



SACRAMENTO
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The WELL Advisory Group Meeting
October 26, 2016
The WELL, 2nd Floor, Shoreline Room
Sacramento State

Minutes

1. Call to Order - 7:35 a.m. by Chandler Bender

Members present: Becky Mejia, Lindsay Vampola, Kindra Begley, Elena Larson, Ann Leber, Josh Allen, Chandler Bender, Trinity Jackson, Kyle Wakeland, Karen Dhillon. Also present: Leslie Davis, Bill Olmsted, Kate Smith, Jill Farrell, Jessica Swart and Tori Butler. Absent: Mark McGushin and Brittani Gustinell.

2. Introductions

3. Consent Calendar:

- A. Approval of Advisory Group Minutes for February 3, 2016
 - Trinity Jackson's name is missing from members in attendance
- B. Approval of Advisory Group Minutes for September 28, 2016
[MSP: Jackson / Begley, with noted amendments]

4. Old Business

- A. General Building Policies: Swart
 - Swart states that policies have been reformatted and track changes have been removed since the last WAG meeting. She notes that grammatical changes in red were done by our editor.
 - She has also met with staff to review and discuss item 2.2.e regarding the use of chalk in Fitness areas. They proposed changing the policy to state "use of chalk is permitted only on lifting platforms", which is changing from no chalk being permitted at all. Staff did some research and found that new chalk being used for lifting is now easy to clean.
 - Jackson asks if members only be allowed to use chalk provided or if they can use their own? Smith clarified that we don't provide chalk, so members will need to bring their own. Students have been bringing chalk in and showing staff what they want to use.

The old, messy version of chalk has been phased out and this is the new standard lifting chalk in general.

- Another change is regarding use of cell phones in the facility. The policy previously addressed use of cell phones in fitness areas. Meetings with staff to review the policy indicated that the concern was for personal safety since members would be distracted and possibly not paying attention while on equipment, and also the annoyance of members carrying on a conversation. Cell phone use has changed and our equipment has even changed; these days, members can access the internet on treadmills and the use falls under personal responsibility and etiquette. Policy 1.7.c permits use of electronic devices and states that use of headphones or a reasonable volume is required. This way, if someone is on speakerphone or playing loud music, the policy allows staff to address the member and ask them to lower the volume.
 - Larson requested confirmation that use of phones in locker rooms is addressed elsewhere.
 - Swart confirms that policy 1.7.a prohibits use of electronic devices in restrooms and locker rooms to ensure privacy.

[MSP: Vampola / Jackson]

5. New Business:

A. Membership Pricing Structure: Swart

- Swart refers to documentation provided in packet and shows presentation on projector regarding non-student membership rates and states that we are interested in implementing a new procedure or practice regarding non-student pricing as well as implement referral programs and incentives to bring people in the door.
- Non-student members are defined as faculty, staff, alumni and sponsored members. Swart explains that operationally, we depend on non-student revenue dollars and revenue from programs and services that we provide to offset operational cost. We're in year six and we seem to be plateauing as far as revenue and non-student members, so we want to reach more people in the campus community. We have about 500 non-student members, but still a small number as we are currently only serving about 13% of faculty/staff.
- Also, we are losing students during the summer who are not enrolled in classes due to competitive prices, even though they enjoy our gym better. We want to eliminate the concern of pricing ourselves out of local market as student fees increase with expansions. Want to establish a more thoughtful and precise pricing structure.
- Anticipated benefits are affordable rates, reduction in service-based fees, and increasing our student focused programs, services and student staff development.
- Membership rates are based on student fee and have been adjusted annually based on any consumer price index (CPI). The desired practice would include conducting comprehensive membership audit; determine how much of the campus community that we're reaching, and find out what other gyms are offering (do they offer childcare, on-site parking, do

they have a pool, locker rentals, etc.). We want to consider the general value of what we offer and not just the membership cost. We need everyone to understand that a student fee and a membership rate are not the same thing. \$1.4 million of our operational cost is on student wages and benefits. We are one of the largest campus employers and we are offering students the opportunity to become leaders and get real life experience in managing and customer service. The WELL doesn't exist without students; all of our programs, events and decisions keep students in mind.

