

**Germantown Athletic Club Advisory Commission  
Minutes  
Tuesday – August 4, 2009**

**Members Present:** Alderman Ernest Chism, Chairman Stephen Wilensky, Mr. Rob Ayerst, Ms. Dee Dee Duneheew, Mr. Paul Mosteller, Ms. Teresa Rando, Mr. Garth Thompson, Mr. Walker Uhlhorn and Mr. Larry Williams

**Members Absent:** Mr. Clint Hardin and Ms. Laura Jaggar

**City Staff Present:** Mr. Derek Chaput, Ms. Debbie Powers and Ms. Danelle Toole

**Call to Order**

Chairman Stephen Wilensky called the August 4, 2009 meeting to order. The meeting was held in the Blue Room in Development.

**Approval of the Minutes**

Chairman Stephen Wilensky asked for a motion to approve the minutes, motioned by Mr. Paul Mosteller and seconded by Mr. Garth Thompson, all in favor.

## **CLUB REPORTS**

Derek opened the meeting discussing the Germantown Road entrance, the decision we made two months ago on the Great Hall doors, and the representatives for the Great Hall are happy with the policy in effect and have requested no changes until the project finishes. If the project finishes on time they would like to close the doors by December 1<sup>st</sup> due to the holiday parties in the Great Hall. Derek added he didn't know if we needed to do anything to extend the policy. There is a verbal agreement to extend the current policy until December 1<sup>st</sup>, and possibly later if the project is not complete.

Alderman Chism stated it needs to be in the minutes about closing the doors.

Chairman Wilensky asked that we make a motion to extend the current policy to November 1<sup>st</sup>, at which time we should have a very clear sense of expectation to finish by December 1<sup>st</sup> and we can make a final determination on closing the doors.

Mr. Mosteller said he would make a motion to extend the current policy on the Germantown entrance doors until November 1<sup>st</sup> at which time they could revisit.

Motion was seconded by Mr. Garth Thompson and all voted in favor.

Alderman Chism requested that Diana or a representative from the Great Hall attend the meetings so it did not look like we have shoved anything on them. He didn't believe Diana would mind at all.

Chairman Wilensky asked about the Task Force, and mentioned Teresa Rando and Alderman Chism were on the Task Force for the Great Hall and so we had representatives from the task force.

Derek said he and Diana had spoken, and agreed that a representative would be at the meetings when anything was on the Agenda, that required representation for the Great Hall. He had invited Diana and George to come tonight, but George has another commission that meets on the same night and he and Diana didn't feel there was any reason to change the current policy.

Alderman Chism stated he knows everyone will work together, but he just wanted to make sure everyone was invited.

Chairman Wilensky responded that he appreciated his suggestion and it seems reasonable to him, and in fact if Alderman Chism carried back this commission's decision to Diana and George, and if they have any issues with our decisions that we would invite them to come to the September meeting. That would give them an opportunity to propose alternative suggestions.

Mr. Mosteller made a motion to extend an open invitation to any of the representatives or members of the Task Force for the Great Hall to attend our meetings.

Alderman Chism added these are open meetings for anyone.

Ms. Rando agreed she thought this was a great idea and she seconded the motion. All were in favor.

Chairman Wilensky then asked if there was anyone who did not receive the Memphis Business Journal. He commented we had an excellent article last month on the Athletic Club for the New Direction for the Gym. The feature cover was The Germantown Athletic Club breaking growth records. He didn't find anything in the article that was negative and he brought his copy to share with the members. Mr. Wilensky congratulated staff; he wasn't sure how it came to be.

Derek explained that Obsidian, our Marketing Representative, is always pitching stories out there for marketing. Derek explained he and other staff have been on the radio and morning shows. We are just working on trying to brand Germantown Athletic Club as the experts.

Ms. Dunehew and other members suggested we laminate copies and put around the building, and Derek responded that Scarlet had already been working on that and is in the process of having copies framed.

Derek discussed Scarlet's marketing reports on surveys of the various clubs around the area. He commented that we haven't seen a huge impact on our memberships since Life Time opened. We have lost a few members to Life Time because of the ages allowed into the fitness area and some because of convenience to their homes. He explained the enrollment fees that Life Time and other places charge and how those are fixed amounts that are not waived. The application fees are used to market memberships with discounts, most rates are fixed, and a few will fluctuate the rate depending on your age and job status, like the YMCA.

Chairman Wilensky asked if most facilities are waiving the application fee. He knows we have discounted or waived our fees for promotions.

