

**Germantown Athletic Club Advisory Commission
Minutes
Tuesday – April 5, 2011**

Members Present: Chairman Stephen Wilensky, Mr. Rob Ayerst, Alderman Ernest Chism, Mr. Phil Clark, Mr. Bill Erskine, Mrs. Dee Dee Duneheew, Mr. Clint Hardin, Mrs. Kristine New, Mr. Harold Steinberg, Mr. Garth Thompson and Mr. Larry Williams

Members Absent: None

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

Call to Order

Chairman Stephen Wilensky called the March 1, 2011 meeting to order. The meeting was held in the Great Hall Conference Center.

Approval of the Minutes

Chairman Wilensky asked for a motion to approve the minutes. Motion to approve the February minutes was made by Mr. Garth Thompson and seconded by Mr. Hardin and all were in favor.

Club Reports:

Budget:

Curt shared a power point presentation on the Budget Operating Results. Overall for Operating Results the Club for FY10 had a Net Loss at \$227,288 and we are budgeted a loss of \$557,486 for FY11. He explained that in January we were 5% above the budgeted Operating Revenue. Our Operating Expenses for January were 33% below budget and our Net Income was \$75,872.00 compared to a budgeted (\$8,932.00) loss. Curt added, though when looking at Current Month the expenses do not always line up with actual expenses.

For Year to Date Operating Results in January our actual Net Loss was \$43,278 compared to an expected Loss of \$615,794. If this continues, we forecast an \$82,818.00 income. For Fy10 our Net I Loss for January was \$353,894 with a Total Annual loss of \$227,288.

Recap on the Athletic Club:

Mr. Lawton discussed all the things that have been put in place since 2007. We changed the Club from a Centre to the Germantown Athletic Club and focused more on a fitness membership driven facility. The City brought in professional health club experienced staff and addressed the marketing issues and made the decision to keep this facility as an Enterprise Fund.

Facility Report:

Phil reported on the facility updates:

- Stefanie Dennison our Marketing person, has given her resignation.
- Garage door 3 in the gym broke; we are getting quotes on a replacement door.
- Racketball door is broken and we have been quoted \$3100.00 for cost.
- The Exeter handicap door has been repaired but, because of the age of the door this is a recurring problem.
- Dehumidifiers are on the roof, and staff expects them to be in operation within the next 60 days.
- Comcast has installed T.V. remotes and converter boxes on all of the equipment; and our staff has been placing instructions for the remotes on the machines.

Garth Thompson discussed the Equipment Taskforce and staff proposals for new equipment out for bid:

- Request for staggering or breaking up the bids into 3 categories; cardio, cable weights, dumb bells and keeping some of the equipment longer periods of time. They were advised by Purchasing that this was not an option because we are working within Government bids.
- Request for parts bins and training staff on repairs to shorten down times of the equipment.
- Looking at options on eliminating cardio theatre and putting that money elsewhere. (He added that when he did an informal headcount, approximately 80% of the members were using the cardio theatre.)
- David Allen, one of the personal trainers on staff, presented reducing the number of elliptical and total body trainers and adding more treadmills, adaptive motion trainers and recumbent bikes.
- Also members are hesitant to use the human sports room because they think this is for the personal trainers, possibly opening up that wall so members realize anyone can use the equipment.

Phil added that we may be moving to an Operating Lease where we will have the option to purchase pieces of the equipment at the end of the lease. Another option is we will not be limited to using the lowest bidder. Also we are requesting bids with cardio theatre and without, we don't want to take away T.V.'s but we need to look at cost and see if that money could be used somewhere else. This would mean possibly placing 5 - 27" T.V.'s above each roll of the equipment.

Questions from the members on alternatives to Comcast on the cardio equipment, suggestions on marketing on offering something of perceived value to the members in replace of taking something of perceived of equal value. Phil responded that we are probably the only full service Club that offers cardio theatre and it's not because our equipment is better. The reason full service clubs do not offer cardio theatres is because they are focusing more on building relationships with the members and offering a service. We are still talking about drop down T.V.'s. We want to do right by the members.

Patrick commented on Comcast that the City is working with them in a Franchise throughout the City, Fire and Police.

Stern Cardiovascular/Baptist:

Phil discussed with the Commission Members a proposal presented to Mr. Lawton by Stern Cardiovascular/Baptist. They would like to rent space from the Club to set up a cardiovascular rehab area that would be strictly rental space. He and Curt have met with Stern Cardiovascular representatives concerning their needs in rental space. He and Curt are exploring their options for rental space and taking that into consideration with the Clubs needs and advantages to this rental agreement. Since the beginning discussions, Stern Cardiovascular needs for space has increased from 1000 square feet to 2000 square feet. Curt noted that they were having trouble finding 1000 – 1200 feet of space; they have looked at several combinations of rooms and the minimum amount of reorganization or displacement of our activities.

