Dad's Club Board of Directors Meeting Minutes
Monday, 17 April 2023, at 6:30 p.m.
Dad's Club Aquatic Center: Studio A

I. Declaration of Quorum/ Call to Order at 6:34 p.m. – Justin Chapman

II. Present: Justin Chapman, Kendra Lee, Sarah Snyder, Jamey Moss, Michelle Northcutt, Donald Cramp, Linda Kutac, Rey Aguilar, Wojciech Mrugala, Chris DelGardo, Earl Lee, Jeff Manley, Cheryl Nealon

Not present: Dustin Heitmann, Roberto Noce, Jamey Moss,

III. Review and approval of minutes of February meeting

a. Motion to approve:
   i. Motion: Kendra Lee
   ii. Second: Wojciech Mrugala
   iii. Passed unanimously

IV. Treasurer Report/Financials (Earl Lee / Linda Kutak)

a. Operations seem to be going well.
   i. Net income YTD is $48 K.
   ii. Aquatic lessons receipts are up 27%, year over year.
   iii. Single memberships are up 48%, year over year.
   iv. Facility rental timing component: in a normalized fashion would present another $10K this month, but due to timing component is not yet reflected
   v. Interest of $3900, paid on 3 April is not yet reflected
   vi. YTD we should be up $62 K in a normalized fashion
   vii. Taken with the market adjustments with lifeguards, coaches, and staff, these figures indicate that the overall strength of our operations this year is good

b. We had an expense of $22,879, and we expect it to go down going forward, as the head lifeguard role has recently been removed. We expect to continue operations without this headcount

c. Cash projections:
   i. Based on the 12-month rolling period, our cash projected cash balance from March ’22 is $1.6 M. Our total cash this month is $1.4 M. But our overall cash projection reflects a positive of $214,419. This appears to be different from what the cash projection shows.
   ii. We did a rough add-up of all the facility improvements checks that have been written since January, and it is roughly $215 K.
   iii. When we did our projections a year ago, we did not originally include market adjusted salaries, market adjustments for insurances, improvement expenses, etc. Had we included these in the original estimate, this would have been a negative number (~ same magnitude).
   iv. However, albeit we still have $1.4 M total cash, which is good.
   v. Our projection for March of ’24 is $1.9, as of right now. However, this does not yet reflect our market adjustment rates, insurances, other costs, etc. More realistically, this will be $1.7, which still reflects significant growth
   vi. Cynthia and Linda will do a deeper analysis on this and report back findings

V. Report of the Executive Director (Linda)

a. Facility improvements completed since the last meeting
   i. Added $8,600 of asphalt repairs (including speed bumps)
   ii. Added shades on the 33-yard pool - $44,000
   iii. New paint, new decks, new plaster, fence repairs are completed

1. Still have some fencing to complete in the 33-yard pool area

b. Well diagnostic came back, and our well is now capped. The casing is compromised on it, so it needs to be permanently capped.
   i. Linda has one bid so far on re-digging the well.
   ii. We will get a minimum of 3 bids to determine economic viability of getting a new well.
   iii. Even with a well, we still must pay subsidence fees, so this may not be viable vs. staying on city water
   iv. As part of this alternative analysis, we will also investigate getting a second meter added for pool water only (minimizes sewer costs for pool water)

c. Property insurance has increased by $7K per year.
   i. Hoffman Insurance Groups shops our insurance for us each year. The increase of $7K rate was the least expensive one provided, because the entire market is experiencing an increase in rates.
   ii. Property insurance audit was completed (fire extinguishers, etc.), and we passed

d. Options for a satellite location:
   i. We're meeting with a Fonn Villas tomorrow to investigate viability of leasing water from them to increase our footprint.
   ii. This is needed because of the waitlist that we have for Dad's Club.
   iii. Most other teams have arrangements such as this because they do not own their own facilities. They train at high schools or neighborhood facilities. We did gather some lessons learned from other teams who have contracts with neighborhood pools. They will share their contracts with us so we can have a basis of comparison. Some key findings so far include:
      1. The contract for this would initially be 5-8 years due to up-front costs. For instance, we'll have to buy a heater. They already have a gasline, but we might need to help add a lift, lane-ropes, or other up-front costs.
      2. Initially, we'd use this for short course season (August through March) to reduce our waitlist, while the neighborhood will use it through the summer.
      3. Other recurring costs might include maintenance, additional coaches, lifeguard (potentially, but the 2nd coach may pass for this).
      4. Pool maintenance will likely remain the neighborhood's responsibility
      5. USA Swimming would list them as a certificate holder, at no additional cost for us.
   iv. Hopefully, we could do this with +1 coach headcount only, because we could relocate one home pool coach to this location.
   v. This would be a blue / silver training location (subsets of these groups only).
   vi. We anticipate this might add ~50-60 additional swimmers (perhaps not on the first year, but likely so by the second year of operations in the satellite facility. We have not yet done income projections on this.
   vii. Parking does not seem to be an issue in the potential satellite location – there is plenty of surface parking around there
   viii. We expect this process will take a minimum of 4 weeks to do this, so we will likely review this in the next board meeting