Derek agreed that we have had discounts or waived the application fee but from past experiences we have found it is better to waive the application fee for members paying for six months and one year at the beginning. So we did not discount the monthly memberships on our last membership drive. Next year we will probably present to the Commission Members a plan to raise the application fee, and have a tier structure for the members paying for one year, six months and monthly.

Derek discussed the handout on Revenue compared to last fiscal year. The report shows our lowest month for the fiscal year is still higher than our highest month last year. For the months of May and June we show \$200,000.00 or more, but these are the summer months and memberships and sales in concessions are up due to the outdoor pool season. July is usually the second slowest month due to people trying to get their last summer vacation in before school starts.

Mr. Mosteller asked about the renewal rates on the memberships.

Derek responded that the last time Scarlet looked it was holding at 54% but because of our open house the year before on July 27 a lot of our memberships will expire at the end of July. If they are out of town, well, of course the last couple of days it's been kind of crazy renewing members.

Mr. Uhlhorn asked if the Club offered a 30 day guarantee or your money back. He said he had a friend trying out Life Time right now and they have a 30 day guarantee or money back.

Derek responded we don't announce it, but if someone comes in and they are unhappy with the Club the first week or two we try to work with them, if we can't then yes we will refund all of their money. It's on a case by case basis depending on the issue.

Ms. Dunehew asked if we had something in place to target the people who signed up for the pool season and how are we going to keep those people.

Derek responded that Scarlet is working with Obsidian and Michael Nunn now to send out a post card to members who have left to give them a general update on things going on in the Club that they might be interested in and possibly a waiver on the application fee. We are hoping to get that out around Labor Day.

Ms. Rando asked if most of those people had young children, and if so, are we going to have things in place for those children.

Derek responded most of them do have children. We have fitness classes for children and we have things we are going to present to the Commission for changes in the programs for Kid's Klub beginning January 1<sup>st</sup>. Even though we are not competing with Life Time, we are far behind on things for children. The Kid's Klub is geared for Children up to 12, but is set up more for children under 7, and we have got to work on improving that, so the children are happy while the parents workout. We are looking at alternatives, for example Kids on Campus this summer was very successful.

Ms. Dunehew asked if we couldn't offer something in aquatics for kids for fitness and fun, possibly offering play time in the pool on the weekends for kids with their floats that would excite them.

Danelle agreed with Ms. Dunehew and added Amy is working on a winter program now. But we are especially busy in aquatics in the winter months with scheduling. We have so much going on and different groups feel like they do not have enough space or they are neglected. The Cardio Junior classes we offer, one day out of the week go to the pool for hydro play, so we already incorporate the pool in that area now.

Ms. Dunehew responded with kids, they just need something on the weekends to do that when they go back to school on Monday they can say they did something cool, and the pool would be "cool" for the winter months.

Derek responded the days she pointed out would be the better days to open the pools for the children, because Monday – Friday we are stacked. He added that we have recently lost our Aquatics Coordinator, and we are in the process of finding someone with Aquatics programming expertise to expand the program. With creative planning, there is revenue to be made in the Aquatics area. We have added Infant Swim Resources, which is more of a drowning prevention than swim program. Some members don't like the program, but some parents really believe in it, and it has been a huge success.

Chairman Wilensky asked if we have shut down the indoor pool for repairs. He raised the issue of cleanliness of the pools and have we made changes in the cleaning of the pool.

Danelle and Derek responded that beginning Tuesday - August 11<sup>th</sup> the pool will be shut down, and they had brought in all the aquatics staff and had made some changes in the cleaning of the pool. Derek said he and Danelle have seen the aquatics staff makes some real progress on taking the initiative to clean without detailed explanations. They are seeing some huge improvements there.

Derek then added since we were discussing the pool area, that we had to make a change order this week in the project due to variations of depth in the cement floor. Originally we expected to just dig out the areas of the cement where the plumbing was going and patch around that area, but the long story short is City Engineers and other officials had decided we may have problems with cracking in the cement later and it was in the original bid to completely replace the cement floor. Therefore we will have the jack hammering a little longer in the building while they take up the old floor; also they ran into a problem with the main electrical wiring for the gym area running in the cement floor being cut. Fortunately no one was hurt, and that has been taken care of. We have added to the project to add a larger door frame outside of the work zone that goes to the Whirlpool area. This is for the future if we have problems with the Whirlpool and need to replace it or make repairs. We thought we would be about two weeks ahead of the schedule, due to this we were looking at three weeks behind schedule. But with all of the rain we had, and all of our work indoors the cement contractors were able to bring in their big equipment at night and do a lot of the work, the equipment was so big it did take out our sprinklers but luckily that all had to be removed anyway. We will have more of an update in the next two weeks on the schedule of completion. The Contractors have agreed that possibly in November, we may have a day that we can allow the members a look at the construction going on.