- Swart offered a theoretical comparison. When students make the decision to come to Sac State, they don't pull out their wallet to buy a gym membership. When you go to purchase lunch that's what you're in the market for, but maybe your meal includes a drink and it's included whether you want it or not. We are the drink that students get with their meal. Faculty, on the other hand, come to the WELL and take the option to have a membership. So maybe they have a cup already but they just want water, and they can get that anywhere. Our goal is to retain members and bring in revenue. She then refers to the packet which highlights research done as far as other CSU and UC rec centers and what they offer, as well as private fitness clubs. Most other gym memberships include group fitness, members don't have to pay for parking, they're open longer hours, they offer child care and there are multiple locations. There is a concern that we are not competing with local competition.
- Smith adds that this isn't a policy but it is a current practice so that is why we're addressing WAG to see if it's something that makes sense and decide if this is the direction we should go in. This is why we don't have proposed rates yet. The lowest rate that a non-student member pays is \$29 per month by bank draft every month whether they attend or not. The current price is at \$33 per month for faculty, staff and alumni. We want to keep our rates around what they currently are, as well as offer other incentives. Our non-student membership revenue is \$340,000, which is the largest revenue with the smallest number of people. Group fitness brings in about \$60,000, and members complain that we charge for group fitness.
- Swart states that we will be getting creative during times student population is low by offering incentives and discounts. We can offer discount for new alumni, discounts during summer and winter break, etc.

Questions / Comments:

- Bender asks how 500 people generate \$300K a year? Swart explains that the revenue is from guest passes and short term members
- Bender states that other gyms offer a pool, parking, and other incentives, so it's going to be really hard to compete. He recommends that we try to get them to not leave in the first place, because once they leave it will be twice as hard to bring them back. He suggests narrowing down on graduating seniors. Swart replies that it would be an idea that we can propose as an option. The WELL Advisory Group and Board of Directors would be made aware of pricing and deals we want to offer and these are the exact types of things we are looking at.
 - Larson adds that there's nothing wrong with that idea but you

won't know where students are going after they graduate. She suggests focusing on faculty and staff since they stay here, so she thinks that those are the kinds of people to target. She recalls that at one time there was an incentive for faculty staff to come during certain times of the day. Swart and Smith reply that we still have that option, it's an Express Membership and their membership is valid only for certain times of the day.

- Vampola notes that Sac state is a larger commuter school compared to most, and that she's a commuter herself. During the summer she doesn't use the WELL because it's too pricey, even though it's a much better gym. Since she's about to graduate, she would be interested in a deal to keep her WELL membership so that she can hold on to a piece of Sac State and stay connected after graduating. So she thinks it's a good idea to offer a graduate incentive. Swart states that we have the room for people who want to stay, and that we want to be able to compete and keep people coming back.
- Dhillon inquires as to whether we have looked at reaching out to students for people interested in coming here for grad school? Swart advises that grad students pay through student fees, the same as other students.
- Davis states that a student came to her saying that they weren't permitted to come to the WELL, and when he asked Student Affairs they showed him something and said he opted out. Larson states that there is a fee they can opt out of but it's not that one. Davis adds that he's also a faculty member. Larson explains that in that case, if he's on a fee-waiver he doesn't pay for the WELL. Smith states that whatever we come up with will address those individuals as well. Swart adds that we have different membership categories and that the rate is the same for all non-student members, but we could look into changing that.
- Mejia asks if there is an "older adult" discount for memberships? The reason she asks is because there is an older adult group at the Renaissance Society that may take advantage of it if we did. They are a large group that may take advantage of a group fitness option as well. Swart replies that we do not but we have an associated campus program rate, so we do offer memberships to them but it's at the same rate as other non-students.
- Vampola states that we have a large ROTC program and that military members may use the facility. She adds that a lot of gyms offer a military discount, so maybe we should consider a military discount for active military and veterans, including alumni and students. Larson agrees that this is a good idea.
- Bender inquires as to what the target is? Where is the focus, is it nonstudent or summer rates? He notes that Crunch offers specific student summer deals to draw students in, rates as low as around \$20 per month. He suggests a target price of under \$29.99, but adds that it still may not be enough to bring people in and asks what other incentives we have in mind that would be used? Swart answers that our end goal is to max revenue without impacting use of the facility. In the summer time, we have to determine what a healthy percentage of alumni or staff group is, because those are different pockets to consider.
- Bender suggests that the parking pass will be a huge consideration for

students. Larson asks if anyone has talked to UTAPS parking about deals? Swart states that we made sure our alumni are eligible to purchase parking pass, but that's the only deal.

