

Germantown Athletic Club Advisory Commission Minutes

**Tuesday, February 5, 2013
Great Hall – Room 2**

Members Present: Chairman Ric Wolbrecht, Mr. Ron Fittes, Mr. Douglas Geyer, Mr. Jim Hastings, Mrs. Kelly Nanney, Mrs. Kristin New, Mr. Ron Rossman, Mr. Garth Thompson, Mr. Randall Windschitl and Ms. Dee Dee Dunehew

Members Absent: Alderman Palazzolo

City Staff Present: Mr. Phil Rogers, Mr. Curt Cromis and Ms. Debbie Powers

Guest: Mr. Patrick Lawton, City Administrator
Alderman Rocky Janda

Call to Order

Chairman Ric Wolbrecht called the February 5, 2013 meeting to order. The meeting was held in the Conference Center at the Great Hall.

Approval of the Minutes

Chairman Rick Wolbrecht asked for a motion to approve the minutes. Motion to approve the January minutes was made by Mr. Garth Thompson and seconded by Mr. Jim Hastings and all were in favor.

Chairman Wolbrecht opened the meeting introducing Mr. Lawton, the City Administrator and Alderman Rocky Janda, and thanked them for attending the meeting.

Club Report:

Cleaning:

Mr. Rogers updated the members on the City, bidding out cleaning, and custodial services. Mr. Rogers said he had announced hiring a cleaning manager last month, which did not work out, and in the interim ABM Janitorial Services will continue working with the Club staff. Mr. Rogers stated he realizes this is not a good time for a health club to be in transition with housekeeping, and he has spent several hours cleaning showers himself, and welcomed members notifying staff of anything that needed taken care of.

Mr. Hasting asked Mr. Rogers to give Brian Smith a pat on the back; he is always working very hard cleaning the building. Mr. Rogers responded that Brian has always done a good job, and the Club is happy to have Brian as part of the staff.

Swim Meet:

Mr. Rossman stated that the swim meet went very well compared to the past, but he would recommend having staff watch the floor and keep the kids away from the workout areas. Mr. Rogers responded that he did have extra staff scheduled on the floor, and he heard from Mr. Geyer, the Swim Team President, who also is a commission member this year, agreed it went much, much better.

Mrs. Dunehew asked how much revenue the swim meets bring in.

Mr. Rogers responded that the swim meets give us a percentage of revenue from the first two meets out of three meets for the year. He stated he just received a check for the swim meets in the amount of \$19,000.00 and the Club also receives all revenue from the swim team registrations. He added because of the Olympic Swim year, the Club has had record numbers from the swim team this year. He said he projects approximate revenue of \$75,000.00 minus the payroll for the swim coach, and staff.

Group Personal Training:

Mr. Rogers commented staff is still working on hiring and putting programs in place for group personal training. He and staff spent approximately three weeks sorting and interviewing potential candidates for a personal training manager, and hopefully will be extending an offer later in the week.

Marketing:

Mr. Rogers talked about the Club marketing strategy advertising door prizes for March, which already has 900 registrants. He explained how excited staff and members were about the promotion, and how it is going to be impossible to put all of those visitation passes in a bin, so he will be working on a formula for a random computer drawing for the prizes. He added this is a great incentive to get members in the club more often, more involved in their membership, and increasing member retention.

Mrs. Dunehew asked what if Mr. Lawton wins. Mr. Rogers responded that city employees, their families and even members of appointed positions of the City were not eligible for the drawing.

Mr. Rogers stated that staff has been working with our current software provider CheckFree, adding new upgrades within our current contract; but he doesn't expect them to be affected by these upgrades.

Mr. Windschitl asked what the maximum membership level the building will sustain.

Mr. Rogers responded that he looks at membership in a couple of ways; he doesn't want to be a Club that is membership driven. Technically we have approximately 11,000 members; ultimately 80% of our revenue comes from membership dues. He wants the club to be dependent on the members who do come, and revenue from daily club usage. The Club can be sustainable with less membership, if the members are using the facility, and various profit centers in the Club. Mr. Rogers said clubs live and die, by the aspect of their members not coming into the facilities. He explained if all the members of the Club came in, we would be out of business because the Club wouldn't have enough equipment for everyone, and they would quit, and if all the members who come in and use the facility quit, we would not be able to support the facility with the memberships who do not come in.

