



Daughter's finally a lifeguard

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Aerobics and lessons

Updated For 2010



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Where do I park?

Character

Informal

cream truck...aagh

it's not need to get dressed up

rs for ever

Been

Sunrise swim

One of the traditions of Bannockburn¹



Crowded...when hot

Gem in the woods

Crab feast

Love the swim team

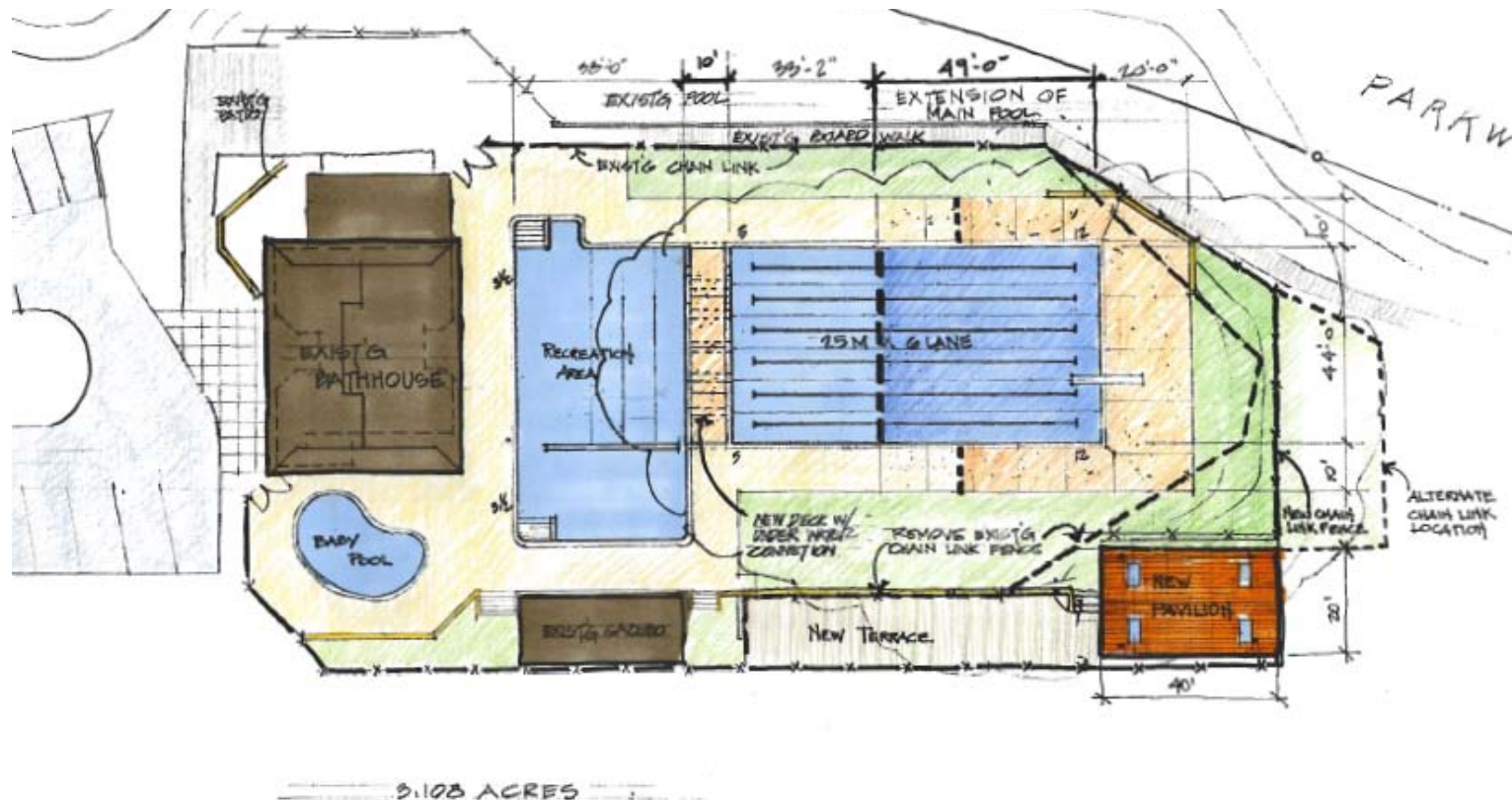
Kind of low key is

International

The 2009 Proposal for Renovation

Members asked the Board to renovate to reduce crowding, make it easier to operate safely and enable us to “multi-function” for different kinds of swimmers and needs

- A Pool community survey, conversations, and lots of feedback indicate a preference for a larger pool (to avoid crowding, expand lap swimming, add a dive area/team, etc) and a pavilion (provide shade, space for picnics, parties, etc)..
- The project allows us to create two swimming areas; add a heater, add an ADA lift, make environmental improvements, potentially add a pavilion (\$ permitting). But no lights.
- Some major maintenance (\$75- 100,000) likely required over next 5 - 7 years if we don't renovate.



