1. MEETING CALLED TO ORDER: Claudia Tierney, Chairman

2. ROLL CALL: Tierney, Green, Herdering, Howard, Leonard, Rapp, Smith, and Fredlund, ex-officio member

3. APPROVAL OF REPORT OF JUNE 14, 2017 (Attachment)

4. ELECTION OF VICE CHAIR AND SECRETARY

5. CHAIRMAN’S REPORT
   a. Monthly attendance reports for July 2017 (Hand-out at meeting)

6. CORRESPONDENCE AND ANNOUNCEMENTS

7. STAFF REPORTS
   a. Equipment repair and maintenance.
   b. Special programs report

8. SUB-COMMITTEE REPORTS

9. RESIDENTS’ FORUM
   FCAC will follow Rossmoor custom and limit comments to 3 minutes.

10. UNFINISHED BUSINESS
    a. Update regarding the Fitness Center Remodel Project.

11. NEW BUSINESS
    a. Review of the draft 2018 Fitness Center operating budget. (Attachment)
    b. Recommend to the GRF Board the name of Del Valle Fitness Center as the formal name of the facility. (Attachment)

12. ADJOURNMENT

13. NEXT MEETING: To be determined

CT/kv
cc: GRF Board
FITNESS CENTER ADVISORY COMMITTEE REPORT

REGULAR MEETING
WEDNESDAY, JUNE 14, 2017, AT 9:30 A.M.

A regular meeting of the Fitness Center Advisory Committee (FCAC) was called to order by the Chairman, Claudia Tierney, at 9:30 a.m. on Wednesday, June 14, 2017, in the Board Room at Gateway Complex.

Present, in addition to the Chairman, were Catherine S. Herdering, Vice Chairman, Sherry S. Smith, Secretary, Carol A. Green, Charlotte A. Howard, Barbara Leonard, Virginia Lee Rapp, and Melvin C. Fredlund, GRF representative and ex-officio member. Also attending were Tim O'Keefe, CEO; Leslie Birdsall and Mary Lou Delpuch, Directors, GRF; Jeffrey P. Matheson, Director of Resident Services; Masha Henzel, Fitness Supervisor; and three residents.

The report of the Committee's regular meeting of May 10, 2017, was approved as written.

The Chairman reported 8,627 total fitness visits for the month of April, including class totals.

Ms. Henzel reported that all equipment is up and working.

During the Residents' Forum, Mary England expressed her concern about purchasing new equipment. Jim Lee wanted to know if the new equipment would cover all muscle groups. He was assured that it would.

Mr. Matheson gave an update on the Del Valle Complex renovation project. Demolition work is almost finished, except for removal of large windows. Work is proceeding on the two-hour firewall, and roof framing and restroom plumbing is completed. Three cameras have been installed for a time-lapse video of the construction progress and can be viewed at www.rossmoo-fitnes.com. Mr. Matheson also reported that the renovations are on schedule and all equipment has been assigned space. Arrangements for an FCAC tour next month to review progress so far and to anticipate future progress is being scheduled.

The Committee reviewed and discussed proposed equipment for the renovated Fitness Center.

The Chairman adjourned the meeting at 10:00 a.m.

The next regular meeting of the FCAC will be held on Wednesday, July 12, 2017, at 9:30 a.m. in the Fairway Room at Creekside Clubhouse.

Claudia Tierney, Chairman
Fitness Center Advisory Committee

SSS/kv
Attachment: Fitness Center Statistics
SUMMARY REPORT
GOLDEN RAIN FOUNDATION
FITNESS CENTER ADVISORY COMMITTEE

REPORT PREPARED BY:

Jeff Matheson, Resident Services Director

REQUESTED ACTION/RECOMMENDATION:

Discussion regarding the 2018 Fitness Center Operating Budget.

BACKGROUND:

On an annual basis the Finance Committee and the GRF Board of Directors reviews the draft operating budget for all GRF Departments. The Board then considers adoption of the final GRF operating budget during the end of month meeting in September. The adopted budget will determine the monthly GRF portion of the coupon for 2018. For 2017 the cost on the coupon for the Fitness Center budget is $9.83 per manor per month.

Each year the FCAC has the opportunity to review the Fitness Center budget and make recommendations to the Finance Committee and the GRF Board. During the August meeting the Committee typically discusses level of service provided for programs, classes, equipment and staffing. In 2016 the Board authorized an evaluation of the Fitness Center operation by The Sports Management Group. The study had several findings and recommendations. One of the recommendations was to increase the level of staffing at the front desk. The new facility will open in January of 2018. Based on the study recommendations, staff is proposing the Board approve additional front desk staffing by 1.5 full time equivalents or 60 hours per week. This will provide for two staff Monday-Friday from 6:00 a.m. – 5:00 p.m., and one staff in the evenings and on the weekends. A memo further explaining the proposal is attached.

