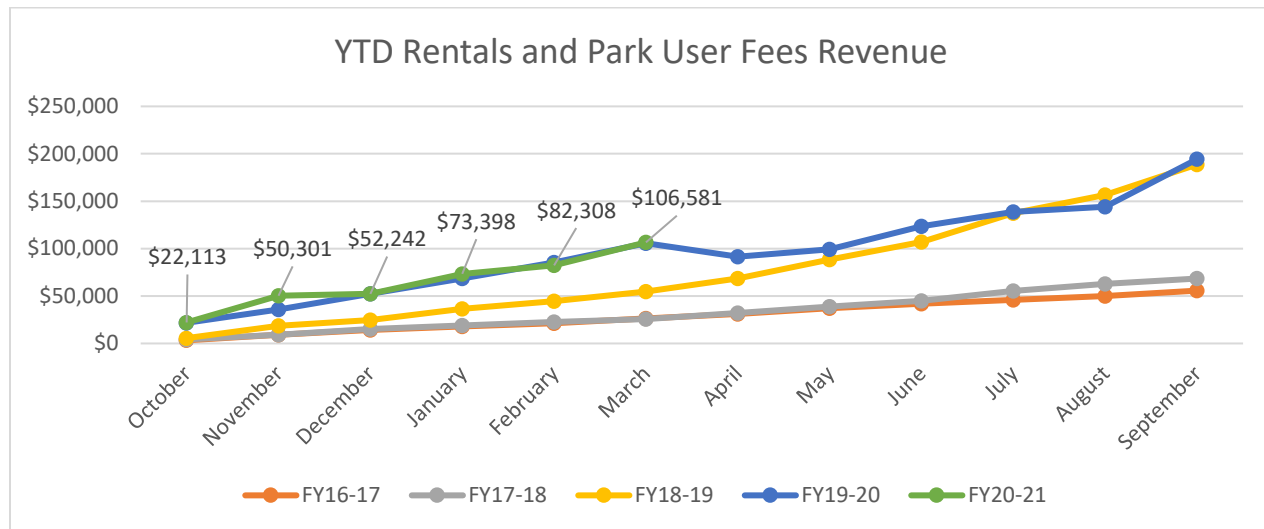
Membership revenue is down 40% from this time last year. Staff is working diligently to encourage facility usage through social media campaigns that highlight facility cleanliness and safety and the free Try-It-Before-You-Buy-It offer. The staff has created videos, surveys, sent thank you cards and free day passes, made phone calls to recently-canceled members, and administered fitness challenges that include rewards for usage. Additionally, staff has been promoting the grand reopening, which has generated positive feedback and excitement in the community.

