



## AGENDA ITEM SUMMARY FORM

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**MEETING DATE:** 2/28/2022

**PREPARED BY:** Megan Mainer, Director of Parks & Recreation, and Kyle Livesay, Assistant Director of Parks and Recreation.

**AGENDA CONTENT:** Discussion and possible action on Angleton Recreation Center operations and revenue generation.

**AGENDA ITEM SECTION:** Regular Agenda

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**BUDGETED AMOUNT:** \$0.00

**FUNDS REQUESTED:** \$0.00

**FUND:** \$0.00

### EXECUTIVE SUMMARY:

Parks and Recreation staff have been meeting routinely since December 2021 to assess Angleton Recreation Center operations and annual revenue. The primary goal of this assessment was to determine opportunities to generate increased revenue. Staff analyzed several factors that impact Angleton Recreation Center revenue including how the facility compares to competitors within the market, needs of past and current ARC members, membership structure and offerings, as well as existing facility usage and conditions. Based on data collected, staff will propose recommendations in each of these respective areas to improve Angleton Recreation Center operations.

### MARKET COMPARISON BACKGROUND

Enclosed, staff has provided a **local market comparison** of similar facilities and service offerings in the immediate area and includes information like the year facilities were established, hours of operation, daily entry rates, membership rates, and other information related to facility services. Three facilities we assessed opened prior to the Angleton Recreation Center and seven facilities opened after the Angleton Recreation Center. Angleton Recreation Center is one of the only facilities that is open on Sundays. Unlike most facilities, the Angleton Recreation Center offers facility usage until 9pm on Saturday with the exception of 24-hour gyms and gyms with class times as specified hours. Additionally, the Angleton Recreation Center is priced competitively in comparison to other local offerings and has several daily admission rates available. Lastly, Angleton Recreation Center is the only facility that offers private pool party rentals.

### ARC SURVEY RESULTS

Staff published a survey revolved around Angleton Recreation Center operations and services on Monday, January 31 and closed the survey on Monday, February 14. One hundred and twenty-two people responded to the survey.

Survey results indicated the following:

- **Question 1:** The net promoter score for respondents who would recommend utilizing the Angleton Recreation center to a friend or colleague was 58.
- **Question 2:** Respondents recommended several changes to the Angleton Recreation Center to provide a higher referral rating including a kids club for younger children, more aquatic programs, more group exercise classes, open earlier on Sunday, honor requests to pause memberships, temperature control in the pool area during cooler months, working aquatic amenities, cleaner restrooms, improved facility repairs, fans in exercise rooms, pool cleanliness, improved customer service, facility upgrades, dedicated senior center, larger weight room area, increased pool operating hours, early morning exercise classes, improved and a variety of workout equipment, exercise classes on the weekend, 24-hour access to the gym and pool, sauna, snack bar, inexpensive daily rates, lower membership rates, outdoor amenities, improved front desk operations, outdoor walking trail, and an increase in youth programs.
- **Question 3:** The top three memberships used were Family, Individual, and SilverSneakers or Silver & Fit.
- **Question 4:** Forty-five percent of respondents visit the Angleton Recreation Center on occasion while about forty percent of respondents visit the Angleton Recreation Center three or more times a week. Under fifteen percent of respondents visit the Angleton Recreation Center one to two times a week.
- **Question 5:** The biggest personal barrier for respondents to visit the Angleton Recreation Center includes location, lack of time, personal health, lack of childcare, costs, available services, hours of operation, injuries, existing pandemic, poor customer service, cleanliness of the facility, and broken equipment/slide.
- **Question 6:** About forty-three of respondents utilize the facility from 8am – 12pm, nearly thirty percent of respondents utilize the facility before 8am, twenty-nine percent of respondents utilize the facility between 5pm – 7pm, twenty-two percent use the facility between 12pm – 5pm, and nine percent use the facility after 7pm.
- **Question 7:** When asked what days respondents are least likely to visit the Angleton Recreation Center 71% said Sunday and about 56% said Saturday. All other days of the week were significantly less revealing that most respondents visit the facility Monday through Friday.
- **Question 8:** The top five facility features are the Fitness Center (cardio equipment/weight room), lap swimming pool, hot tub/spa, aquatic play area and waterslide, and locker rooms/restrooms.
- **Question 9:** The top five activities respondents or their family members participated in when visiting the Angleton Recreation Center includes exercise on the cardio machines, swimming for fitness/water exercise, weightlifting/strength training, recreational activity in the pool, and group exercise classes.
- **Question 10:** When asked if respondents participate in group exercise programs, fifty percent noted they have not participated in group exercise classes, twenty-five percent responded with yes and twenty-five responded with no, but they have participated in the past.
- **Question 11:** The top five requested group exercise classes are water exercise, cardio exercise, strength training, dance (e.g. Zumba), and stretching/flexibility.
- **Question 12:** When respondents were asked what they liked most about the Angleton Recreation Center they noted friendly staff, convenient location, many programs offered,

hours of operation, indoor pool, fitness classes offered, clean, low cost, weight room, senior activities, and gym.