A copy of the proposed budget is attached for information. A few highlights include an increase in anticipated revenue for personal training. The current year is off due to the time the facility was closed and the move to the modular buildings. Revenue is also increased based on the anticipated ability to sell merchandise and the initiation of additional services such as adding massage. The line item budget also includes a reduction in supplies. Typically the supply budget contains funds used to replace four pieces of equipment on an annual basis. With the majority of the equipment being new, there will not be a need for replacement for the next few years.
ALTERNATIVES AND OPTIONS:

It is recommended that the FCAC discuss the current level of service offered at the Fitness Center and discuss any desired changes beyond the proposed additional front desk staffing.

ATTACHMENTS:

1) Proposal for new front desk staffing
2) Proposed 2018 Fitness Center Operating Budget
MEMORANDUM

Date: July 21, 2017
To: Tim O'Keefe, CEO
From: Jeff Matheson, Director of Resident Services
Re: New Front Desk Staff at Fitness Center

In 2016 the GRF Board authorized an evaluation of the fitness center operation by The Sports Management Group. The study contained several recommendations including the addition of front desk staff to better serve Residents. The renovated fitness center will open in January of 2018. The facility will contain a new entry system, additional technology, and provide for the option to sell minimal merchandise such as sports drinks. Staff again alerted the Board to the pending need for additional staff during the meeting of February 14, 2017, when the Board approved the overall construction phase budget. The intent at that time was to make clear that construction related expenses would be paid from the Trust Estate Fund while any additional operating expenses related to staffing would come from the annual coupon.

Excerpt from February 14, 2017 staff report requesting approval of the overall project construction phase budget:

**FINANCIAL IMPACT:**

The total project budget is $9,616,300.00. This amount includes the $1,187,000 in planning costs previously approved plus the construction phase costs of $8,429,300.00. Funding to pay for construction comes from the Trust Estate Fund.

Financing for the project will be secured through Mechanics Bank. Approval of the loan documents will be on the February 23, 2017 agenda.

New operating costs for the renovated fitness center will be included in the proposed 2018 operating budget. Staff anticipates proposing additional front desk staff and custodial staffing plus some additional contract services. It is also anticipated that property taxes for the building will increase. Some of these increases may be offset by some savings in energy costs as new energy efficient mechanical and lighting systems will be implemented.

The current 2017 budget has authorization for 2.5 FTE (Full Time Equivalents) staff for the front desk. With the fitness center being open 99 hours per week this authorization provides coverage by one staff person at all times. For the 2018 budget, once the
renovated facility is open, it is recommended that the front desk be staffed by two employees during the week from 6:00 a.m. to 5:00 p.m., one employee in the evenings 5:00 p.m. – 9:00 p.m., and one employee on the weekends 6:00 a.m. – 6:00 p.m. This additional coverage requires adding 1.5 FTE staff (60 hours/week).

With two staff members during the weekday peak hours (6:00 a.m. – 5:00 p.m. Monday-Friday), one staff member would be available to assist residents with class registration, scheduling and payment of personal training, sale of merchandise, and many other tasks, while the second staff member would be responsible for monitoring the check in process and assisting residents with guests and first time members needing to register.

The cost for the additional 1.5 FTE staff is estimated at $70,000 with all associated costs included.

Having the appropriate coverage at the front desk is vital to a successful operation. The staff provides the first impression to residents using the facility. The front desk staff ensures Residents have proper forms completed and they are able to assist and guide Residents to further information they may need in order to be successful with their fitness goals. The staff also serves a critical safety function as all are CPR and First Aid certified. They are able to respond to emergencies and contact appropriate first responders and provide medical information and contact information as needed.

In 2018 there will be opportunities for additional revenue. The sale of minor merchandise, increases in personal training, and the addition of massage, will produce additional revenue that has been included in the proposed budget. Personal Training revenue is increased by $30,000 and Misc. Income is increased by $10,000. It is also anticipated that the Board will adopt a Guest fee that may offset some of the costs but the amount is impossible to determine at this time. In addition the proposed budget has a decrease of $16,000 for supplies. This amount is typically for the replacement of 3-4 pieces of equipment. As the majority of the equipment will be new this line can be reduced for the next few years.
### OVERVIEW

**2017**

- **Expected Revenue:** $125,000
- **Total Expenses:** $898,795
- **Difference:** $-773,795

#### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 Actual</th>
<th>2016 Actual</th>
<th>2017 Actual</th>
<th>2017 Budget</th>
<th>2018 Budget</th>
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<tr>
<td><strong>COMMUNITY FACILITIES INCOME</strong></td>
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<td>PERSONAL TRAINING</td>
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#### Other Income

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<th>Description</th>
<th>2015 Actual</th>
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#### Total Revenue

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<th>Description</th>
<th>2015 Actual</th>
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<th>2017 Actual</th>
<th>2017 Budget</th>
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#### Expenses

