

# **Germantown Athletic Club Advisory Commission Minutes**

**Tuesday, May 6, 2014 – 6 pm.  
Great Hall Conference Center**

- Members Present:** Chairman Ric Wolbrecht, Mr. Frank Baker, Mr. Brent Beavers, Mr. Ron Fittes, Mr. Jim Hastings, Mr. Garth Thompson, Mr. Randall Windschitl, and Alderman Palazzolo
- Members Absent:** Mr. Ron Fittes, Mrs. Kelly Nanney, Mrs. Kristen New and Mr. Ron Rossman
- City Staff Present:** Mr. Phil Rogers, Mr. Curt Cromis, Mrs. Amy LaRusso, and Mrs. Debbie Powers
- Guest:** Ms. Nancy Cook, Library employee and Play like a Champion Member

## **Call to Order**

Chairman Ric Wolbrecht called the May 6, 2014 meeting to order. The meeting was held in the Great Hall and Conference Center.

## **Approval of the Minutes**

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

## **Club Report:**

### **Financials YTD:**

Mr. Rogers opened the meeting sharing a power point presentation showing financial spreadsheets for the Club YTD. His spreadsheets show tabulations of expenses and revenues. He explained how it cost approximately \$295,000.00 a month in basic expenses to run the Club. He explained the differences between the expenses and net revenue. Mr. Rogers said he does not have the April month end numbers from Finance yet, but projects net revenue of \$760,000.00 this year compared to \$532,700.00 for last year.

Mr. Thompson asked what changes were made to reduce the expenses this year to increase net revenue.

Mr. Rogers responded in January when he planned his budget last year he had three full time managers; Carrie, Samantha, and Joey that were included in that budget that are no longer here. He explained that of the three he had filled Samantha's position with a full time person but he had replaced Joey's position with a part time manager, and Carrie's position was not filled.

Mr. Windschitl asked why training revenue did not show an increase, with the changes staff made in adding group personal trainers. Mr. Rogers agreed we had full time staff and benefits, and it takes time but the Club is not losing money. He stated that the City works on an accrual basis, meaning just because we sell a year membership or a training package, doesn't mean the Club recognizes that revenue at time of the sale. The Club only recognizes the revenue for that month. Mr. Rogers said there are still unused sessions out there; the Club can only redeem when the training is used. Mr. Thompson asked if someone did not use their personal training if the Club could redeem the money. Mr. Rogers responded that was a good question, because for many years that money just stayed in a liability account, but now he has come up with a Personal Training Contract that states the contract expires after a period of time and there are no refunds.

Mr. Rogers stated in his first year as Director, the Club earned revenue of \$37,000 and the trend has been going up, but he doesn't expect that to continue. He added we have seen a million dollar revenue swing over five years.

Alderman Palazzolo added the Club has been repaying depreciation and loan notes that the City carried when the Club was in the red. He felt this was important to share because the renovations will come out of the revenue from member fees not resident tax dollars. Mr. Rogers added the depreciation is part of our operating expenses, and that goes back into the Club for renovations. He added thirty nine dollars for a membership in a facility like the Club is very reasonable.

Alderman Palazzolo stated that only he and a couple other people on the commission were around when the then staff at the Centre and the City debated on making changes to the membership rate going from resident and non-resident rates to one rate across the board to support the building. He added the Club leadership and Commission agreed that one fee that would be competitive with other facilities, would allow the Club to build revenue and not depend on the tax payers to support the Club, and staff has done a good job to prove it.

Mr. Rogers stated it is important when you look at local competitors out there, to appeal to the non-residents when the Club has 60% non-resident members versus 40% resident members to sustain this facility. Mr. Cromis agreed the Club can't continue to add a quarter a million dollars every year, but the Club operations are sustainable and can continue at the rate we are going.

### Equipment Update:

Mr. Rogers stated as of this afternoon; Club management has finalized the equipment leasing specs, and has a recommendation to take to the Mayor and Board of Alderman on Monday night. He said the staff has decided to go with a Precor package. Mr. Rogers stated Precor came in with a very competitive offer on cardio equipment, and were able to meet the specs and requirements of the bid package. He noted a few of the specs of the lease purchase agreement:

- Agreed to honor our lease price on more equipment in the event of more space after renovations, and that lease will expire at the same time
- No changes in the cleaning procedures of the equipment
- Local representative for maintaining the equipment
- Parts Dept. for ware items
- Staff trained and Certified to work on equipment
- The Club will be reimbursed for maintaining the equipment on the warranty work
- Increased the number of spin bikes
- Increased the number of AMTs
- Added manual treadmills
- L E D display attached T.V.

Mr. Rogers added that in the lease to purchase bids, the Club set aside \$250,000 to purchase strength equipment, and the recommended bid for \$170,000 to purchase. He added the functional equipment will not change. Mr. Rogers reminded the Commission this recommendation is not official until it is approved by the Board of Mayor and Alderman on Monday night.

### Renovations:

Mr. Rogers mentioned updates on the renovations, stating he had met with the architects with Fleming & Associates last week for a walk through, looking at the electrical and HVAC. He added other than that, there was nothing to report.

### Member Satisfaction Survey:

Mr. Rogers discussed the survey for the Club and how it is sent out once a year, and the member's survey indicates the members are overall satisfied with the services of the Club. He shared a handout of the report on the survey and explained the various areas on the survey. Mr. Rogers explained it is a skip logic survey, where if you are a member that doesn't use the aquatics area or fitness area, you can skip those questions without affecting the survey.

### Chill & Grill:

Mr. Rogers reminded the Commission members the date of the Chill & Grill is May 17<sup>th</sup>, and asked for volunteers to help staff in grilling hamburgers and hotdogs for the member appreciation day.

### Summer Memberships:

Mr. Rogers reported the Summer Memberships went on sale on May 1<sup>st</sup> and within the first 6 days; the Club had already sold \$500.00 more compared to last year's sales at this time.

**Adjournment:**  
Meeting Adjourned