Mr. Lawton explained that Stern approached him in late December and he has checked with Methodist to see if they would have an interest in this since they are a major player in the City. Methodist has expressed they have no interest, that they have something similar in place at the Jewish Community Center. Since this is a rental lease contract, this is something the City could enter into without a bid process. At the Administrative point of view this could be a positive for the Club providing great exposure of the club, for one thing.

There was open discussion on the floor with the Commission Members concerning the space, concerns that the Club is already in need of more space. The Club needs space for the kid's area now and more fitness space with the membership growing. Mr. Hardin and other members asked about the space at the Great Hall and if the Club can utilize some of the space that is not being utilized? Mr. Lawton commented that we are not here to talk about the Great Hall, but that they had talked to them about space at the Great Hall but their patients need space easily accessible to the door and the track area. He added that Administration has noticed something has changed dramatically at the Club; the membership is growing and sustaining its membership base and does need more space.

Phil added anything we would do, would require displacing something and we are not looking at shorting our members in their space. So if that means moving the nursery that means getting a better bigger nursery. We still need that cardio space. We would like to take that opportunity when it comes in and expand our space and offer better services.

Mr. Steinberg asked Mr. Lawton, since we are only the Germantown Athletic Club, is it in your purview and other members of your staff to consider the totality of this building which includes underutilized space at the Great Hall and taking that space from the Great Hall and giving to the Athletic Club.

Mr. Lawton explained this is a Governmental fund and the Great Hall and Germantown Athletic Club are separate funds with two separate Commissions. Yes, the Commission Members could consider asking the Mayor and Board of Alderman to entertain doing anything differently.

Mr. Steinberg stated he wasn't asking to do away with the Great Hall but taking some of their space and transferring it to the Athletic Club. This would save them on their expenses in the building and help the City's whole performance in the combination of two Enterprise funds.

Chairman Wilensky stated one of the issues will be some form of relocation and this will affect both Commissions. We need to consider the distance the cardio patients are able to travel from the parking lot to get to the front door and to their therapy. He asked if there was a master plan that gets updated with the 2020 Vision. Now, because we have been approached by Stern we have the responsibility to look at what best meets the needs of the members and people who use the Club in utilizing that space.

Mr. Lawton said that, in addition to the Stern proposal, we have the mass numbers in members we are dealing with. The Club's deficit is being erased. Also consider Stern's needs and what will best meet their needs. If you ask them, he believes they are going to want the cardio area or spin room area closest to the Exeter door and track area.

Mr. Hardin asked about the parking, and he recommended that we utilize some of the Great Hall for the Children's programs.

Mr. Lawton asked for direction from the Commission and if it is their recommendation to go to the Mayor and Board of Alderman and ask to revisit the utilization of space at the Great Hall.

Mr. Hardin moved to make a motion to go before the Mayor and Board of Alderman to review the utilization of space at the Great Hall. The motion was seconded by Mr. Steinberg and all were in favor.

Proposal for change of hours of operations:

Phil put before the Commission Members a proposal for new Club hours beginning April 1st. He has had members request opening fifteen minutes earlier in the mornings Monday – Friday. Phil proposed the following changes:

Monday – Thursday	Open at: 5:00 am – 10:00 pm
Friday	Open at: 5:00 am – 9:00 pm.
Saturday	Open at: 7:00 am – 9:00 pm
Sunday	No changes

Chairman Wilensky asked for a motion from the Commission Members.

There was open discussion among the members about offering more hours. A vote was taken and a unanimous motion by the members to accept and move forward with Phil's proposal of new hours of operation beginning April 1st.

Discussion on upcoming events: Aerobathon and Spring Market coming up this Saturday and Chill and Grill on May 21st. Chairman Wilensky mentioned Relay for Life that will be taking place at Municipal Park in Germantown in April and he suggested Club participation would be great opportunity for visibility.

New Business:

Rate Increase:

Phil mentioned that Mr. Lawton had asked him to put before them a new rate increase. He hasn't had time to put this together but he hopes to have something next month.

Mr. Lawton explained with the last increase, members came to him and expressed they didn't mind a rate increase as long as we don't wait and have to make huge strides in the rate increase. In the past we have been shy about making rate changes, but a consistent approach will not be that great or drastic for our members.

Mr. Hardin requested we consider looking at going back to resident and non- resident rates.

Adjournment:

Meeting Adjourned