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McKinney Aquatic and Fitness Center



Agenda

- Facility History
- Membership and Policies
- Comparison Rates
- FY 2016-2017 Budget
- Future Operational Expenses
- Proposed Membership Pricing
- Goal – 100% Cost Recovery
- Questions/Discussion

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Conception of the McKinney Aquatic and Fitness Center

- 2006 McKinney successfully holds bond election for funding of an aquatic and recreation facility.
- 2013 at Council's strategic planning retreat, assigns MCDC to take over the planning of the project.
- Council determined a recreation center was needed with one very important goal – To develop a recreation center as an enterprise that would be self-supporting.



Achieving our goal

- Membership is the #1 Revenue Resource for any recreation/fitness facility looking to maintain 100% cost recovery.
- Pricing integrity is important for our community.

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Types of Memberships

Membership Types:

Annual

Monthly

Daily

Membership Categories

Youth

Senior

Adult

Family

Categories above will include both resident and non-resident fee structure



Membership Guidelines

- To qualify for the Resident membership fee, your home or business must be located within McKinney's city limits and your property taxes must be paid to the City of McKinney.
- A family constitutes at least one, no more than two, adult heads of household and his/her dependents that are 23 years of age or younger in school or living at home. It also includes persons with special needs living as a single housekeeping unit at the same address.
- Fees and passes include unlimited use to non-instructional aquatics, fitness equipment, indoor track and gym (age permitting) and non-specialty group exercise classes.



Refund Policy

Annual Pass

Non-refundable. For those individuals choosing to purchase an annual pass by paying for one year in full, the pass is non-refundable with the exception of the 30-day Opt-Out Period.

30 day Opt-Out Period

All annual members have 30 days from the date of purchase to request an annual pass refund. One month, at the monthly rate, and a \$75 service charge will be deducted from the annual pass refund amount at time of refund.

Annual Pass Transfers

Individual or family annual members may transfer the pass to another individual or family. If the individual or family receiving the annual pass is a non-resident of the City of McKinney, the receiving party will be required to pay the difference between the resident annual pass fee and the non-resident annual pass fee. If a non-resident annual membership is transferring their annual pass to a resident of the City of McKinney, there is no refund for the price difference.



Refund Policy

Month-to-Month

For those individuals choosing the monthly payment option, a 30-day written notice is required to discontinue the Electronic Funds Transfer deduction. The \$75 service fee is non-refundable. A Service Fee of \$25 per returned payment may apply.

Medical Freeze

In the event of a medical condition that prevents you from utilizing The McKinney Aquatic and Fitness Center, members may freeze their annual pass for \$10 a month by providing a doctor's statement. Once a doctor's release is obtained to return to the facility, the pass will be reactivated for the length of time it was frozen. (If patron has a family pass and elects to freeze the pass, the entire family will be frozen.)

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Scholarship Program

In the future, we will develop a scholarship program for those in the community that need financial assistance. We will focus on programming assistance first.



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Schedule of Comparison Rates

	Lifetime Fitness	LA Fitness*	Cooper at Craig Ranch	Frisco
Annual Rate w/enroll	\$2,418	\$638	\$2,587	No enrollment fee
Annual Rate w/o enroll	\$2,268	\$539	\$2,448	\$600
Facility sq ft.	160,000	50,000	75,000	100,000

LifeTime Fitness - \$189/mo
 LA Fitness* - \$45/mo
 Cooper - \$204/mo
 Frisco - \$50/mo res

*individual membership pricing





Schedule of Comparison Rates of facilities not 100% cost recovery

Facility	Family Membership Rate	Sq Foot
Allen	\$550	90,000-120,000
NRH	\$545	86,000
Plano	\$339	84,000
Flower Mound	\$500	80,000
Coppell	\$500	52,000 + outdoor waters

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Projected Membership Revenue FY2017

Annual Memberships
\$1,041,667

Daily Passes
\$205,000

Employee Memberships
\$60,000

Employee Dependent Memberships
\$10,000





Projected Total Revenue for MAFC

- Total Revenue forecasted for FY2017 2,003,467
 - 10 months of operation
- Membership and Day Pass revenue constitutes 66% of the total revenue budget.
- This is the main source of operational revenue for MAFC.

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Current Revenue Breakdown

- Membership (+ misc) - \$1,317,967
- Ancillary income (Programming, Rentals) - \$685,500
- Total Forecasted Revenues - \$2,003,467

10 months of revenue



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Current Expense Breakdown

Forecasted Expenses: \$3,003,466
12 months of expenses



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Payroll

Payroll (excluding P/R)

Full – Time:	\$613,905
Part-Time:	\$379,970
Seasonal:	<u>\$266,215</u>
	\$1,260,090



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Payroll

Payroll + Payroll Related
\$1,620,250

54% of our expenses



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NET

Forecasted Revenues:	\$2,003,467
Forecasted Expenses:	\$3,003,466
NET:	(\$999,999)



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Operational Expenses Over Time

As the building ages, expenses will increase

Sample expenses:

Fitness Equipment Maintenance/Replacement

Floor resurfacing

Furniture replacements

Motor Maintenance/replacements

Compressors/AC

Daily Maintenance on building

Computer replacements/upgrades



Over time a 5 year capital plan – approx. \$500,000

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Operational Expenses Over Time

Payroll increases

Staff increases

Staff pay increases annually

Payroll related costs



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Proposed Pricing

MEMBERSHIP FEE SCHEDULE

Annual Membership (paid in full)

Type	Resident	Non-Resident
Youth/Senior	\$300 (\$25/mo)	\$400 (\$33.33/mo)
Adult	\$500 (\$41.67/mo)	\$600 (\$50/mo)
Family	\$700 (\$58.33)	\$850 (\$70.83/mo)

Monthly Membership

(one time \$75 service charge to set up EFT or Credit Card)

Type	Resident	Non-Resident
Youth/Senior	\$30/mo	\$40/mo
Adult	\$50/mo	\$60/mo
Family	\$70/mo	\$85/mo



\$850 is the value of an annual family pass to the MAFC.

Residents are provided a discount



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Day Pass Rates

Daily Pass Rate

Type	Resident	Non-Resident
Youth/Senior	\$8	\$10
Adult	\$10	\$12
Family	\$17	\$25
Groups of 15+	\$7	\$7



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Projected Membership Revenue FY2017

Annual Memberships

\$1,041,667

(1191 Family + 417 Adult = 1608)

Daily Passes

\$205,000

(20,500 day visits)

*Employee Memberships

\$60,000

*Employee Dependent Memberships

\$10,000

*or 100 additional family memberships



Schedule of Comparison Rates

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 McKinney - \$58.33/mo res

*individual membership pricing





THREE YEAR PROJECTION

- YEAR 1: 67% recovery
- YEAR 2: 80% recovery
- YEAR 3: 100% recovery



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QUESTIONS

