

**Germantown Athletic Club Advisory Commission  
Minutes**

**Tuesday, January 7, 2014  
Great Hall Conference Center**

**Members Present:** Chairman Ric Wolbrecht, Mr. Frank Baker, Mr. Brent Beavers, Mr. Ron Fittes, Mr. Jim Hastings, Mr. Ron Rossman, Mr. Garth Thompson, Mr. Randall Windschitl, and Alderman Palazzolo

**Members Absent:** Mrs. Kelly Nanney, and Mrs. Kristin New

**City Staff Present:** Mr. Phil Rogers, Mr. Curt Cromis, and Mrs. Amy LaRusso

**Guest:** None

**Call to Order**

Chairman Ric Wolbrecht called the January 7, 2014 meeting to order. The meeting was held in the Great Hall conference center.

**Approval of the Minutes**

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

### **Introductions of New Members:**

Chairman Wolbrecht welcomed new members; Brent Beavers, and Frank Baker and asked them to introduce themselves to the Commission.

Chairman Wolbrecht during his introduction, challenged the members to change their regular routine and drop in at different times of the day; early morning, noon, evenings, and weekends. He explained his reason for the request is because the Club has three unique groups of members. He said he believes the Club has a lot of things to address in improvements this year, and it is hard to know what the Club really needs until you take part in the different aspects of the Club. He said when the Commission is looking to address improvements for the Club we are looking at the Club as a whole.

### **Code of Ethics:**

Mr. Rogers passed out handouts on the City's Code of Ethics, and give a brief explanation of the Code of Ethics, and how it affects the Commission Members. He then asked each member to sign the handouts, acknowledging they were advised on the Code of Ethics. Mr. Rogers then advised them, if they had any doubts or questions to speak with Alderman Palazzolo or Chairman Wolbrecht or someone on staff.

Mr. Rogers added that the Sunshine laws do apply to the Commission Meetings, and minutes will be posted on the website, and open to public record.

Chairman Wolbrecht added that Alderman Palazzolo is their voice for the Commission with the Board of Mayor and Alderman.

### **Club History:**

Mr. Rogers opened the meeting giving an update on the Athletic Club. He explained how the City conducts business under the General Fund, and the Club does business under the Enterprise fund. The City established the Enterprise Fund for the Athletic Club, and other entities in the City. The goal that was set forth by the Mayor and Board of Alderman when establishing the Enterprise Fund; was for the Club to stand alone without the tax payer's money. Mr. Rogers said there have been many changes since it began in 1990 as the Germantown Centre, today the Club is run like a business. The Club still takes pride in that it fosters a sense of a family community. He added he doesn't want to lose that sense of community, but still Mr. Rogers said he wants to balance community with a profitable business, and keep up with the industry trends. Mr. Rogers added that about seven years ago, there was a rebranding of the Germantown Centre to The Athletic Club. In the last three years the Club has went from a deficit of about \$200,000 to earning over \$500,000.00 in the last year's net results. He added he is very proud of his staff and the work they are doing. Next Mr. Rogers' introduced his staff; Ms. Amy LaRusso, Assistant Club Director, who handles everything operational, and Mr. Curt Cromis, Business Manager, who works in the back office handling finances and billing, and added Ms. Debbie Powers, Administrative Assistant; who, he explained is out sick this evening, will also attend the meetings.

Alderman Palazzolo stated that Mr. Rogers is the longest standing Director for the Athletic Club. He stated that he has made a good turn around and success of the Club, and referred to him as the Nick Saban (*Alabama University Football Coach*) of the Club.

Mr. Rogers agreed the Club had gone through some turmoil, and there has been turnover in the Club. He said this industry and the Club will always have turnover, because most of the staff is young part time employees and the Club only has about eight to ten full time employees. He explained payroll is by far the largest expenditure for the facility because of the hours of operation. In response to Alderman Palazzolo, he added he is very excited to be here, and February 14<sup>th</sup> will make his third year at the Club.

### **Club Update:**

Mr. Rogers stated last year the staff with the help and direction of the Athletic Club Commission members, put money aside for possible renovation plans for the Club this fiscal year. In early November the Club staff asked the City for a Request for Qualifications go to Architectural Firms for proposals. The City had seven or eight that responded back with qualifications. Mr. Rogers added that he along with Mr. Reynold Douglas, Facility Services Director for the City, and Mr. Butch Eder, CIP Manager for Germantown, sat down and narrowed it down to three candidates. Next they met with Mr. Patrick Lawton, City Administrator and the four of them sat down for interviews with the candidates. Mr. Rogers added that they had a hard time choosing a candidate, and they asked that two of the candidates work together on a joint venture for the Club. He added that staff and Mr. Lawton agreed that a local candidate was important, and the second candidate had industry experience that was second to none. The two firms agreed to work together, and come to an agreement with a contract. Mr. Rogers added he plans to take their proposed contract to the Board of Mayor and Alderman on January 27, 2014. Once this is all approved, staff and the Architects will setup focus groups and <sup>1</sup>charrettes meeting with the members. He explained the money set aside for the CIP renovations will come from operational profits over the years. When the renovations are done, they will be scheduled in stages, over a period of years.

Mr. Thompson suggested that staff identify the Commission Members in the facility, so the members can recognize their representatives at the Club.