YTD Recreational and Fitness Classes/Activities Revenue



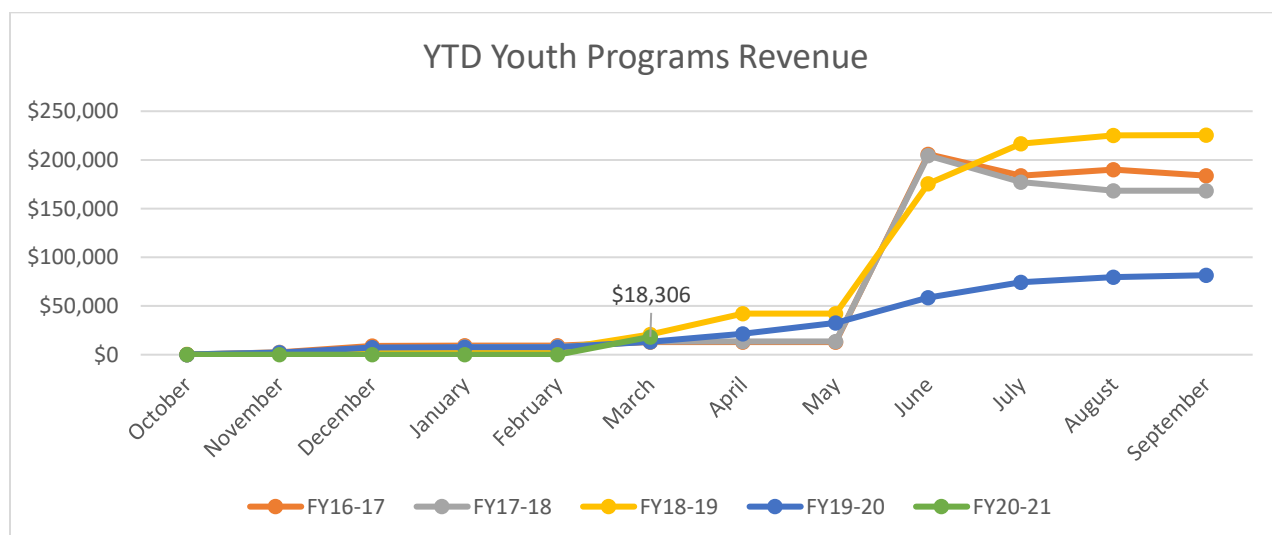
Revenue from recreational and fitness classes includes gymnastics, fitness classes, art programs, preschool classes, and the like. Indoor activities will be reactivated upon completion of the first-floor renovation. A very limited amount of small outdoor classes have been offered resulting in nearly \$1,000 in YTD revenue.

YTD Rentals and Park User Fees Revenue



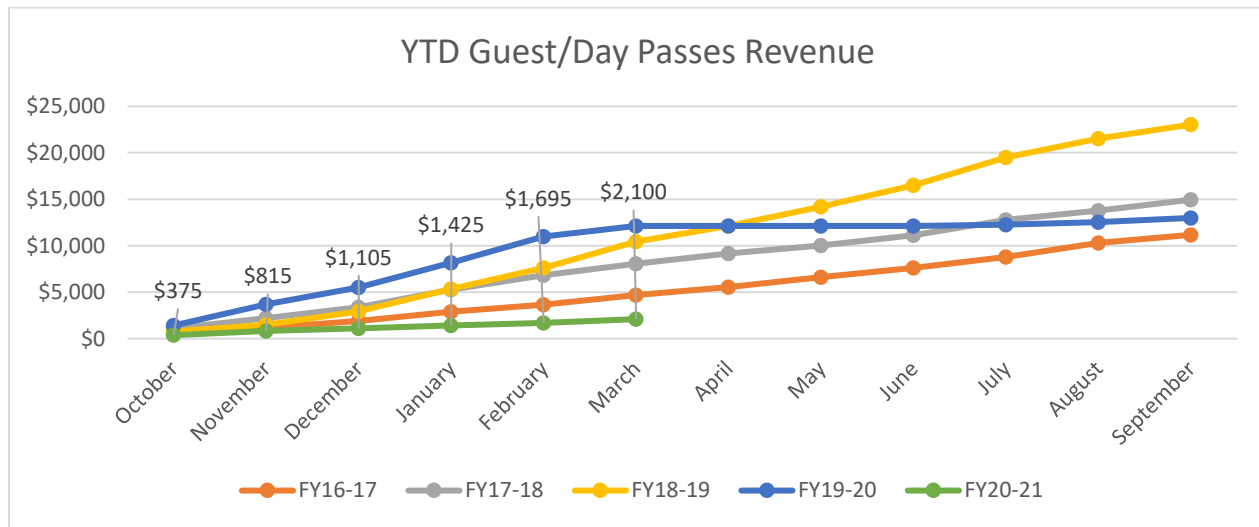
Rental revenue includes Recreation Center facilities, pavilion, athletic field rentals, garden usage fees, and athletic user fees. Indoor rentals are set to resume this month after being paused for over 13 months. Staff is experiencing a high volume of inquiries relative to facility rentals. This is a good indication that consumer confidence is growing. While indoor rentals have been nonexistent over the last year, athletic field rentals have never been more popular in Farmers Branch. The word is out about our world-class fields. Athletic field rentals are at unprecedented levels, exceeding last year's impressive numbers. To date, 2021 athletic year revenue tops out at nearly \$107,000. This is nearly \$1,000 higher than 2020's mid-year total for indoor and outdoor rentals combined.