- Begley states that she was going to mention parking too, because she passes several gyms on her way to campus that she could go to instead of coming to the WELL and that she wouldn't have to pay for parking.
- Allen asks whether there are any summer programs or events where the community comes in or are encouraged to come in? Smith replies that we just started summer intramurals, we offer group fitness and personal training. Our big events are typically WELLcome back which occurs in the fall and 5k in the spring. We could focus on summer programming, maybe hold a student membership drive. Allen notes that a lot of students love the events that go on in the well, so maybe they would come during the summer.
- Davis states that we could offer special memberships to orientation workers, housing staff, and adds that these are just other categories to look into. Dhillon likes the idea of the orientation leader memberships. She adds that Finish in Four means more winter and summer session classes and recommends targeting those students. Swart advises that summer students already pay a fee in their tuition but admits that she's not familiar with winter sessions. Dhillon thinks that they're allowed to take 6 units and the class is 4-6 weeks, but acknowledges that she could be wrong.
- Wakeland states that he wasn't aware that intramurals were offered in the summer and recommends offering a discounted membership to people who play summer intramurals. He notes that a lot of students don't have time to participate during the semester and they just go to The WELL to work out, but some people want the competitive aspect of team sports. He adds that we could do the same with group fitness and that he thinks that we would see a big increase.
- Davis expresses that she wants to hear a discussion about non-student faculty paying less than students. Bender states that he doesn't think that students know. Swart explains that right now students are not paying more than non-students, our membership fees are based on student fees.
- Bender doesn't think many people look at tuition bill and doesn't think people will look and compare the prices. Vampola feels that people look at their tuition bill more than one might think, especially if fees get raised. People will know that it would be cheaper if they were an alum or staff/faculty. She thinks that the endeavor is a good one but there will be problems because it will be brought up especially if a few people notice. She adds that it doesn't matter whether they notice or not, we will know. Davis notes that when rates went up we didn't hear a peep. There was very little reaction to it. Vampola mentions that government classes use their college experience, tuition and fees as examples and topics of discussion. People get into heated arguments, cause an uproar and end up in large group debates.
 - Larson states that tuition line items are the same at all CSU's. The complaints that they get are from the people who aren't using

the services and don't want to pay for them. She also thinks that 75% students are on financial aid, so those students really aren't paying attention. She acknowledges that there are groups who will notice and compare, and there would be an issue there. She adds that it makes good business sense to increase the population of paying memberships.

- Vampola feels that students will complain that they're paying more for their membership if they're not using it.
- Wakeland suggests offering a summer membership program. If people sign up during certain time period, offer them a discount. Then have another "late" signup option. He recommends maybe a \$39.99 summer membership rate, but a discounted rate of \$35.99 for early sign ups. If they want to come to The WELL in the summer, they will meet that deadline to save money. Or students can stick with their regular membership by going to summer school.
- Smith declares that we are over on time, and acknowledges that this is a big topic. She asks if any students who want to weigh in on the philosophical aspect of the topic? [no response] She adds that we want their support to move forward and that we will have same discussion with BOD, same as today. She hopes to have another happy discussion with them as well.

[MSP: Larson / Karen]

6. Reports and Comments

A. Executive Director:

- Davis states that we are currently working on the Union expansion. The State Fire Marshall is reneging on the original plans and an emergency meeting is being held to meet with sub-contractors and architects to rework the plans that were already done. Davis adds that we will keep the board updated.

B. Associate Executive Director:

- Olmsted continues to state that the Fire Marshall can do what they want and we're learning a difficult lesson. The Fire Marshall wants to apply the same standards to us as an Arco Arena-type facility due to amount of people that we have.
- Possibly next week we will start a renovation of the previous WELL Café. There will be three different ASI programs being moved here from Union.
- We are currently using temporary fans in the telecom and electrical rooms in The WELL since the AC unit went out that cools all tech spaces. So we are having to cool by hand right now. A crane will be arriving on Friday that will lift the new unit to 3rd floor for installation.

C. Director:

- Smith mentions a few upcoming events. Zumba glow is tonight in the Union Ballroom. Yoga night on November 17th. Wheel chair basketball tournament is being held November 4-5.

D. Assistant Director:

- Swart showed Zumba glow video

E. Board members

- None

7. Meeting was adjourned at 8:42am

