

ADDITIONAL QUESTIONS

1. HF indicates throughout its proposal that it will work in partnership with the City on branding and programming etc. Does HF management fee of \$192,000 per year, include this work scope?

The expense for HealthFitness to provide consultative/collaborative guidance with the City towards the moving forward branding and marketing of the Sherwood Recreation and Aquatic Center will be provided as a component of our account management services, included in the scope of the \$192,000 annual management fee.

Will HF expect to be paid for developing and implementing a transition plan a full year before assuming programming duties? If so, how much would that be?

The expense for HealthFitness to develop and implement a transition plan will be provided as a component of our account management services, included in the scope of the \$192,000 annual management fee. _____

2. How much of the City's time is HF expecting to be involved in the program and transitioning plan development? What resources are they looking for?

Our typical approach to program transition projects is to form a transition team that includes representatives from both client and HealthFitness staff. We then work to develop a strategic transition plan that includes a multitude of transition steps that align with the project timeline.

3. A loss of \$192,000 is expected as shown on your proposal. Can you please provide a pro forma that shows no net loss along with all of the assumptions used to estimate that?

Please refer to the separately attached file for an updated pro forma as requested.

4. Does HF intend to conduct fundraising as operator of the facility?

Yes. HealthFitness does intend to conduct fundraising as the operator of the facility and program moving forward. We have accounted for this in the revenue section of the pro forma, line item number nine, *Community Contributions/Gifts*.

If so, is that an additional fee or is that part of the management fee?

There will be no additional fee for HealthFitness to manage fundraising initiatives, it will be provided as an account management service included as part of the \$192,000 annual management fee.

What role is HF expecting the City to take in supporting, leading, running a fundraising campaign effort?

The main role HealthFitness sees the City playing with fundraising is during the initial phase of the project to provide insight into the level and types of fundraising that has occurred historically,

as well as collaborating on a moving forward strategy regarding this initiative. HealthFitness will provide all other management and leadership for this initiative, and work collaboratively with the City liaison(s) regarding initiative events and resultant outcomes.

5. If the Center loses money, what are the procedures for the City to pay HF (i.e. is there a year-end true-up, for example).

Our typical approach is to provide monthly statements that show revenue generation over monthly operational expenses. In this statement, it will show any positive and/or negative net loss. Any positive net would go to the City, with negative net being shown as an expense owed by the City according to agreed upon net payment terms. Our typical process includes HealthFitness billing the client for monthly services and program management fees at the beginning of each month for the services provided or management fees incurred or accruing during the immediately preceding month. The client pays HealthFitness within thirty (30) days of client's receipt of invoices for services, or program management, the amount stated in such applicable invoice.

As we discussed in our in-person presentation, our average annual recovery rate with current like-clients is 112%. It will be our objective for the City to experience an annual recovery rate comparable to that. Our goal will be to work with the City liaison(s) to develop a moving forward operating plan that points towards this objective.