Derek asked if there were any questions on the membership reports. He went over the memberships and renewals and explained the memberships were down for July due to people being out of town. We will keep updating you on the membership renewals.

Mr. Ayerst asked Derek to explain something he thought our plan was to have everyone on the month to month plan.

Derek explained that is correct, but we have three options; month to month, six months or a one year contract. A lot of the existing members are on a one year contract that expire all during the months, but when we get to February of next year everyone should expire on the first. Our hope is once everyone expires on the first we will have our money within the first two weeks, but some people will wait the full 60 day allowance to renew their memberships before they have to pay that application fee. We have had some problems with credit cards being kicked back due to problems with identity theft and expiration dates expiring. We have been averaging 80- 100 kickbacks a month, but most of them are taken care of within a few days of staff notifying members of the kickback. If the kickback is due to insufficient fees, we do have to charge them, because we are charged.

Mr. Williams asked if we believe people comparing our facility to Life Time is helping us or hurting us.

Derek said it depends. People, who can afford it, may go ahead and switch especially if it is closer to their home. He doesn't know how their instructors are, and he believes our instructors and classes are one of our strengths.

Ms. Duneheew added they did not offer as many classes as we do.

Derek stated we have about 20 more classes per week, but he is sure they will expand.

Chairman Wilensky stated that friends he knew that left for Life Time said they love the Spin Classes, spin facility and no matter how packed the parking lot is, there is no wait for equipment. Chairman Wilensky also mentioned cleanliness and circulation of the staff offering help. He added that he noticed in the mornings our staff is here, but they are just there, they are not circulating offering help or cleaning that much. Our staff does not reach out at all to the members. He has noticed with the greeters they are spending more time with their friends and not greeting everyone. It's as if they believe if they know their job is a greeter or an outreach advocate they can spend so much time with one person and say they are being friendly and not discourteous. Outstanding Customer Service could be teaching staff to let someone know you notice them, appreciate them being there, speak to them and move on to the next person for helping someone. If you circulate and notice everyone, you may notice someone who needs help on the equipment. But he has noticed cleaning sometimes is better than speaking to someone.

Mr. Thompson added he could say the same thing for the afternoons, but he had noticed a new weight floor attendant who is walking around being very friendly and willing to help.

Mr. Mosteller added they stand around the office.

Derek and Danelle both agreed they would definitely address that.

Ms. Dunehew added she can speak from experience as a member of Life Time and the G.A.C. and using the Cardio equipment at Life Time that no one has ever approached her and asked did she need help. No one has approached her, and she has been very frustrated on where is a human being if I need to ask a question. The people that do ask are selling.

Derek and Danelle added that a lot of those people are sales people on commission that approach you on the floor. Commission is a motivation for people to reach out to you on the floor.

Ms. Dunehew added we can't put ourselves on the same playing field as Life Time. That's not saying there is anything wrong with them or anything wrong with us. But we can set ourselves apart by name recognition and getting to know our members by name and speaking to them when we see them. That's why the coffee club is such a hit, they learn people's name and make you feel welcome and part of the group, and that's what our staff downstairs need to do.

Chairman Wilensky asked about name badges. He believed it would be nice if they had name badges on.

Mr. Ayerst noted that it has been a while, but when he was there and all the equipment was being used the staff was busy going up and down the line asking people to move on and let other people use the equipment. He didn't know if we had any issues with that since we added all the equipment.

Derek added we haven't had any issues with waiting; we may in January but not now.

Mr. Mosteller suggested we make touchups in the fitness area, especially the walls under the mirrors and other places that are scuffed up. He also mentioned reupholstering the bicep curl equipment. Someone on the floor did tell him the fabric is in for the equipment.

Danelle added that the people who have talked to her about switching to Life Time Fitness say it is because of the age limit on the fitness floor.

Ms. Dunehew added that they have a couple of memberships at other places, and her 62 year old husband said he would definitely not give up his membership at the G.A.C. because of children in the waiting area. But in the afternoons before school was even out, there were boys on the weight floor that were goofing off and keeping other people from using the weights. So there is a flip side to having younger people on the weight floor.

Alderman Chism stated staff should take care of that without you asking them to. He added everything he heard tonight he had to say yes he agrees to. Occasionally he will get up and go find someone for help. It's hard to know what is going on if you stay in the office with the door closed. The staff needs to walk around offering help.

Alderman Chism commented that it seemed that Amy has been gone an awful lot the last two or three months. He doesn't know if she is in meetings or on vacation or what.

