Center for Health & Fitness

Member Working Group - Summary Report
Meeting #9
April 22, 2025

Table of Contents

1 INTRODUCTION 1
1.1 Purpose of Member Working Group (MWG) 1
2 MWG MEETING NO. 9 – April, 22 2025...1
2.1 Overview. 1
2.2 Summary of Participation …. 1
2.3 Membership Mix 1
2.4 Program Sustainability...1

1. Introduction

As Beach Cities Health District (BCHD) moves forward with implementing components of the Healthy Living Campus master plan, it has developed a Member Working Group (MWG) to engage members in planning for the relocation of its Center for Health & Fitness (CHF). The MWG is an informal, voluntary group of CHF members who represent a broad range of interests and ideas focused on the center's continued success as a fitness and preventive health resource for the community, and participation is by invitation and recommendation from the BCHD board and staff.

This report summarizes recent MWG activities and feedback received at the MWG meeting.

1.1 Purpose of Member Working Group

Community Working Groups such as this provide a forum for integrating member input. MWG participants represent the interests of various areas of the CHF membership and serve as an ambassador of these interests. Working Groups such as this are limited in scope to the planning of the relocation of CHF, are not a formal voting body and are organized to enhance input into the planning process.

2. MWG MEETING NO. 9 – April 22, 2025

2.1 Overview

The ninth MWG meeting for the CHF convened in the Café at 514 N. Prospect in Redondo Beach. The attendee list, made up of involved CHF members from the three Beach Cities communities, was developed by staff.

Recap of the April 22 Meeting

Nine members attended this meeting, with four members unable to attend. The format provided opportunities for participants to actively engage in meaningful discussion and share valuable information, insights and feedback with the staff and project team members.

In attendance from BCHD were Cristan Mueller, Chief Health Operations & Communications Officer; Cindy Foster, Health & Fitness Operations General Manager; Bernadette Lewis, Membership Services Manager; and Julie Lumbao, CHF Programs Manager.

Cristan Mueller opened the meeting by welcoming the Member Working Group (MWG) members and outlining the day's agenda. The key discussion points included:

Welcome & Relocation Update

- Brief overview of goals and desired outcomes
- 510 N Prospect Ave. Lease – Board vote Wednesday, April 23, 6:30 p.m.
    - Update: BCHD's Board of Directors unanimously approved a motion to sign a lease agreement for the 3rd floor of the 510 N. Prospect Ave.

CHF Operating & Relocation Budget

- FY24-25 operating costs and revenue projections
    - Reviewed CHF revenue and expense projections, both including and excluding District administrative costs.
- Relocation expenses:
    - 5-year rental costs ($1.8M, $360,000 year)
    - Tenant Improvement costs (Estimated at $4 -$5M)
- Discussed CHF membership type breakdown from FY 18-19 to FY 24-25
    - *See section 2.3*
- Open floor for questions on budget

Program Sustainability: BCHD Staff Recommendations

- Long-term funding strategy and cost-control measures
- Proposed CHF Fee Structure
    - Market Rate / Annual Fee Increases
        - CHF Membership offers above market services – especially class offerings
        - CHF Membership Fees are below Market Rate
    - Resident vs. non-resident
    - Class access – CHF provides unlimited access to all classes, including specialty formats, at no extra cost—unlike most gyms in the market. (Yoga and Pilates Mat classes are the only exceptions.)
    - Proposes In line with Market fee structure – *See section 2.4*
    - Brief Discussion: Potential Elimination of Insurance-Based Memberships
        - Considerations
            - Financial impact and Operational Considerations
            - Member Relations – Current members would lose coverage
            - Contractual Agreements

MWG Discussion & Feedback

- Management Working Group insights on budget and sustainability plan
- Risks, opportunities, and alignment with organizational priorities
- Actionable feedback and suggested revisions

Building on previous MWG sessions, Cristan led the discussion on the Program Sustainability Brainstorm Follow-up, during which the Member Working Group (MWG) provided additional feedback, insights, and solution recommendations. The conversation focused on key areas aimed at ensuring long-term program viability and operational efficiency.

2.2 Summary of Participation

MWG Participants

Name	City of Residence	Attended
Joni Ackerman	Redondo Beach	Yes
Elias Altenes	Torrance	Yes
John Bunn	Torrance	No
Carol Cutting	Manhattan Beach	Yes
Georgette Gantner	Redondo Beach	No
Dennis Heck	Redondo Beach	Yes
Nikki Hoffman	Redondo Beach	Yes
Nancy Henningsen (sat in for Fred Lukin)	Redondo Beach	Yes
Carol Newton	Redondo Beach	Yes
Dennis McLean	Redondo Beach	Yes
Laurie McLean	Redondo Beach	Yes
Chantal Saltzman	Redondo Beach	No
Ron Werner	Manhattan Beach	No

2.3 Membership Mix

Key take-aways (FY18-19 vs. FY24-25)

Metric	FY18-19	FY24-25	Change	% Change
Basic members	1,124	439	–685	–61%
Basic-member revenue	$566,717	$256,072	–$310,645	–55%
Insurance-based members	1,073	2,056	+983	+92%
Insurance-member revenue	$215,140	$250,479	+$35,339	+16%
Total members	**2,197**	**2,495**	+298	+14%
Total revenue	**$781,857**	**$506,551**	–$275,306	–35%

What it means

- Overall membership **grew 14%**, driven entirely by a **92% surge** in insurance-based participants.
- Despite that growth, total revenue **fell 35%** because basic memberships (the higher-paying tier) dropped by **61%**.
- Insurance reimbursements rose modestly (+16%), but they could not offset the $311k decline in basic-member revenue.

Bottom line: The membership mix has shifted sharply toward insurance-funded participants; while this boosts headcount, it significantly erodes revenue.

2.4 Program Sustainability:

Key Discussion Points:

Proposed Pricing Structure and Membership Tier Refinement

Membership Type	Basic	Basic + Specialty	Unlimited	Unlimited + Specialty
Resident Fee (10% Discount)	$54/month	$70/month	$123/month	$163 /month
Non-Resident Fee	$59/month	$77/month	$135/month	$179/month
Gym Access	Included	Included	Included	Included
Livestream Classes	Included	Included	Included	Included
Group X (1 per day)	X	X	X	X
Specialty		X		X
Yoga			X	X
Mat Pilates			X	X
Notes	Insurance-Based Memberships (e.g., SilverSneakers) pay NO Membership Fee (FREE). They received the same benefits as a Basic Member	Priced at $10 per class • Membership for 8+ classes per month. Assume 112 members would purpose the membership ($94,080 revenue) • 158 members purchase packs ($18,960)	Will not include specialty classes FY25-26 $104/$20.50 = 5.05 classes (lowest yoga rate) $104/$25.50 = 4.07 classes (lowest mat rate) *Silvers Unlimited Eliminated in FY26-27	Assuming this member takes 2 Yoga/Pilates and 1 Specialty a week. For members taking: 4 Specialty Classes/Week = $40 6 yoga/mat classes = $123

Next Meeting

- **Date**: Tuesday, May 13, 12:00–1:00 p.m.
- **Location**: Café at 514 N. Prospect in Redondo Beach
- **Agenda Items**: Membership and Class Discussion