New Business:

Chairman Wolbrecht called for new business.

Mr. Thompson moved for a motion on the floor to ask the Commission members to join with the staff in requesting and recommending that a study with plans be commissioned to explore improvements, upgrading, and reallocation of space within the footprint of the Club space. He added the Commission had voted on this last August and approved the motion.

Mr. Hastings seconded the motion.

Mrs. Dunehew asked for the motion to be reread. Once the motion was reread, the floor opened up with discussion among the members about the original footprints of the Club, and possible space from the Great Hall area, concerns regarding additional language in requesting consultations with the Commission members and members of the Club. Mrs. Dunehew also asked about the cost and if there was a dollar amount attached to the motion. Mr. Windschitl asked if the Club had spent the \$250,000.00 staff asked for last year.

Mr. Rogers said he had ballparked a rough estimate of \$250,000.00 for the cost of the space allocation and architectural fees, typically the architectural fees are about eight –nine percent of the cost of the project. In response to Mr. Windschitl question concerning if the money staff asked for last year had been spent, Mr. Rogers said no, the Board of Alderman and Mayor did not approve the recommendation in the FY13 budget. Mr. Rogers explained that the Club is an Enterprise Fund, we support ourselves and the money will come out of our depreciation for capital improvements.

Mr. Lawton reminded the Commission that even if they voted tonight to make the recommendation, that it is a Capital Improvements Project, which will have to go to the Board of Alderman and Mayor for consideration in the budget. Mr. Lawton stated that when Mr. Rogers makes the recommendation, he will have in the specs for bids, for the charettes meetings as part of the scope of services if the recommendation is accepted.

Chairman Wolbrecht asked that the motion be read again for clarification, and put on the floor for a vote.

Mr. Thompson moved for the Commission members to join with the staff in requesting and recommending that a study with plans be commissioned to explore improvements, upgrading, and reallocation of space within the footprint of the Club space.

Mr. Hastings seconded.

Mr. Rossman asked if it was still possible to look at the Great Hall for additional space, and foot print of improvement for the Athletic Club, if the space study determines we need space. He asked as a citizen of Germantown about the Great Hall's revenue, and how it was performing, and recommended adding it to the discussion.

Mr. Lawton responded that the Great Hall was taken off the floor last year by the Board of Alderman and Mayor. There is a Commission for the Great Hall that is in place that has been working very hard with staff to increase the revenue at the Great Hall. He stated the Great Hall's revenue doubled this year, and the Mayor and Board of Alderman have voted to make a policy to keep it a separate Enterprise Entity within the City's budget. He added it would not be fair to even discuss looking at this space, because it would affect people's decision on renting from the Great Hall. Mr. Lawton confirmed it is not part of this recommendation, and to keep in mind it wasn't very long ago the athletic club's revenue wasn't enough to cover expenses.

Mr. Rogers added the footprint within the Club is already sufficient; spreading ourselves out in his opinion is not necessarily the best business decision. He added separating the two entities with only one entrance to the Club was the best decision.

Mr. Windschitl asked if the Club could afford these architectural fees.

Mr. Rogers's replied yes, this is a capital improvement project and the money would come out of our depreciation.

Mr. Lawton addressed Mr. Rossman, on his question and clarified that the motion is only for a space study, not for additional space construction. Mr. Rossman said that was his question, if there was a need for more space, then we would need to modify the motion.

Mr. Lawton added please don't misunderstand what I said, but the Board of Alderman and Mayor have agreed, there is a need in our community for the banquet hall space that the Great Hall offers. He added that he and Alderman Janda went to an event in January, which should have been held in this facility. The Great Hall staff is working with a marketing person, who told Administration the City has a gem here, and the facility is now getting the marketing it needed. Mr. Lawton said in fact, he recently looked at the revenue for the Great Hall, and it doubled possibly tripled what it had a year and half ago, Mr. Porter is getting the word out, and bringing in new avenues of rentals.

Alderman Janda agreed, he said that he had tried to book times in the Great Hall for school board meeting and various other meeting, and it was booked, but this was good news.

Chairman Wolbrecht called for a vote on the motion.

The motion on the floor failed.

After the motion failed, there was open discussion on the floor, and Chairman Wolbrecht suggested the members table the topic until further discussion, and Mrs. New moved to table the motion on the floor until March for a vote and the members in general consent agreed.

Adjournment:

Meeting Adjourned