Summer Vote Suggested Roadmap to a 2010 Start

Simple Majority in Favor of 2009 Start; Two-thirds in favor of 2009 or 2010

Significant Support For Renovating The Pool

- We held a Special Meeting to vote on a 2009 Renovation, which requires a two-thirds majority
- The specific vote: “for or against a \$650 bond increase to start the renovation in Fall 2009”
- Those voting against were asked if they supported a Fall 2010 Renovation

Results: The two-third majority vote was not achieved. Only a simple majority voted for the Fall 2009 Renovation. However, two-thirds of members *either voting for the 2009 renovation, or if voting against*, indicated support for a 2010 renovation

What We Did Since Then

- Changed bylaws
 - Permit proxy voting
 - Easier to become a Permanent Member
 - Inactives no longer need to pay bond increase
- Carefully reviewed alternative plan to build a small lap pool behind the existing pool - ultimately rejected alternative
- Confirmed contractor will hold costs constant
- Formulated plan to get environmental grants - application process starts in June 2010

The Board's Recommendation: 2010 Start Date

The Summer Vote Indicates We Should Start the Renovation This Year

Option	Pro's	Con's
Proposed plan – general	<ul style="list-style-type: none"> • Enlarges pool, reduces crowding • Makes BSC more attractive to prospective members • Major maintenance forestalled for next 5-7 yrs 	<ul style="list-style-type: none"> • Requires we hit 1200 swimmers ongoing (seems achievable) • Re-mortgages the Club • Joins old and new concrete
2010 Start	<ul style="list-style-type: none"> • Consistent with supermajority • We added extra cash • Economic conditions now better for many members • More time for people to consider 	<ul style="list-style-type: none"> • Need to offset loss of some members with an increase in new permanent members
No development	<ul style="list-style-type: none"> • No bond increase • Could operate with fewer members than now • Debt free • Wait until replace whole pool in one go (timing and reserves dictate whether we need a Bond increase) 	<ul style="list-style-type: none"> • \$75- \$100,000 of major maintenance in 5-7 years¹ • We will need new rules to manage the crowding bottlenecks • Pool gradually loses members to other, better facilities; neighborhood loses appeal

Note: 1 - If no renovation, then we need to replace heaters, plaster, tile, coping, and decking

Sources and Uses of Funds for the Plan

A \$650 Bond, a \$600,000 Loan, Our Existing Funds and a ~7% Contingency Mean We Can Afford to Start in 2010

Sources

Swim team contribution	\$	5,000
Bank	\$	600,000
Existing funds	\$	205,602
Bond	\$	134,550
Total	\$	945,152

A \$650 bond builds contingency, reduces risk and gives us options for further renovation if all goes well

Uses

Pool	\$	700,000
Fence & Landscape	\$	22,000
Permits	\$	10,000
Architect & Prj Mgr (40 wks)	\$	8,000
Bathroom	\$	5,000
Water refill	\$	3,000
Tank	\$	29,000
Steps (design change)	\$	5,000
Silt mgmt during excavation	\$	5,000
Repair to ring beam in old pool	\$	10,000
Driveway	\$	7,000
Heater	\$	12,000
Bank costs	\$	14,000
Contingency @ 7.143%	\$	50,000

Total **\$ 880,000**

Unknown Sources

Summer membership increase	\$	16,000
Turnover of inactives to actives	\$	-
Environmental grants	\$	70,000
Fundraising for pool		?????
Swim team add. funds	\$	5,000

Unknown Uses

Foundation for pavilion	\$	25,000
Pavilion	\$	65,000
Lighting	\$	60,000
Water feature		?????
Retaining wall around site	\$	15,000

Notes:

- Bank: Sandy Spring. 600,000 7.5% 10 yr note, 25 yr amortization, 30,000 minimum cash reserves, debt/service ratio = 1:1
- Bond increase: \$650 x 207 active permanent members = \$134,550. We expect some number of redemptions, but will redeem as new bondholders come in.

Risks Are Manageable

Assuming we decide to proceed, we believe the risks below are manageable

Risk	Impact	Mitigation
Overall pool profitability	No cash = pool closes	Pool is profitable - annually about \$193,000 in revenues and \$120,000 in operating expenses
Existing concrete deteriorated	Unable to mate “new” pool to “old” pool. Project not feasible.	Visual inspection shows no immediate concerns. Examination prior to any major work.
Unknown obstacles	Delay opening; budget overrun	Contract has specific timelines/deliverables; monitoring by Almay (our architect), bi-weekly status meetings, board sub-committee, late penalties; contingency; contractor bond
Ongoing membership falls below 1,200	Lower revenue = mortgage default risk	Pool is at capacity 2008 and 2009. Reasonable to expect greater demand for improved pool
Few new permanent members	Unable to redeem bonds of departing members	Delay payment until net income and cash flow make it possible. Proactively solicit newly-eligible summer members to become permanent
Bank financing	Still need final confirmation	Contingency in developer contract
High rates when refinanced in 10 years	Higher rates would increase annual expenses	10 yrs is long enough to save cash. Inflation beneficial but (deflation a problem)

Vote: \$650 Bond Increase to Start Project in Sept 2010

Wednesday, February 24, 8:30 pm at the Clubhouse

According to the bylaws, a capital assessment (bond increase) requires 2/3 vote of Active Permanent Members present at an AGM or Special Meeting to pass.¹

- Your vote commits a bond increase only for Active Permanent Members.
- Written ballot to ensure accuracy of count and only applicable voters, with a provision for voting by proxy according to revised bylaws.

Approved:

- Expected Plan: we send out bills for bond payment immediately, to be paid by June 30, 2010

Expect the bank will require us to have \$130,000 from the Bond in the bank before the bank will give final signoff - breaking ground requires all financing to be in place. We're in it together!

	Bond (as of 2009)	Summer 2009 dues: 4-person family
Bannockburn (current)	\$ 750	\$520
Bannockburn (proposed)	\$1,400	\$520
Palisades	\$1,500	\$425 - \$525
Merrimack	\$1,600	\$500
Mohican	\$2,200	\$665