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<th>Description</th>
<th>2015 Actual</th>
<th>2016 Actual</th>
<th>2017 Actual</th>
<th>2017 Budget</th>
<th>2018 Budget</th>
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<td>OVERTIME WAGES</td>
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<td>TEMPORARY HELP</td>
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<td><strong>SALARIES AND WAGES</strong></td>
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<td>STATE UNEMPLOYMENT INSURANCE</td>
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<td>BANK CHARGES-ALL TYPES</td>
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<td><strong>TOTAL FINANCIAL EXPENSES</strong></td>
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</table>
FITNESS CENTER

5420  Personal Training (Revenue)
Personal training is one of the most important programs offered at the Fitness Center. Personal training is offered at $35.00/half hour or $60.00 for an hour. Group training is also offered at $10.00/hour per person. It is anticipated that revenue will increase with the new facility opening in January 2018. Training staff is paid at a flat rate of $40.00/hour while conducting paid training. Funds are budgeted under salaries and wages for the incremental increase in wages while conducting paid personal training.

$140,000 is projected ($30,000 Increase)

5802  Miscellaneous Income (Revenue)
Outside fitness instructors are charged a nominal facility use fee when using GRF facilities to conduct classes for residents and their guests. This would include revenue from massage if added. Also included for 2018 is revenue from the sale of merchandise

$25,000 is projected (Increase of $10,000)

6104  Overtime Wages
Overtime wages for trainers who may need to stay to cover extra shifts due to illness, vacation, or when not fully staffed. Includes coverage during holidays when Fitness Center is open. Trainers may not be scheduled for overtime in order to conduct personal training appointments.

$8,000 is requested

6213  Travel & Meal Allowance
Travel for staff to earn CECs (continuing education credits) required to maintain certifications. Staff takes advantage of courses locally and online; however, certain courses which enable staff to better serve Rossmoor residents are only available outside the Bay Area. Budget includes mileage, airfare, meals and lodging expenses.

$3,000 is requested

6219  Staff Training
Cost of registrations for continuing education credits for staff. Industry standards require staff maintain a minimum of 50 hours/year and supervisor maintain 90 hours/year. While staff pursues as many courses as possible online and locally, some specific classes are only taught outside the Bay Area. Training also includes customer service training and management training from Active Wellness.

$5,000 is requested (Increase of $3,000)
6222 Employee Uniforms & Laundry
The fitness staff is now being required to wear uniforms during their shift. Uniforms are purchased by GRF.

$3,500 is requested

6224 Dues & Memberships
Certifications and memberships with professional organizations and governing industry bodies.

$2,500 is requested

6225 Subscriptions and Books
The department subscribes to trade publications.

$500 is requested

6311 Copy & Printing Services
Production costs of flyers, class schedules, brochures, floor signage, banners, and posters for special events.

$2,500 is requested

6402 Administrative Supplies
Paper, pencils, pens, copier ink cartridges and office supplies. There will be some increased expenses to set-up the new offices in 2018.

$8,000 is requested (Increase of $1,500)

6420 Supplies
This covers the general supplies needed for classes and programs as well as for operation of the facility. This line typically also includes funds for equipment replacement. In 2018 the vast majority of equipment will be new. This results in a decrease in requested funds for 2018.

$19,000 is requested (Decrease of $16,000)

6903 Equipment Repairs & Maintenance
This line covers the contract for weekly preventive maintenance and repairs. It also covers needed parts for repair. This line also includes new funds for the updating and ongoing maintenance of the website and the monthly cost for software used at the Fitness Center.

$25,000 is requested

7003 Bank Charges
The Fitness Center collects fees via credit card. Charges are for processing fees.

$1,400 is requested
SUMMARY REPORT
GOLDEN RAIN FOUNDATION
FITNESS CENTER ADVISORY COMMITTEE

REPORT PREPARED BY:

Jeff Matheson, Resident Services Director

REQUESTED ACTION/RECOMMENDATION:

Recommendation to the GRF Board regarding the renaming of the Del Valle Clubhouse and the rooms inside the facility.

BACKGROUND:

The FCAC and AAC recommended to the Board that it consider renaming the Del Valle Clubhouse and rooms including the pools. The Board approved a plan for selecting a new name that included seeking community input. The plan also included forming a joint subcommittee of the FCAC and AAC to review suggestions. The Subcommittee met in June and reviewed the recommendations received.

The Subcommittee debated the suggestions and ultimately felt the history of the current name should be included and that the selected names should be simple and descriptive of the main use of each room. The Subcommittee is recommending the following names:

Main Complex: Del Valle Fitness Center
Multi-Use A: Dance Studio
Multi-Use B: Aerobics Studio
Gymnasium: Gymnasium
Pilates: Pilates Studio
Current Shasta Room: Serenity Room
Pools: Del Valle Pools

ALTERNATIVE OPTIONS:

The Committee can discuss additional names to recommend to the Board.

ATTACHMENTS:

None