

# Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council  
From: Jason Brown, Link Manager  
Date: November 22, 2016  
Subject: Link Information and Fee Structure

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**Council Action:** N/A

**Background Information:** Since the Link is designed and budgeted as a cost recovery facility, city staff researched and defined policies and fees for memberships and rentals.

**Facility Memberships:**

Looking at Hurst, Watagua, NRH, Haltom City, and Ft. Worth municipal Recreation Centers along with proximal competitors LA Fitness and Planet Fitness as benchmarks, city-staff has designed a fee structure. The fee pattern was designed with single adult and then added discounts for seniors, teens, children and residents. Additionally, family pricing and up-front payment discounts have been defined in the fee structure.

With the adoption of the fee structure, city staff also suggests a 20% discount for pre-sold memberships with a cap of 3 years paid up front.

**Rental Fees:**

City staff has built a rental menu that includes facility fees and additional a la carte rental fees. Additionally, staff is rewriting rental policies and procedures as they pertain to payment timelines, renter expectations, staff oversight and alcohol on the premise.

**Board/Citizen Input:** N/A

**Financial Impact:** N/A

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**Attachments:** Membership Fee Structure; Membership Fee Benchmarks; Rental Fee Structure; Rental Fee Benchmarks

# Mission Statement

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The Link Event and Recreation Center and its fiscal responsible ideals will bring the community together and promote an evolved level in quality of life with programs in education, fitness, recreation, the arts and sports. Its events and facilities will offer residents, businesses and visitors opportunities that are balanced in high quality service and experience.

# Vision Statement

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The Link Event and Recreation Center will be an avenue for improved quality of life and fostering a sense of community. It will be a regional hub for recreational programming and hosting events that will be a benchmark for others to model.

	Sun		Mon		Tues		Wed		Thu	
Keller Pointe	10am-6pm	8	5am-10pm	17	5am-10pm	17	5am-10pm	17	5am-10pm	17
NRH Centre	10am-6pm	8	5am-10pm	17	5am-10pm	17	5am-10pm	17	5am-10pm	17
The Core in Coppell	1pm-6pm	5	5am-10pm	17	5am-10pm	17	5am-10pm	17	5am-10pm	17
The CAC in FM	1pm-6pm	5	5am-10pm	17	5am-10pm	17	5am-10pm	17	5am-10pm	17
The Rec in Grapevine	7am-7pm	12	5am-10pm	17	5am-10pm	17	5am-10pm	17	5am-10pm	17
Crowley	Closed	0	9am-9pm	12	9am-9pm	12	9am-9pm	12	9am-9pm	12
Planet Fitness	All Day	24								
LA Fitness	8am-5pm	9	5am-11pm	18	5am-11pm	18	5am-11pm	18	5am-11pm	18

	Fri		Sat		Total Hrs	Res	Fam	Nres
Keller Pointe	5am-9pm	16	8am-8pm	12	104	\$ 365.00	\$ 575.00	\$ 465.00
NRH Centre	5am-9pm	16	7am-6pm	11	103	\$ 293.00	\$ 551.00	\$ 385.00
The Core in Coppell	5am-8pm	15	7am-6pm	11	99	\$ 250.00	\$ 500.00	\$ 500.00
The CAC in FM	5am-9pm	16	7am-7pm	12	101	\$ 250.00	\$ 500.00	\$ 350.00
The Rec in Grapevine	5am-7pm	14	7am-7pm	12	106	\$ 120.00	\$ 300.00	-
Crowley	9am-9pm	12	8am-4pm	8	68	\$ 150.00	\$ 350.00	\$ 250.00
Planet Fitness	All Day	24	All Day	24	168	\$ 160.00		
LA Fitness	5am-10pm	17	8am-5pm	9	107	\$ 580.00		

# Operational Hours

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If the concept of the Link is that it is in competition with area fitness centers and clubs, then we will need to think link a fitness center or at least its hybrid-brother. That being said if someone wants to workout in the morning, it is likely that they will want to be done and cleaned up by 6:30 or 7:00 am. Other municipal hybrids use this same thought process:

