

# Member Q&A and Comments

## Health & Lifestyle Center at The Commons Club

*Updated April 15, 2019*

**Member Question:** Can we add a steam room to both of the locker rooms?

*GM's Response: Yes and we are investigating adding steam to one of the shower stalls. The space will then have a dual use – steam room or shower area.*

**Member Question:** Are the walls around the pool remaining in place? We like the walls because they block the wind. Also, is there any chance of removing the Oak trees around the pool area – the trees always seem to be dropping their leaves.

*Fitness Director's Response: The pool walls will remain. We hope that the Village of Estero will allow us to remove the Oak trees and replant them with Palm trees or equivalent.*

**Member Question:** How far out on the green does the addition extend? Can you mark it off somehow so we can visualize it?

*GM's Response: The space is marked*

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*GM's Response: The space is marked off with white PVC pipes.*

**Member Question:** Of the \$2,800,000+ reserves, I believe you said that about \$2M is not available for this project and you mentioned it's for things like chairs, tables, etc. It seems like a lot of money for the items you mentioned; could you explain further why this money is not available for the project and what the plans are to use it?

*GM's Response: We have a 25 year budget for capital replacement. We have banked the reserves because spending in some years are much more robust than others - for example, when we replace the roofs in 2024 – the budget is \$825k – compared to an average of \$350k. In reality, we could borrow the funds for this project, but would eventually just have to replenish it.*

**Member Question:** Not sure what return you guys get for the money in reserves; my association recently got our new bank to give us a very good rate on our hurricane insurance proceeds of several million dollars.

*GM's Response: Right now, Fine Mark is quoting an interest rate of 5.5%, but that may come down to 5.25%. Mr. Ward and our Finance Committee are also investigating use our internal funds, etc to partially save on interest expense.*

**Member Comment:** The \$2,680,000 at 5.5% over 10 years that's mentioned in the brochure obviously refers to a loan yet you made no mention that the club is borrowing money. The board and you have rightly bragged about having no debt as part of the evidence of a strong balance sheet. I just think you should state at the meetings that we're taking on new debt to finance the project and that the \$125 per year is to cover much of the debt service.

*GM's Response: Good point – thank you.*

**Member Question:** 1585 gold and silver members at \$125 per year is \$198,125. The brochure mentions annual assessment of \$180,550 ... what's the difference?

*GM's Response: The difference is that the additional operating expense is built into the calculation. \$180,550 is needed to cover the loan cost. And an additional \$16,000 to \$18,000 on average is needed to offset the extra cost to our operating budget once the project is complete.*

**Member Question:** Someone asked about the additional operating expenses and your answer was not clear to me. \$26,000 seems low and I found in my experience that this number is often understated. Could you provide more detail on this number? Is it net of anticipated additional revenue?

*GM's Response: Yes, it is net. Here are some of the major revenue and cost areas.*

	2019	2021	2022	2023
419200 Spa Revenue (House)	203,320	40,664	71,162	96,374
450100 Personal Training Revenue	307,546	46,132	81,500	103,259
490000 Group Fitness Revenue	47,837	2,392	4,903	7,660
<b>Total Services Revenue</b>	<b>558,703</b>	<b>89,188</b>	<b>157,565</b>	<b>207,292</b>
700700 Spa Payroll	132,158	26,432	46,255	62,643
700800 Personal Training	184,528	27,679	48,900	61,955
700900 Group Fitness	40,546	2,033	4,168	6,511
Total Wages	255,044	64,724	107,903	139,689
710800 Cleaning	47,374	7,500	7,500	7,500
724400 Electric	37,900	15,160	15,160	15,160
725600 Sewer/Water	5,175	1,294	1,294	1,294
725700 Propane/Natural Gas	9,350	1,870	1,870	1,870
750000 Building Repairs and Maintenance	13,742	1,000	2,000	3,000
9XXXX Net Income	(368,739)	(26,657)	(14,550)	(6,509)

**Member Question:** Putting the structure in place to support a second floor concerns me. I know you're saying we'll save \$100,000 by doing it now, but you're really making the assumption that this will get done someday soon and you're also losing valuable space now to allow for the elevator and stairs of the future.

