

Board Brief

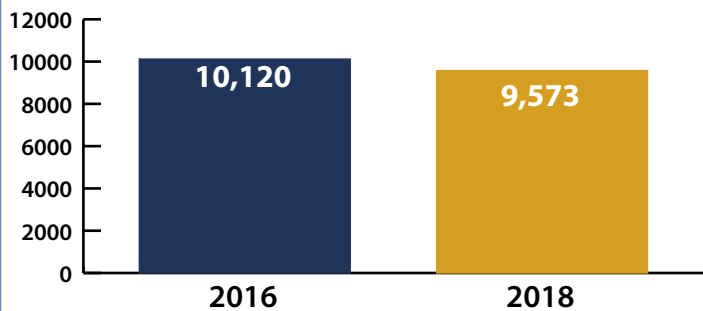
July/August 2020

Designed for Club Board of Directors



**CLUB
MANAGEMENT
ASSOCIATION
OF AMERICA**

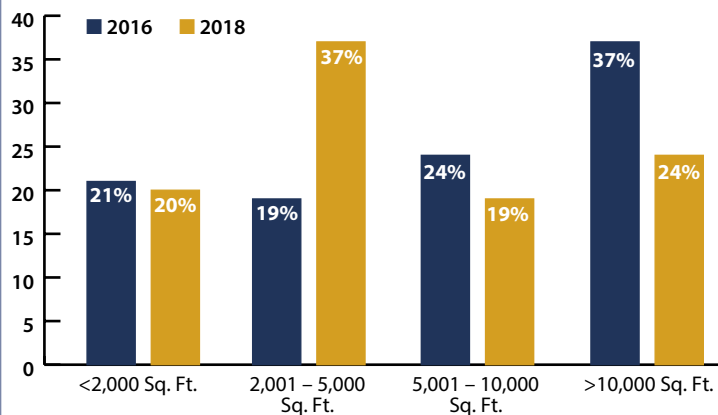
Average Square Footage of Fitness/Wellness Centers



By the Numbers: Fitness and Wellness Centers

The 2019 Club Spa and Fitness Association (CSFA) Trends Report was released in April 2019. The report was designed to identify key trends and profile information for clubs' fitness and spa operations. This was the first CSFA Trends Report so the data (collected for fiscal year 2018) was compared to data from the 2017 State of the Industry Report (collected for fiscal year 2016). One of the highlights of the report includes what clubs are doing with the square footage of their fitness/wellness centers. This information can be very valuable to Boards as they plan on different strategies related to fitness/wellness centers.

Distribution of Fitness/Wellness Centers by Size Range in Square Feet

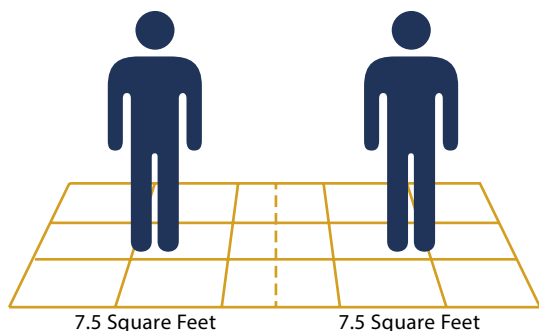


The approximate size of the fitness/wellness centers dropped to 9,573 sq. ft. in 2018 vs. the 10,120 sq. ft. reported for 2016 in the 2017 State of the Industry Report. The largest clubs (in terms of operating revenue) reported average square footage of more than 15,000 square feet. It is interesting to note that compared to last year, the 2,001-5,000 square foot grouping saw an 18-percentage point leap in respondents and the other three groupings saw decreases.

Respondents allocated 7.5 square feet per individual member in their fitness and spa facilities. The largest portion of the square footage came from the fitness center, roughly 83 percent followed by spa with 8 percent and the remainder being other areas. The larger clubs in terms of operating revenue, on average, dedicated more space to spa facilities. Of the overall

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Square Feet Allocated per Member (In 2018)



Source: 2019 CSFA Trends Report

fitness square footage, the majority was dedicated to cardio and traditional strength/weight systems, the remainder included group fitness, functional training and stretching. Of the overall spa square footage, the majority was dedicated to spa treatment rooms. The larger clubs, in terms of overall club operating revenue and in terms of fitness and spa departmental revenue, have a much larger percentage of overall space dedicated to their spa at nearly 20 percent and 18 percent, respectively.

Source: 2019 CSFA Trends Report

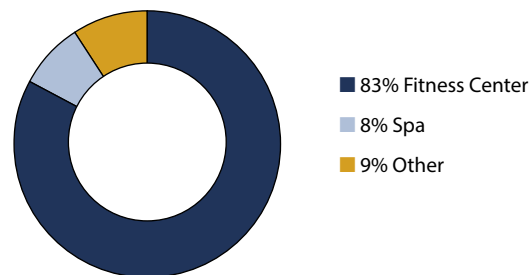
F&B Trends: Adapting to COVID-19 Limitations

Any article covering the current trends in Food and Beverage in clubs would be remiss to not situate those trends within the current context of the COVID-19 pandemic. Since March, we have seen clubs innovate and adapt as the pandemic has necessitated closures and limited operations to maintain public health and safety. Many of those adaptations have been in the food and beverage space, as this was one of the few operations clubs could maintain. The following points explore data collected by CMAA during this time, both statistical and anecdotal, regarding these pandemic adaptations.

To Go Expansion: Not just à la carte, but some clubs are incorporating meal prep kits (think Hello Fresh), which has provided club chefs an opportunity to engage with members through a hands-on activity, and pantry staple replenishment. The to-go model has been a way for clubs to maintain a level of operations throughout the COVID-19 pandemic and for many has been so popular that the function will likely stick around in some capacity.