- **Question 13:** When respondents were asked what they would like to see improved at the Angleton Recreation Center they noted more variety in group classes offered at different times and days, increased senior fitness programs, open earlier on Sundays, cleaner locker room facilities, pool and gym area, fans in workout areas, extended pool hours, larger space for cardio equipment, cycling classes, TVs in the cardio area, increased weight room area with additional equipment, water classes, increased number of lap lanes, childcare opportunities, separate heated therapeutic pool, interesting senior trips, sauna, workout recovery area, cheaper daily rates, customer service, racquetball courts, replace older equipment, and overall facility conditions.
- **Question 14:** When asked if respondents wanted to share additional information responses included the promotion of auto-renewing memberships, cleaner showers and restroom facilities, a safe and enjoyable place for seniors, additional Zumba classes, appreciation towards staff and maintenance of the facility, implementation of childcare, appreciation of staff and the facility, appreciation for group exercise instructors, need for a new yoga instructor, attentive lifeguards, racquetball courts, and longer hours of operation.

## **MEMBERSHIP STRUCTURE & OFFERINGS**

Staff determined additional revenue could be captured by incorporating scheduled payments via credit/debit card/ACH drafts for monthly membership renewals. Staff has developed a model projection of potential draft revenue collection for review. The Angleton Recreation Center had a successful membership draft system in place until the change in recreation management platforms that took place in early 2019. Upon the 2019 change, initial challenges were encountered with draft payments and staff determined to not utilize the draft process and moved to month to month purchasing for all monthly memberships.

- Over the course of 2021, the ARC sold monthly memberships to 889 different households.
- The average number of months for holding a monthly membership per individual household was 2.3 months.
- The average number of total transactions for monthly memberships was about 163.

Given this information, it can be estimated that the Angleton Recreation Center retains about 18.3% of households over a 1-year period. Because the ARC averages about 163 monthly membership sales per month, it can be estimated that about 60.5 of the 163 are lost at the end of each month.

The Angleton Recreation Center carries 163 memberships per month on average. It can be assumed that an average of 60.5 households per month are being cycled out of our membership base each month.

Industry membership retention averages are usually in the range of 60-70% annually for all memberships. By implementing an automatic draft to monthly memberships, it is reasonable to estimate that 40% retention could be met or exceeded within 6-12 months of implementing the changes. However, staff does not recommend an initial target of greater than 40% until at least 1-year after implementing automatic drafts for monthly memberships.

Staff, also, assessed membership categories and types to get a better understanding of who is purchasing membership and what our most valued membership types are. The Angleton Recreation Center currently offers 34 different types of memberships. Top membership types include monthly Family, Annual Family, Annual Senior Family, Individual Monthly, SilverSneaker/Silver & Fit, and Annual Employee Family memberships. Staff determined quarterly and semiannual membership offerings are not frequently purchased. Additionally, various membership types could be eliminated by embedding discounts into family and individual membership types to reduce the number of offers.

Membership Packages				
	Monthly	Quarterly	Semi-Annual	Annual
Individual 18-59 years	\$32	\$85	\$165	\$305
Family up to 6 dependents	\$44	\$120	\$225	\$425
Additional Person	\$8	\$20	\$40	\$75
Senior Individual 60+ years	\$25	\$65	\$125	\$240
Senior Family	\$35	\$95	\$180	\$335
Youth 11-17 years	\$25	\$65	\$125	\$240
Active Military & First Responder Individual	\$25	\$65	\$125	\$240
Active Military & First Responder Family	\$35	\$95	\$180	\$335

### Day Pass Sales and Facility Usage

Daily pass user trends were assessed. Staff found that in the FY2020-21, day pass sales accounted for approximately 41% of all visits to the Angleton Recreation Center while the remaining 58% were made up of facility members. In FY2019-2020, day pass sales accounted for about 20% of all visits. It can be assumed that the increase in day pass usage, when compared to membership for facility usage, is a result of patron's sensitivity to a facility membership commitment during the ongoing COVID-19 pandemic.

Additionally, Day Pass sales made up roughly 40% of total recreation revenue in FY2020-2021 in comparison to the 40% of total revenue made up from membership sales. For comparison, day pass sales are about 30% of total recreation revenue to date in FY2021-22 with about 51% of total revenue made up from membership sales. While the total percentage of day pass sales is trending down in comparison to membership for the current fiscal year, the total percentage of day pass sales revenue will likely increase in the months of May-August as demand increases during the summer months.

