



2019

Fiscal Year End Report

The Keller Pointe 2019 Fiscal Year End Report

Introduction

The Keller Pointe continues to move forward in achieving fiscal success by improving the quality of the facility and levels of service. This commitment has allowed The Keller Pointe to continue to be successful in its 100% cost recovery model now in its 15th year of operation.

This report summarizes aspects of financial management and operational decisions for the Fiscal Year 2019.

Attendance

The total attendance for Fiscal Year 2019 was 290,632. This represents a 5% increase over 2018 year numbers.

Memberships

Total memberships remained steady with a total of 4,208. Total number of individual members was 12,659. The total number of facility members gives The Keller Pointe a 24% penetration rate among Keller residents despite 20 other fitness facilities in the City of Keller, as well as a number of large chain facilities just outside of the Keller border. The national penetration rate for all fitness clubs is 16%, which demonstrates the strength of The Keller Pointe in the market today.

All attendance numbers were pulled October 1st 2018 through September 30, 2019.

Goals for 2019

The Keller Pointe established goals for 2019 that focused on member satisfaction, revenue growth, and increasing the total amount returned to fund balance.

Member Satisfaction – Increase Net Promoter Score from 65% to 66% - Achieved 67%

Our members continue to be our focus. We believe strongly in our family atmosphere and nurture that environment. This commitment to the family contributes highly to an increase in our Net Promoter Score. This score is the willingness of our customers to recommend The Keller Pointe to others. The industry average is 46%.

Revitalize Personal Training Program from 1% to 3% membership participation - Tabled

Staff had a very busy year with multiple projects, such as the Indoor Pool HVAC replacement, software conversion, Indoor Pool Slide replacement and the Locker Room renovations that lead to the decision to postpone focus on rebuilding the personal training program in 2019.

Return \$650,000 to Fund Balance – Achieved \$753,325

Even with last year's impressive fund balance deposit of \$633,000, this was still an aggressive goal, since every year prior to 2017 had never eclipsed \$400,000 savings. This amazing deposit is the result of dedicated and committed staff, who are cost savvy and revenue driven.

*Final numbers have not been audited.

Wins in 2019

The Keller Pointe enjoyed a number of notable wins in 2019 and we are excited that our members support us.

- Best Health Club/Gym Keller
- Best Health Club/Gym Roanoke
- 2019 Neighborhood Favorites Winner www.nextdoor.com

Records Set

Staff identified revenue areas that could be improved upon and competitively sought to break revenue records.

- Highest net revenue \$753,325 – 16% more than record set in 2018
- Highest interest revenue from Investments \$66,822 – 42% higher than the record set in 2018

Breaking records is not possible without the amazing full-time and part-time staff that have a seemingly supernatural drive to always push themselves, programs, and offerings to exceed our member's expectations.

Opportunities for Growth

Our team still believes there is opportunity for growth. Personal training is the one aspect of the facility that could still handle a large spike in participation. Some of the barriers for growth in this area are contractor's commitment and availability, exposure of personal training offerings outside of the building and difficulty in registration (in person and online). As large projects come to a close in 2020, staff will research creative ways to redevelop this program in ways that increase revenue and participation.

Project Updates

2019 was an exciting year where we began over \$1,500,000 in capital projects funded through our budget and the Keller Pointe Fund. Those included recreation software conversion, strength equipment replacement, Indoor Pool HVAC replacement, Indoor Pool Slide replacement and Locker Room renovations.

- Recreation software conversion is complete. We can begin to explore, research and test the more advance features that may allow us to implement more applications creating improved use by staff and members.
- Strength equipment replacement is complete.
- Indoor Pool HVAC replacement is complete. The new Multi-Stack system is working very well. We began monitoring electrical usage once installed to track potential savings from this more efficient unit.
- Indoor Pool Slide replacement is complete and operational. The vendor is in process of completing a few minor painting touch ups.
- Locker Room renovations are still in process with the Men's side expected to open within the next few weeks. We did encounter delays that happen when renovating existing spaces and a few shipping delays that have put us slightly behind schedule. Because the rooms are mirror images of each other, the known renovation issues have

been accounted for and should help to speed up the process for the Women's locker room renovation.

Summary of Revenues and Expenses

The budget for Fiscal Year 2019 projected \$3,232,000 in revenues, and allocated \$3,228,286 in expenditures. Actual revenues generated during the fiscal year were \$3,384,826. Expenditures came in significantly under budget for a total of \$2,631,495. Returning approximately \$753,325 back to the fund balance, bringing our total fund balance up to approximately \$1.3 million.

*Final numbers have not been audited.

Looking Ahead to Fiscal Year 2020

Despite setting records the past few years, our challenge will be to stay relevant and continue to grow amid increased competition. We will do this through a commitment to maintenance, exceptional customer service, diverse program offerings, and keeping our equipment maintained and updated.

Our goals for 2019 include: restructure and revitalize the Personal Training program and return \$650,000 to fund balance.