The Keller Pointe – 104 hrs/wk

NHR Centre – 103 hrs/wk

The Core in Coppell – 99 hrs/wk

The Rec in Grapevine – 106 hrs/wk

Additionally, the nearby LA Fitness will be open 107 hrs/wk, the Planet Fitness will be open all 168 hrs/wk. Even though the facility in Crowley is only open for 68 hrs/wk (there is something called “Early Bird Hours” 5-9am), I feel that The Link will need to fall somewhere in between to offer an equitable amount of hours available to members while managing the personnel budget. Targeting a weekly operational total below 90 hrs, I am proposing the following schedule (total of 88.5 hrs/wk).

Mon/Wed:	5:30am – 10:00pm	16.5 hrs each
Tues/Thurs:	8:00am – 10:00pm	14 hrs each
Fri:	5:30am – 8:00pm	14.5 hrs
Sat:	8:00 am – 5:00pm	9 hrs
Sun:	1:00 – 5:00pm	4 hrs

# Membership Fee Structure

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When constructing the Link Membership Fee structure, it is important to consider area competitors, Link value, and Link perks. As far as location goes, the Link's main competition will be with Planet Fitness and LA Fitness. Additionally, the Link will be competing with NRH's the Centre for the southern portion on NRH's population.

Target populations would include: Richland Hills, east Haltom City, southwest NRH, northeast Ft. Worth and any corporations that might want to partner with the Link. Because the Link will be limited by the amount of residents that actually join, the non-resident rate should not be substantially higher. I would write the fees so that residents are receiving a discount instead of the non-resident having an increased rate.

Residency would be determined by strict guidelines. Primarily defined by who pay property taxes to the city, the resident will get discounts on programs and rentals to incentivize membership registration. Water bills might also be used as proof of residency, provided that there are no boundary overlaps or un-annexed areas that the Richland Hills' water department serves.

The definition of a family will also be detailed. A family will consist of a single parent or couple (heterosexual or otherwise) and their legal dependents. Situations that fall outside of this definition would include:

- Grandparents at the same house.
- Nanny.
- Long term visitor.
- Visiting cousin or other family member.

Situations where other individuals could be included in the family unit would include relationships that are defined by legal custody or custodial care, as well as legal attachment.

- Any adult living fulltime at the residence and can claim common-law.
- Adult child that has a medical issue and is considered a dependent.
- Foreign-exchange student.
- Foster child.
- Children that only live in the residence part-time (step-child or partial custody)
- Parent of a parent that is now a dependent.

The main questions are does the family unit pay property taxes to the city and is every individual a legal dependent of that parent or couple.

Any membership paid in full will be given two free months. For the resident adult, paying out \$25 over 12 months would equal \$300. Therefore, paying it in full would allow for a \$50 (2 month) savings.

<b>Non-Resident</b>	<b>Annual</b>	<b>Mo. Draft</b>	<b>Daily</b>
Adult	\$300	\$30	\$8
Family	\$500	\$50.50	-
Teen (14-18)/Senior (55+)	\$180	\$18	\$8
Child (5-13)	\$120	\$12	\$5
Toddlers	\$0	No fee with paid parent	\$0

<b>Resident (16 % discount)</b>	<b>Annual</b>	<b>Mo. Draft</b>	<b>Daily</b>
Adult (18-54)	\$250	\$25	\$5
Family	\$420	\$42	-
Teen (14-18)/Senior (55+)	\$150	\$15	\$5
Child (5-13)	\$100	\$10	\$3
Toddler	\$0	No fee with paid parent	\$0

The fee structure started with pricing adults and then teens/seniors followed by children. The reason that teen memberships cost more is that the teens have access to the fitness equipment and the children would not. Toddlers will need to be “sold” a free membership so that that child would get any discount for classes they were enrolled in.

Residents will receive a 16% or 1/6 discount off of the advertised membership rate. The daily fees don’t have the same ratio.