Considering the option for facility membership at the Angleton Recreation Center, a demonstrated 3:4 or 1:1 ratio of revenue being generated from day pass sales when compared to membership sales indicates that the pricing structure and facility access options are competing with themselves and are likely impacting overall membership retention levels and revenue generation potential.

Negative impacts to retention and revenue may be mitigated by adopting a pricing structure that more effectively encourages facility users to choose to enroll in a facility membership package while adopting a day pass pricing structure that remains as an affordable option for those not interested in facility membership. Day pass options would benefit from a price point that encourages membership enrollment by users who would consider visiting the facility at a rate of four or more times per month.

Proposed Membership Options		
	Monthly (Draft)	Annual (Pre-Pay)
<b>Individual Membership</b> Individuals 12 yrs & Up	\$ 30.00	\$ 300.00
<b>Family Membership</b> Up to 6 individuals from the same household	\$ 40.00	\$ 400.00
<b>Silver Sneaker Membership</b> Eligible individuals	Free Enrollment	
<b>Silver and Fit Membership</b> Eligible individuals	Free Enrollment	
<b>Eligible Membership Discounts</b> Seniors (60+), Active Military, First Responder	-\$10	-\$50
Proposed Day Pass		
<b>Single Use Day Pass</b>	\$ 5.00	

#### Summary of ARC Membership Management Recommendations

- Re-institute automatic credit/debit/ACH drafts for all monthly membership category renewals.
- Eliminate semi-annual and quarterly membership options. Limit options to monthly or annual membership.
- Reduce the number of membership categories from 34 options to five. Monthly Individual, Annual Individual, Monthly Family, Annual Family, and insurance subsidized senior memberships.
- Used age-based pricing and automatic discounting tools to price adjust for youth, senior, military, and employee memberships.
- Adopt a plan for scheduled membership rate increases that take place every 5 years to account for inflationary changes and other economic considerations.
- Standardize the day pass options to a single per person option that remains affordable but encourages membership as the more cost-effective means of long-term participation at the Angleton Recreation Center.
- Implement retention tracking and member recovery efforts to reduce loss of membership continuity due to scheduled account expirations.
- Increase staff efficiency and availability for direct service by leveraging on-line membership sales, account management features, and advanced customer engagement

features to reduce transaction volume for patrons and front-line staff. (ex. reduce 12 individual transactions to a single transaction annually for all monthly patrons)

## **FACILITY USAGE AND CONDITIONS**

In addition to the assessment of membership operations and revenue for the Angleton Recreation Center, staff also assessed the usage level of the facility over the yearly cycle and the general facility conditions as they impact aesthetics, user experience, and safety. To perform this assessment, staff conducted a Facility Conditions Assessment that consisted of scoring all major areas and features of the facility. This process allows for a quantitative assessment of condition to prioritize future building improvement needs as well as operational needs to address lower scoring items. Additionally, staff collected historical facility usage information that consisted of membership scans, individual day pass sales, and natatorium attendance logs to determine daily, seasonal, and annual usage patterns that impact facility operations.

### **Summary of Facility Conditions Assessment Findings**

During the Facility Conditions Assessment, staff assessed the following areas of the Angleton Recreation Center: ARC Grounds and Exterior, ARC Lobby and Hallways, Natatorium, Weight Room/Fitness Area, Gymnasium, Multi-Purpose Rooms, and Restrooms and Locker Rooms

Through this assessment each area was scored and weighted to provide an overall Facility Assessment Score. Assessments were conducted by the department's Director, Assistant Director, and Recreation Superintendent and each were conducted independently. Each item was ranked on a scale of 0-4. The scale of each ranking is based on each item being identified in the range of good conditions relative to an item's age (score of 4) to significant repair and safety concerns (score of 1) to immediate removal from operation (score of 0).

The average Facility Assessment Score was 57.08 out of 100 total pts possible (Scoring Range 50.85-62.03). The lowest scoring facility areas were the Gymnasium, the Natatorium, and restrooms/locker rooms.

Additionally, staff identified items in each specific area of the facility with the lowest scores. Many items related to daily maintenance and cleanliness can begin to be addressed internally by staff. However, many low scoring items can help guide future planning for facility improvements and purchasing.

General areas of concern based on the facility assessment that have the most immediate impact on the quality of the facility experience and impact the perceived value for patrons of the facility are facility lighting, Gym flooring, ceilings tiles and type (Gym), locker room/restroom amenities, and improvements or repair of doors, drywall, and paint.

### **Summary of Facility Usage Findings**

Staff collected all available data related to the overall usage of the Angleton Recreation Center. This consisted of daily membership scans, individual day pass sales, and natatorium usage logs.

The primary findings of this assessment are provided below:

- On average, 124 facility members scan into the ARC each day. The average number of weekday scans is 151 per day and the average number of weekend scans is 58.5 per day.