To Go Alcoholic Beverages: Many states relaxed their state laws regarding off-premises alcohol sales which allowed

Fitness Center and Spa Space (as a Percent of Total Wellness Center Square Feet)



clubs to get creative with pre-mixed cocktails (think mason jar mimosas and margaritas) as well as provide access to beer and wine. Some clubs have paired these wine sales with virtual tastings led by F&B staff.

Reimagining Layouts: Maintaining at least six feet of separation between individuals is a public health practice that has become a common part of the vernacular since the onset of the pandemic. As clubs have started to reopen, considerations are being made for how to abide by the social distancing practices while allowing members use of the facility, particularly food and beverage outlets.

The Visionary Project, a document developed by members of the Connecticut Chapter of CMAA, details adjusted room sets for indoor dining spaces. These reimagined layouts allow for proper distancing, increasing both member and staff safety. Additionally, the removal of lounge areas and the limitations on cover counts during any given time period have been recommended.

Other Options for Accommodating Member Demand While Abiding by Social Distancing:

- Using existing outdoor dining space with social distancing,
- Repurposing additional outdoor dining space around the club, and
- Creating additional indoor dining space in ballrooms or function spaces.
- Utilizing outdoor spaces and repurposing additional indoor spaces maximizes your club's ability to provide safe food service in a new environment. Source: CMAA's Impact of Reopening Clubs Amidst COVID-19.

For more trends and best practices on reopening and operating a club during and after COVID-19, please visit <https://cmaa.org/covid/faq/index.html>.



Best Practices: Is It Time to Schedule a Bylaws Review?

Compounding the issue of creating bylaws is the need to remain vigilant to ensure that club documents keep pace – not only with the ever-changing landscape of the legal system and regulatory environment– but the ebb and flow of social change. In the end, well-written and well-executed bylaws ensure that a club runs with clarity of purpose, has a firm foundation in legal “correctness” and possesses a structure that satisfies the needs of an ever more demanding industry.

Merriam-Webster’s Collegiate Dictionary states: “Bylaws are the rules adopted by an organization chiefly for the government of its members and the regulation of its affairs.”

It is important that non-profit organizations have bylaws that are responsive to the organization’s constituents. It has been repeatedly observed that organizations that never review their bylaws may be burdened with a legal framework that is no longer responsive to their organizational needs.

One of the most important reasons to change bylaws is that the organization’s stakeholders see a need for change. The bylaws must remain responsive to the changing demands of the people it serves.

Some of the reasons why private clubs change their bylaws include:

1. Change in constituent demands
2. Change in organizational mission
3. Change in organization operations
4. Response to specific situations
5. Practices that need documenting
6. Change in the social or legal environment

When membership demands precipitates a change in bylaws, the bylaws committee needs to make certain that what it has written reflects the best interests of the membership.

Source: Establishing Criteria for Bylaws, CMAA’s The General Provisions of Bylaws for Clubs.

Legal, Legislative, & Regulatory: Congress Amends Conditions of Payroll Protection Program

In early June, Congress passed the Payroll Protection Program Flexibility Act of 2020, HR 7010. The legislation narrowly addresses the conditions of the existing Payroll Protection Program (PPP) but did not address the issue of or expand eligibility to other organizations, like 501(c)(7) clubs.

In May, the House passed HR 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, which would allow all classification of non-profits, including 501c7 social clubs, with fewer than 500 employees to qualify for the PPP.

However, the Senate has not yet addressed this legislation. Indications are that it will likely be late July before the Senate undertakes consideration any further stimulus legislation.

Administration Halts Visa Programs Through December 2020

In an executive order effective on June 24, the Trump Administration has frozen visa programs through December 31, 2020. Included in the freeze are the programs most used by the club industry to fill seasonal positions including H-2B and J-1 visas.

The freeze does not apply to workers already in the country on existing visas or workers already in possession of visas and related travel documents at the time of the proclamation’s effective date.

In April, the Department of Homeland Security indicated that it was freezing the release of additional H-2B visas in light of the current economic circumstances. These visas had been authorized by Congress earlier in the year.



Membership & Marketing Summit August 25, 2020

CMAA News and Resources

The inaugural Membership & Marketing Summit will be held August 25 and will address some of the most pressing issues club management professionals are facing such as member recruitment and retention; membership engagement and experience; branding; family life-cycle development and implementation; and club website relevance and design. This first virtual Summit will function as a prelude to future in-person summits and build upon subject matter and areas of focus. Designed to have an immediate impact on how professionals design and execute the membership experience, attendees will receive insight, best practices, and real-life examples and storytelling to apply at their own clubs.

This fall, CMAA will execute its popular in-person conferences and summits as virtual events. Each of these fee-based events will bring a modified schedule and “join from anywhere” format to connect club management professionals with their peers to gain access to ideas and best practices without leaving home. **Additional programs will include the Communications Summit (September 22–23) and the Mid-Management Conference (October 19–20).** For more information on CMAA’s entire slate of fall programs, visit <https://cmaa.org/calendar.aspx>.

The Board Brief is a publication of the Club Management Association of America. Founded in 1927, the Club Management Association of America (CMAA) is the largest professional association for managers of membership clubs with 6,800 members throughout the US and internationally. Our members contribute to the success of more than 2,500 country, golf, athletic, city, faculty, military, town, and yacht clubs. The objectives of the Association are to promote relationships between club management professionals and other similar professions; to encourage the education and advancement of members; and to provide the resources needed for efficient and successful club operations. Under the covenants of professionalism, education, leadership, and community, CMAA continues to extend its reach as the leader in the club management practice. CMAA is headquartered in Alexandria, VA, with 42 professional chapters and more than 40 student chapters and colonies. Learn more at cmaa.org.