*GM's Response: We understand the concern. Our assumption is based on our original development of the total square footage needed for both today and in the future. If we build as presented, keep in mind that the area for a future staircase will be used for the entrance hallway into the Group Fitness Room. The future elevator shaft and mechanical room will be used over the next few years as storage closets.*

**Member Comment:** As a retired physician, I strongly believe that the plan you have developed expertly meets the needs of our population. Most especially, your focus on balance, active cognition, postural alignment, and stability are well thought-out. The Committee and your team have truly created a well-rounded Fitness/Wellness Center that will provide our members with the best opportunity to build and maintain their health and vitality. AB

**Member Question:** In the architect's rendering, it appears that the walls around the pool are being removed. Is that true? SS

*GM's Response: That is not true. The south and west walls will remain in place. The north wall will be replaced with the newly constructed building.*

**Member Question:** Once the building is finished, will the new space be filled with existing or new equipment? And will there be more equipment than what we have now? TS

*Fitness Director's Response: As a normal part of our capital replacement program, we are scheduled to replace 80% of the equipment within the next two years. So, yes, the newly opened space will be featuring new equipment. We anticipate adding 6 to 10 new pieces – specialized equipment which we do not host currently. We also plan on reducing some areas – such as the number of treadmills.*

**Member Question:** From the presentation, I loved seeing that the group exercise room will be both larger and new. Will it be possible to play pickleball in the new space during non-peak hours?

*GM's Response: Good question – Mary and I first need to investigate what is the best exercise flooring available and sub-floor composition to make sure it is ideal for our members during their exercise routine. From there we can determine whether or not any high impact activities can be hosted in the same space.*

**Member Question:** At the Spring Run presentation on Sunday, you mentioned that the architect is designing the first floor so that a second floor may be added in the future if needed. What is the additional cost of this extra construction?

*GM's Response: The additional roof/floor system will cost approximately \$10/sf or \$50,000. The extra footings will cost approximately \$20,000. If we didn't add in these features now, the cost to dismantle part of the first floor would be approximately \$200,000.*

**Member Comment:** I'm just sorry that nothing is going to be done to the pool to make it more inviting. EW

**Member Comment:** Personally, I'd prefer to see a new design of the pool area... Waterfall pool, luxurious landscape, cabanas, etc. THAT is the downfall of the Commons Club. IT is so plain that no one wants to use it. MS

*GM's Response: Thank you for your email. At yesterday's first presentation at Spring Run, there were a number of comments regarding upgrading the pool. Besides the main expansion/renovation project, we do expect to upgrade the pool area: new furniture, landscaping, cabanas ++. There is currently a designer reviewing the area and we look forward to seeing how we can bring the entire area up to the next level.*

**Member Comment:** I am all for remodeling and expanding the fitness center, including a new, separate, more private spa area. I have, however, one request which I think would be a very practical addition to the women's locker room, and that is a small steam room. It does not have to be large, and in fact, perhaps the twin showers in the back of the shower space in the women's locker room could be converted to that purpose. In fifteen years of use of the fitness

center, I have never seen anyone using the sauna, although I confess I used it a few times the first year we were here. Many of our residents suffer from dry eyes. On the other hand, the humidity in a steam room would actually provide relief to dry eyes! And a steam room is also better on older people's skin. For me, including a steam room would be imperative in order for us to support the proposed remodeling and expansion.

HT

*GM's Response: Thank you for your email and message. Mary Johnson, our Director, has been investigating steam rooms and from her preliminary work, it appears that the concept can be easily added to our project. Thank you for the suggestion – we appreciate your input.*

**Member Comment:** I vote 100% yes for the update! Let's get this done. We really need an improved fitness facility.

MG

**Member Observation:** The massage/treatment rooms and exercise facilities definitely have to be expanded. I just completed my physical therapy for a hip replacement at BCHC. It would have been nice to have done that at The Commons Club but I doubt we could access the machines efficiently. Both my wife and I enjoy using the fitness center weekly. JA

**Member Observation:** I believe that the way you are proceeding is very prudent. It permits a lot of membership input. One problem that we run into at Lighthouse Bay is getting the 66% vote for major capital improvements. TT

**Member Observation:** I wanted to thank you for the excellent presentation on the review and the discussion of the long term planning for the Commons Club. I found particularly informative the review of the progress that The Commons Club has made since takeover. PD

**Member Question:** Why should we change anything at The Commons Club – I like it just how it is now? LT

*GM's Response: There are two primary reasons. First, for our current members, we know that we will face some fitness compaction issues by 2021. We know this by looking at our growth curves – especially with functional exercise and stretching. More of our current fitness users are increasing their use of our services and facilities. At the same time, more and more members are finding fitness as the best way to improve their quality of life.*

*The second reason is for our future members. Each year, we introduce more than 60 members to the club. This is just part of our natural cycle. We know that the next generation requires additional refinement in facilities, services, and lifestyle. In order to remain competitive with other private clubs and in order to maintain/enhance property values throughout The Brooks, we are tasked with continuous improvement and enhancement.*

For answers to your own questions, please contact the Club's General Manager, Joseph Archazki.

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