Derek responded with summer months Amy has been very busy involved with summer camps and other programs that keep her out of her office a lot.

Alderman Chism suggested then that people with authority walk around watching things and be accessible. He understood the floor attendants want to stay in the room with personal trainers but they need to be out walking around.

Derek responded that he would take care of that.

Derek discussed his handout on Membership Revenues. These are comparisons with the Revenue from FY08 and FY09, but he also explained that some of the difference is due to the rate change. We should have July's numbers in the next few days. It takes a while to calculate what we actually earn. For example if they pay for a year of membership, we get 1/12 of the payment each month the same for personal training as well. We are very pleased with the numbers, as far as yearend we were 6% under budget for revenues. With expenses we were also 6% under budget, our budget was 3.4 million and we spent 3.3 million. We try to be good stewards with the money we have, and we have made some changes in staff as well. We do have a very very tight budget for 2010. There are scenarios with the Great Hall that we will be working with Diana, and providing her staff in exchange for space. We are going to save our resources in the Great Hall for special events we host at the Club. For our meetings we are going to try to use the Blue room and save our resources, eventually we will be using room #3 for meeting space.

Chairman Wilensky asked if anyone had any old issues with old business or new business.

Mr. Thompson commented that he and Ms. Rando did an informal walked through of the building trying to capture available floor space we could utilize. He said he thought it would still be within the parameters, if we appointed two or three commission members to officially do that with some recommendations from City Engineers. They did identify what they believe to be dead space that could be put to good use.

Ms. Rando asked if the old coffee closet was being used. There is usable space especially on the old side of the building. For example, room #3 that Derek had talked about.

Ms. Rando asked if there has been a utilization study been done on the building.

Derek responded this coincided with what he had planned to talk about. What we have had to do as staff, is sit down and look at our space. We are looking at very small open storage space on court #3 that Parks and Recreation have some basketball goals that have not been used in weeks. Our tentative plan is and no parties have been spoken to yet, but taking room #3 on the men's side of the changing room, turning the men's side of it to that space for meeting room slash party room. Then we could expand room #2 with the women's side of room #3 allowing us extra space for classes. Ms. Billingsley will be moving her office in the next week or two to the Great Hall side and we will be moving our managers from downstairs to the upstairs office. Then we are looking at where we can move the swim coach's office, and knocking out that office and moving Cindy Qualls downstairs for Pilates. Then we can expand the Kid's Klub where Cindy Qualls is now. That's why he wants to have this on the Agenda for the next meeting and look at the Kid's Klub area. Danelle will be contacting the state and looking at policies for operating a Kid's Klub, not necessarily a day care.

Ms. Dunehew asked if we could take time next month to take a tour of the building so everyone like herself will know what areas he is talking about so they can visualize it.

Chairman Wilensky asked if there was somewhere we could meet in the Club next month to save time for the walk through.

Derek said we would find space for next month at the Club; it may be in the common area of the Club where Debbie's desk is. He believes there are some things the Commission can help us with in making plans for the Kid's Klub Area in expanding and adding programs for the older children. He knows Ms. Jaggar has children of both age groups and could have some input on the Kid's Klub. He also knows we have members that abuse the policy that if their children are not 12 they cannot be running around the building without supervision, but because we do not have options it makes sense why they are loose in the building.

Chairman Wilensky requested notifying members of the meeting time and place for next month since we will meet somewhere on the Exeter side of the building.

Alderman Chism asked about the date, and Chairman Wilensky stated he could not be there on September 1<sup>st</sup> due to an exciting opportunity, thanks to the Germantown Area Chamber of Commerce Silent Auction; he won time on the FedEx Air Bus Flight Simulator. The Commission Members agreed to change the date to Tuesday – September 8<sup>th</sup> at 5:30 pm.

Mr. Mosteller asked to thank Derek and Danelle and all of the staff, because they know so much because of their involvement and work at the Club.



Chairman Wilensky added that he had been seeing Derek at 5:15 am and 5:30 am in the mornings when he comes in, and he doubts you would find too many club directors at other facilities at work at that time of the morning. He added that he knows when they offer suggestions these are probably things they already know, but the confidence the Commission Members have, that changes in some form or fashion will be made by the next meeting, so that makes it easy for them to help sell this place. When you look back at the last two years and what we have accomplished, we all have a lot to be proud of. He believes they are all riding the coat-tails of what has been put into motion by the city officials and staff.

Chairman Wilensky asked for a motion to adjourn the meeting.

Mr. Mosteller made a motion to adjourn, seconded by Mr. Ayerst and all approved.

**Adjournment**

Meeting Adjourned.