e. Competition:
   i. A local swim school is expecting to expand to Spring Branch in the old 24-hour fitness location, because of a 'dire need for swimming lessons' in Spring Branch.

ii. We started examining what they do, and started planning for our response:
    1. We need to push through our improvements quickly to make our facility more desirable.
    2. Some of their offerings that are direct competition with what we do: small group swimming lessons, baby-and-me classes, stroke classes
    3. Some things they do that we won't include: day camps, in-home swim lessons, etc. (these have additional regulations, liability insurance, etc. that we don't want to contend with)
    4. Biggest threats to our business model: (a) winter and (b) swimming lessons.
    5. Their facility will be all covered.
    6. Theirs will be a 3-lane, 20-yard pool. They will also have a 20-yard pool
    7. Our plans:
        a. We'll start with some press releases on the positive aspects of swimming outdoors, etc.
        b. We're also looking for opportunities to include our other offerings in areas that they don't do: lifeguard training, rentals to other teams and schools, etc.
        c. Swim team won't be affected.
        d. If we pull the trigger on our satellite location, we'll be able to balance the potential revenue loss.
    8. One big positive is another source of swimmers for our team.
    9. This business only has one other location, and the owner has been in the business for only 6 years.
    10. Other potential mitigation strategies brainstorm:
        a. Be aggressive on hiring staff so we get our pick of the best
        b. Outdoor advertising
        c. Could we get a 'historic' sign on our exits because we've been here so long?
        d. Temporary heated structures in the winter
        e. Restrooms improvements
        f. Patio heaters

f. May Fest is progressing well (6 May, from 11am to 2pm)
    i. Swim team parent volunteers are volunteering to run the event.
    ii. We need to resolve remote parking issues – need a volunteer to manage this and provide for the volunteers in both locations
    iii. All board members will need to be present and participative. (10:30 is our arrival time)
    iv. Need a 'grill coordinator' to prepare the grills.
        1. Dustin may have one to donate.
        2. Chris will clean up old grills and get them ready for operation. Grills need to be working from 11am-2pm.
    v. We'll have a pair of HPD horses here for May Fest
    vi. There will be to entry access points:
        1. We'll give entry bracelets, capture name & contact info of visitors and get liability forms signed.
            a. Option: use a QR code for sign-in?
            b. Option: raffle and/or hourly prizes

g. Other topics

i. We released our head lifeguard and two lifeguards this month. Then we brought in a trainer from Washington DC to provide training and staff education.
ii. We had stopped summer memberships, but there was a high demand, so we turned it back on
iii. Coach Rey: We have 480 members on the team, last year we had 483. This is our 2nd largest year ever. June 6 is our senior recognition banquet.

VI. Long Range Planning Committee

a. We'll be holding a meeting of the LRPC before the next board meeting

b. There is ongoing progress for beautification and esthetics.

c. We identified this month that we need a 'tree planning plan'.
i. We received some good low-cost recommendations from a local landscape architect.
ii. We'll be re-doing some of the beds around the entry, etc.
iii. We'll be working with our landscaper to implement some of these ideas for us (i.e., black gravel against the too-narrow sidewalks, black gravel in the mud pit near the bleachers, landscaping stones around all the beds).
iv. Total cost of this is $7500

VII. Fundraising

a. We mailed out ~6000 letters for the annual fund last week and followed with ~6500 emails a few days later.
i. Will continue with reminder emails each week.
ii. We have 40 donors so far, with $6500 in donations.
iii. We'll continue to analyze this donor trend and adjust as necessary.
iv. We're also promoting May Fest while doing so.

b. Other revenue opportunities: sponsors, t shirts, yard signs, etc.

c. Swim marathon: need a strong chairman to take this on

VIII. Re-branding:

a. All current activities, communications, May Fest, etc. are presenting the new brand

b. We have new car details

c. We'll put new logo on the side of the building

IX. Adjourned 7:34 pm