

**Germantown Athletic Club Advisory Commission
Minutes**

**Wednesday – February 3, 2021 - 6:00 pm
Video Conference**

Members Present: Chairman Ric Wolbrecht, Mr. Frank Baker, Mr. Richard Bernstein, Mr. Dana Driver, Ms. Kristina Garner, Mr. Charles Hurst, Mr. Frank Lamanna, Ms. Gizelle Motley, Ms. Sylvia Poll and Alderman Ueleke

Members Absent: None

City Staff Present: Mr. Phil Rogers

Guest: None

Call to Order

Chairman Ric Wolbrecht called the February 3, 2021 meeting to order. It was held virtually via Google Meet for commission members, and available for the general public through a call in number.

Establishment of Necessity to Conduct the Meeting Electronically

Chairman Wolbrecht asked for a Motion for the Germantown Athletic Club commission to conduct the meetings by electronic means to protect the public health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak. These actions were taken in response to Governor Bill Lee's Executive Order No. 71

Roll call: all present

Seconded by Mr. Frank Lamanna and Motion passed unanimously

Approval of the Minutes

Chairman Ric Wolbrecht asked for a motion to approve the January 6, 2021 minutes as presented. Mr. Frank Baker motioned to approve and Ms. Kristina Garner seconded and the motion passed.

Club Updates:

Mr. Rogers opened the meeting with updates on the budget process for the FY22 budget. He explained the Club is an entity of the City and was setup under an Enterprise Fund. Mr. Rogers stated where most of the City operates from the general fund generated by property and sales taxes; the Club operates under a separate enterprise fund where it is responsible for its revenue and expenses. He added an Enterprise Fund is the closest fund a government entity can be to a for profit business. One financial goal for the Athletic Club is to be revenue neutral or better. Mr. Rogers explained the Club is working on the FY22 budget and is in step one of the budget process which over the course of several months will be tweaked before the final process of the budget to be adopted by the City of Mayor and Alderman by July.

Mr. Rogers shared a PowerPoint budget summary of the Club revenue and expenses. In his summary he shared the actual Operating Income Loss comparisons from FY19 – FY21 and estimated losses for FY22. He explained with the current economic conditions these are staff estimates for FY22.

FY21 Estimations:

- 22% decrease in membership revenue
 - 50% decline from FY19
 - Membership revenue numbers closer to 2010
 - 2300+ members still on freeze
- 14% decreases in expenses in FY20
 - Include increases for staffing and supplies
 - 150K+ a month in fixed cost – no payroll

FY22 Estimations:

- 26% increase in revenue projections
 - Membership revenue similar to 2013
- 17% increase expense projections
- Camps, swim lessons, other
Programs budgeted at 50%-75% Pre-Covid revenues
- Continued lean operating
- Some deferred maintenance

CIP/IRP FY21:

Mr. Rogers discussed the capital improvements and Infrastructure projects budged for FY21. He stated most were cancelled.

Mr. Rogers explained that the fire panel project is in progress. He added the outdoor pool resurfacing has been approved by the Board of Mayor and Alderman and the Club has a contract with Mid-America Pools to start the project at the end of March or early April.

Mr. Rogers explained that he decided to leave in the FY21 budget the strength equipment and the weight floor room/renovations. He stated once staff has the opportunity to see if the cushion is there to complete the projects or split between two separate budgets staff will make a decision on how to proceed based on capital reserves and staying

financially prudent. Mr. Rogers reminded the commission members the CIP/IRP funds are not part of the operating budget but is the capital based on reserves.

Projects for FY22

- No CIP budgeted – limited IRP
 - Air purification system
 - Strength equipment/ flooring
- Hybrid membership option
 - Live streaming
 - Better member usability app/back office integration
- Greater marketing effort
 - Health and wellness is essential
- Continued focus on cleanliness / member safety

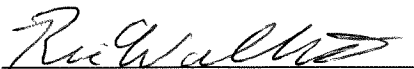
Chairman Wolbrecht asked for a motion to approve the budget as presented to be moved to the Financial Advisory Committee. Mr. Dana Driver motioned to approve and Mr. Frank Lamanna seconded the motion and the motion passed unanimously.

Marketing:

Mr. Rogers touched on the membership marketing. He stated that for the month of January the Club had 168 new memberships compared to typically about 300 new memberships. Mr. Rogers stated that staff decided to market an amnesty program rather than a new membership advertisement. The Club is offering a zero enrollment fee to any prior members who are still in our database who want to return. He added that the free freeze has been extended through March.

Adjournment:

Chairman Rick Wolbrecht announced the Commission will not meet next month and tentatively for April. There being no further business, comments, or questions by the Commission, with a motion on the floor Chairman Rick Wolbrecht adjourned the meeting at 7:00 p.m.



Mr. Ric Wolbrecht, Chairman- Germantown Athletic Club Commission