Alderman Palazzolo agreed with Mr. Thompson's idea. He stated the Commission Members all agree to serve, and this allows the members to share their ideas with the Commissioners who represent them.

After some discussion there was a decision to wait on identifying the Commission Members to the Membership. Everyone agreed until the Architects are on board, and the Commission know the directions the Club is going, although the Commission Meeting is an open forum, there is no reason to share everything they are considering, until they have all the information the Commission Members need to share with the Membership.

Mr. Baker asked because he is a new member on the Commission, if there were specifics on the renovations that were discussed.

Mr. Rogers responded not really, there was a concept study done, and he offered to send out a copy of the concept study to the new Commission Members. He said about two years ago staff hired one of the leading health club architects in the country to come down and give staff ideas on ways to utilize our space more efficiently. He explained that when the facility was built, it was a community center. The Germantown Centre had projector screens in every room, ping pong machines in the hallways, and a Kiln in the closet, it was setup for a community centre. Over the years the City separated the Parks Dept. from the Centre, and the basketball league events and sporting programs are part of the Parks Programs. Mr. Rogers added about three years ago, the Great Hall was separated from the Club, due to growth in wedding rentals and business rentals, and the need to separate the Club Members from interrupting those events. About two years ago the Club membership began to expand. After the Centre had been rebranded as a health club,

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<sup>1</sup> Charrettes is an intense period of design or planning activity

staff decided we needed to get ideas on better usage of our space. The Concept Study that was conducted is just ideas and a starting block of information on ways the Club could utilize space.

Alderman Palazzolo said this opportunity should be embraced with some excitement. He added that he would like to get back to Mr. Thompson's proposition of informing the Membership of their Commission Member representatives, he said he would like to suggest that the Commission Members think about it, and get with Chairman Wolbrecht and Mr. Rogers by email if they are agreeable to the idea. The Committee can have this on the agenda for next month under Old Business, and if they are agreeable to the suggestion, the Chairman can ask for a motion on the Agenda. The Commission agreed, with missing members tonight, that it would give them an opportunity to be involved in the decision.

Alderman Palazzolo told how, many years ago the Mayor shared with the Board of Alderman at a retreat, that they were all Ambassadors for the City. She said as Ambassadors it should be their goal, when there are success stories, to share those success stories, when there are challenges, don't feel like you have to defend those challenges, and if you don't feel comfortable explaining the situation, direct those questions to the source who is best suited to answer those question. Alderman Palazzolo explained the reason he shared this story is because as Commission Members for the Club, we are all Ambassadors of the Club and we need to share the success stories and when there is a challenge, don't feel like you need to defend the Club, but direct that person to the right source.

There was a suggestion about looking at member profiles to see who could be enlisted in helping in contracting upcoming renovations. Mr. Rogers responded that one of the Architect Firms involved is Fleming & Associates Architects who are Germantown based, and have lead people who are members of the Club. Mr. Rogers added that the other joint Architect is Fabiano, the leading Architect in the industry, who conducted the initial Concept Study.

Mr. Rogers was asked if there was a time line on the renovations for the Club, and since the Club is self funded whether the Club needed the Mayor and Board of Alderman's approval to spend funds. He responded the Club is still an Entity of the City of Germantown, and still needed the City's approval, until the contract is approved by the Board of Mayor and Alderman his hands are tied. In response to questions about the design phase, Mr. Rogers explained that the money for the design phase was approved in the FY14 budget.

Alderman Palazzolo added any request brought to the Mayor and Board of Alderman could be declined and the Board could vote to refuse to allocate any funds and decline their approval.

Mr. Rogers explained because there were several years the facility was in a deficit, and was subsidized by the General Fund, the City can ask for money from the Club, and the Mayor and Board of Alderman did last year. He explained he prefers to renovate the Club in stages, and avoid taking out a loan on the renovations. Mr. Rogers explained the Club has been approved to spend money for Architectural Design. He is estimating to spend about one million in Phase One of the renovations in FY15.

#### Equipment Lease:

Mr. Rogers discussed the upcoming three year equipment lease change out in July, and explained how he is considering a Capital Lease versus an Operating Lease. The Club has an Operating Lease now, where we send everything back in three years. With the Capital Lease; this is a Lease Purchase on some items that have long life spans that the Club can depreciate out: such as dumbbells, bars, racks, and weights, with a Lease Plan on cardio equipment which has a short life span.

Ms. LaRusso added in the past, staff and members of the Club met in a group called a Task force, to discuss and determine the needs and wants in fitness equipment for the Club. Ms. LaRusso said her goal is to meet by the end of this month, and asked that anyone interested in participating in the group send her an email.

Mr. Rogers explained the need to start the process now, because of all the logistics involved in making the transition of equipment coming in and going out.

**Marketing:**

Mr. Rogers next discussed the New Year's promotion advertising a \$20.14 application fee offered through January 31. He said the Club sent a direct mail piece to surrounding areas. Mr. Rogers explained how the staff looks at demographics and the direction the Club is moving in, and then staff targets the demographics where they want to advertise. The Club demographics show the average age of our membership is 35 years old with families. He added that not everyone will receive an advertisement, but anyone who joins in January will have the opportunity to take advantage of the promotion.

**Adjournment:**

Meeting Adjourned