Employee discounts should be offered for internal customer service and overall morale. We could look at a wellness program where employees get reimbursed if they use it. My proposal would be to offer the employees a 50% discount off of their rate, however they would be defined.

For vested retirees, I propose a volunteer system of teaching classes or helping at the control desk or the kid watch areas to offset any fees after their employment ends. Likewise for the Firemen, I would like to offer a similar program. Perhaps the firemen as a group get credit for offering programs. Revenue earned pays for their 50% discount. For the firefighters and officers, I wonder if we can word something about how fitness is a part of their job. Maybe if they pass tests their membership is free. I can see an argument about us taking away their free workout area and making them pay to use the Link.

# Rental Policies

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The Link will have the opportunity to host multiple rentals every weekend. Additionally at the beginning of the Link's programming, there should be room available to rent during the weekdays as well. The city's philosophy of who gets priority to rent and what groups get a discount needs to be determined.

## **Priority for Link Room Usage**

Of course the Link needs to have the ultimate priority for scheduling ongoing programs. Success of programs will be determined partly by the consistency of each class. Once the program schedule is set, priority becomes a serve come first served policy. The Link will not discriminate or privilege one group over another. Based on adopted policies, once a person or group is on our calendar and has followed set procedures, they will have sole rights to that facility or amenity.

## **Cost of Usage**

The Link will have an approved menu of fees for different rooms and amenities. Furthermore, the Link will have established and marketed increases or discounts based on group type and/or day of the week. The rental situation might also help to dictate the final cost of usage. For instance, a rental with alcohol might have an additional fee paid for staffing or contingency.

## **Staffing**

I would suggest for customer service and Link protection that the City endeavors to staff each indoor rental. The rental fees could be designed to cover the costs of staffing. Pushing that cost to the rentee could help the city keep the Link looking nicer and maintain an overall better appearance. Secondly and in line with the overall philosophy of higher level service, an attendant would be able to help put out any fires (literal and figurative). This added service and quick attention would help to give the Link a higher level feel in the "Yelp" society that we live in.

## **Alcohol**

The City currently has an ordinance that would make it difficult for a person or group to serve alcohol at their rental. Considering that the City expects the Link to be a partial cost recovery facility, offering alcohol would help to increase the interest in the amount and types of rentals the Link can host. Bigger events with a larger price tag would be more interested in renting at the Link. If a new ordinance is adopted the city would need to discuss some of the following questions:

- Will there be an additional fee?
- Will there be an additional deposit?
- Will there need to be a city staff member in the building?
- Will there need to be a peace officer on the premise?
- Who pays for the peace officer?
- Will there need to be a paid bartender?

### **Rental Timeline and Order**

The operational software that we will be using has the capability of offering online reservations. At the minimum, potential renters can see what is available. This should cut down some of the labor intense handling, emails and phone calls. Once a rentee has decided on an open time, the rental would not officially be in our books until they can pay the deposit. If the public has access to reserve a space, it would still be managed by staff. Other timelines to be determined:

- Deposit Due after online reservation and confirmation?
- Rental fee due?
- Final day full refund?

### **Fee Schedule all per hour**

#### Gymnasium

½ Court	\$30
Full Court	\$50
After hours Full Court only	\$10 additional

#### Tree House

Regular	\$50
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#### Fitness Room

Regular	\$30
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#### Community Rooms

Arts and Crafts Room	\$50
Middle Room	\$40 ??
Room By Kitchen	\$50
2 Rooms	\$90
3 Rooms	\$125

#### A la Carte

Kitchen	One time fee of \$50
Projector	One time fee of \$50
AV Cart	One time fee of \$50
Table Linens	\$5 per (try to rent for \$3 per)

Afterhours rentals would include a \$15/hour fee to recoup for staffing. After hours rentals would need to be at least \$250 rentals.

Non-profits 20% off of rental fees (not deposit or staffing).

Renter is responsible for cleaning, setting and storing furniture.