

**Germantown Athletic Club Advisory Commission
Minutes**

**Tuesday, August 13, 2013
Great Hall Conference Center**

- Members Present:** Chairman Ric Wolbrecht, Mr. Ron Fittes, Mr. Jim Hastings, Mrs. Kelly Nanney, Mrs. Kristin New, Mr. Ron Rossman, Mr. Garth Thompson, Mr. Randall Windschitl, and Alderman Palazzolo
- Members Absent:** Mrs. Dee Dee Duneheew and Mr. Douglas Geyer
- City Staff Present:** Mr. Phil Rogers, Mr. Curt Cromis, Mrs. Amy LaRusso, and Mrs. Debbie Powers
- Guest:** None

Call to Order

Chairman Ric Wolbrecht called the August 13, 2013 meeting to order. The meeting was held in the Great Hall activity room 1.

Approval of the Minutes

Chairman Rick Wolbrecht asked for a motion to approve the minutes. Motion to approve the June minutes was made by Mr. Garth Thompson and seconded by Mrs. Kristin New and all were in favor.

Club Report:

Budget Update:

Mr. Rogers opened the meeting discussing the Summer Membership Revenue; for FY12 the Club earned \$94,000.00 from Summer Memberships compared to \$106,000.00 in FY13. Next Mr. Rogers explained a handout on the Athletic Club Fund Budget Summary. He said the Finance Dept. had just submitted the final year end to the auditors, and there will be a few adjustments. He showed that in the Operating Revenues Summary that the Club's Income for FY12 was \$147,021 compared to FY13 of \$533,346.00.

Mr. Thompson asked about the differences in operating expenditures compared to last year.

Mr. Rogers responded that it was a number of things between changes in staff, separating out Fitness to its own line item, and just running operations more efficiently.

Mr. Rossman asked about the retention percentage of Summer Memberships compared to last year.

Mr. Rogers explained that last year the Club retained less than 20% of the Summer Memberships, and the current Summer Membership goes through Labor Day. He added the returning summer membership's percentages were more like 60% or more.

Alderman Palazzolo commented on the revenue summary to say; when you associate these numbers to the revenue losses in years past; there was much controversy in the decisions to unify the membership rates, and increase membership rates, but the fact the Club is now giving back to the General Fund, that he takes great pride in these numbers and what they represent.

Curt commented that this is actually net income, not cash. This could easily be a million dollars cash.

Alderman Palazzolo added that if you were a shareholder or a business looking to invest, these are good revenue numbers for making decisions on whether to spend money on renovations. Alderman Palazzolo thanked the staff and Commission members for their hard work.

Mr. Rogers commented on the unified memberships, that the residents represent 60% of our membership, of approximately 11-12,000 members and if you consider summer memberships up to 13,000 members.

Club Update:

Mr. Rogers stated the building will be open on Labor Day from 5 am – 6 pm, and closed all day September 3, due to the installation of a new generator. Mr. Rogers added this building is a designated shelter for the City, and a new generator is being installed under a Capital Improvements Project funded by the State Disaster Shelter Fund. Mr. Rogers stated during the installation of the generator the building will be without power, though the building will be closed to members, he and his staff will use this time to deep clean the building. Mr. Rogers reminded everyone the Outdoor pool will close Labor Day weekend.

Mr. Rogers discussed recent changes at the Club:

- Cindy Qualls the Pilates instructor is no longer a contractor for the Club, but has signed an agreement to lease space.
- Staff is still interviewing for a Sales Advisor Position.
- New Budget – Design money approved in the budget for a CIP project either RFQ or FRP (Request for Architectural based Qualifications or Request for Proposal) bids will go out at the end of August.

Mr. Thompson asked what percentage of our members is active.

Mr. Rogers explained that we have approximately 11,000 active members, but that includes children and everyone.

Mr. Thompson suggested that the demographics of the members will be very important on determining the space allocation recommendation of the Club. He added with the changes, the demographics will be important in determining who will be affected, and he would like to know who the silent majority are.

Mr. Rogers explained the family memberships utilize the Club more than anyone, but everyone has different needs. He added that he knows the demographics of the memberships, and uses that information frequently in marketing and programming and other areas. He added the Club changes demographics about 4 times a day with different needs.

Alderman Palazzolo added that the City's demographics will change in the near future due to the changing school systems, which will affect the usage of the Club.

Mr. Cromis added the Club is in the business of changing behaviors; the club will miss opportunities if staff doesn't compare and plan in conjunction with future changes.

Mr. Rogers stated when he first met with the Finance Dept. and saw the five year projection of membership growth to support the Club, he was concerned; ultimately memberships will plateau, the building can only sustain so many members, and it is very important that management look at other avenues of revenue. Because expenses will never plateau, staff is continuously looking for other opportunities of diversified income.

Mr. Fittes added that with the new school system taking place next year, the City will have younger residents moving into the community, and though you can't count on it, you can expect this will affect the demographics of the City and membership growth of the Club.

Mr. Rogers agreed, and said he expects Germantown population to change, but he thinks this will work to the Club's advantage and that is not a bad thing.

There was an open discussion among the Commission members in regards to the group personal training program. Mr. Rogers responded that he expects by October to have the personal training program in place, staff has hired most of the part time personal trainers, and they have and are required to have a national certification to be a personal trainer. Mr. Windschitl asked if all the added staffing was budgeted in the projected budget, or if staff will eat up our profit. Mr. Rogers responded that these part time trainers will be making minimal pay, unless they are training, and if they are training his revenue is increasing as well.

Adjournment:
Meeting Adjourned