- Peak facility usage by members is on Monday and Tuesday. Usage decreases daily Wednesday through Sunday.
- The highest volume of membership scans occurs between 7 am and 9 am in the morning and between 4 pm and 6 pm in the afternoon.
- Morning use is driven by senior memberships while afternoon use is driven by family memberships.
- Family membership sales and usage peaks during the months of May through August and decreases rapidly during the seasonal shift in December.
- On average, 78.2 day passes are sold per day. The average number of weekday sales is 64.6 per day and the average number of weekend sales is 83.5 per day.
- Day pass sales volume occurs inversely to membership scan volume. Day pass sales are highest on Friday through Sunday and lowest Monday through Thursday.
- Day pass sales peak at 1 pm and remain significantly elevated until 6 pm.
- Day pass sales volume peaks in the summer months of June through August. The month of March also shows a spike in sales which corresponds with the AISD Spring Break.
- Natatorium usage volume peaks and remains elevated during the months of May through August. The month of March also shows a spike in natatorium visits that corresponds with the AISD Spring Break.
- Membership scans, day pass sales, and natatorium usage are all heavily impacted by seasonal changes and AISD vacation periods.
- The lowest usage and sales period for all items are during the months of September and February immediately following a seasonal shift and school vacation period.

With these findings, staff are better able to understand seasonal changes to patterns of use as well as understand where the volume of daily visits takes place throughout the year. This understanding will allow staff to make better scheduling and budgeting decisions throughout seasonal shifts, optimize opportunities for staff to make operational changes that decrease the historical loss of membership that occurs during seasonal shift, and encourage day pass users to convert to facility members if desired. As an example, creating a membership experience that better engages families during non-summer months may increase the retention of family memberships during the transition into the school year.

### **Facility Usage During Holidays**

Staff assessed historical facility usage during all major and city approved holidays to the volume of usage on these dates. During this assessment, it was found that most holidays where school was not in session resulted in a significant reduction in overall facility attendance.

From these findings, it is recommended that the Angleton Recreation Center adopts a standardized holiday operations schedule of 8 am – 5 pm for city approved holidays where the facility remains open. The facility would remain closed on New Year's Day, Easter Sunday, Thanksgiving Day, Christmas Eve, and Christmas Day.

### **Natatorium Operations and Private Pool Rental Availability**

Staff reviewed all private pool party bookings from FY2019-20 and FY2020-21 to assess frequency of bookings, trends, and opportunities. Staff found the vast majority of private pool party bookings took place during the summer months that are typically associated with greater natatorium use. In addition, bookings were most often on Fridays, Saturdays, and Sundays. While

limited bookings on weekday evenings took place, this accounted for less than 10 total bookings from October 2019-present.

With this information, it is recommended that private pool parties only be made available between Memorial Day and Labor Day holiday weekends and limited to weekends only. Changing the availability of times for private pool parties allows for more flexible scheduling of the natatorium during weekday evenings and weekends outside of the peak summer months.

## **DIVISION ORGANIZATION**

Assessing Recreation Division operations and opportunities for potential revenue generation has helped staff identify operation deficiencies revolved around membership offerings and maintenance, facility maintenance, program offerings, and customer satisfaction. The City of Angleton is growing and our ability to address customer needs should reflect that change through staffing. Staff recommends the Recreation Division be separated into two divisions, Angleton Recreation Center Facility Operations and Recreation. The primary reason for establishing two divisions is to provide a clear delineation of Angleton Recreation Center operations and associated revenue and Recreation operations and associated revenue. Separation of duties will, also, aid in increasing operational capacity and elevating standards while, also, increasing the number of elevated positions to help professionalize, recruit, and retain knowledgeable staff.

Organizational changes will include the following:

- Elevating the hourly Facility Manager position to a salaried Facility Operations Superintendent
- Eliminating the Assistant Aquatic Coordinator position and associated city benefits
- Moving Aquatics, Custodial, and FT & PT Customer Satisfaction Recreation Assistants under direct supervision of the Facility Operations Superintendent
- Changing PT Permanent Recreation Assistant to FT Recreation Specialist for Senior Programs
- Marketing and events to be managed by the Recreation Superintendent
- Move Recreation Specialists & paid internship positions under direct supervision of the Recreation Superintendent
- Change PT Permanent Recreation Assistant to FT Recreation Specialist for Senior Programs
- Recreational Specialists – Seniors, Environmental & Outdoor, and Athletics & Registration based programs

Future recommended changes will revolve around adjusting part-time schedules based on Angleton Recreation Center user trends, levels of supervision needed, the volume of anticipated transactions, and seasonal changes that impact daily operations. Additionally, data collected will be used to guide the timeliness of hiring and relevant staff training to ensure staff are prepared to provide high-level service during major seasonal and business volume shifts.

**RECOMMENDATION:** Staff recommends ABLC provide direction on proposed recommendations.