YTD Youth Programs Revenue



Youth Program revenue includes Holiday Craze and Summer Funshine. The fall and winter break sessions of Holiday Craze were canceled due to the dramatic increase in Dallas County COVID-19 cases numbers during the fall and winter months. Due to facility renovations, the spring break session of Holiday Craze met at the Historical Park with over 30 participants enrolled. Currently, 75 participants are registered for Summer Funshine 2021. Revenue from both programs reached \$18,300 which is a substantial increase from the 2020 mid-year total of \$5,600.

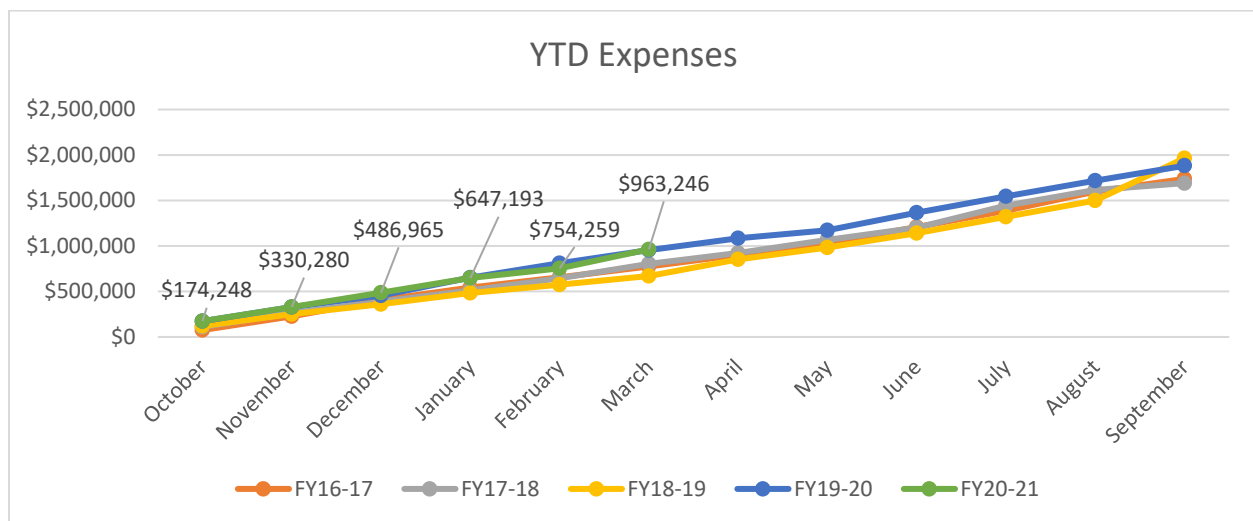
YTD Guest/Day Passes Revenue



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. While revenue is down due to the basketball gym being out of commission, some revenue is still being brought in by guests purchasing a day pass to work out.

Expenses

YTD Expenses



Expenses include operational costs, supplies, services, maintenance, and personnel. Also included are expenses related to the Recreation Center renovation project. Of the \$963,246 in expenses, \$318,000 is directly attributed to the renovation project. The first-quarter expenditures are down nearly 4% from this time two years ago when excluding renovation project expenses. This is primarily attributed to the decrease in instructor payroll disbursements.

Summary

The cost-recovery percentage, including renovation project expenses, was 22% for the quarter. When renovation project expenses are excluded, the Recreation Division reached 32% cost recovery. The Recreation Center team continues to operate efficiently to keep costs down while maintaining a safe environment for guests.

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 NPS* current NPS rating is 78.

The facility has a 4.6 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 an organization's customer relationships' loyalty. It allows us to gather real-time feedback to help improve operations, retain customers who may be at risk of leaving and can be associated with revenue growth. An NPS of 50 or greater is considered excellent, and anything over 70 is exceptional.