

May 3, 2021

Membership

Seven Locks Swim and Tennis Club

RE: NOTICE OF UPCOMING VOTE ON SPECIAL ASSESSMENT FOR POOL RENOVATION

Dear Members:

We hope this letter finds everyone healthy, safe, and ready to enjoy a great summer at Seven Locks!

As discussed during our General Membership Meeting in February, the swimming pool facilities at Seven Locks are at risk of failing and need renovation. Patchwork fixes performed over the past 10+ years are now impracticable as our 57-year old pool is beyond its estimated 50-year useful life and continues to show its age. Problems include a leak in the pool's main drain, issues with the footbaths surrounding the pool, a severely outdated filtration system, and critical facilities that no longer comply with current code requirements (e.g., the dimensions of the dive well and replacement of lifeguard stands). Given the Seven Locks facilities' age and current state, we risk jeopardizing a summer season with a plumbing or water filtration system failure. Since we are a membership organization and our club's financial viability relies on annual dues, the pool facilities' failure could result in a severe financial crisis beyond recovery.

We will rely on member input to determine a path forward. Please continue reading for information about upcoming virtual and in-person meetings. We've also established an email address, SevenLocksReno@gmail.com, to field feedback and questions.

Our Options

The Board of Directors has determined that Seven Locks has two viable options to accomplish this renovation: a *build-to-code* option and an *amenities-rich* option. The Board does not recommend one option over the other but, instead, looks to our membership for guidance. Seven Locks will hold a special membership meeting in July whereby all voting will determine which option we will pursue.

- **Build-to-Code Option** – Aimed at improving the existing pool facilities without making the pool look appreciably different, by:
 - Replacing the pool shell and deck,
 - Replacing the pool's plumbing and filtration systems,
 - Making specific code-compliant changes (e.g., deeper diving well, replacement of lifeguard stands).

- **Amenities-Rich Option** – Making all the changes described above plus adding new amenities to enrich our members' overall pool experience and put our facilities on par with other recently renovated community pools, such as:
 - Constructing a second large pavilion near the baby pool, which would include retractable side flaps to protect occupants during weather events,
 - Expanding the main pool from six (6) lanes to eight (8) lanes,
 - Constructing a wading pool located between the main pool and the baby pool, for use by less experienced swimmers and swim lessons,

- Repainting the existing pavilion, the new pavilion, and the bathhouse in a uniform color to create a consistent aesthetic for the Club,
- Expanding the floor area of the pool deck, thereby substantially reducing the grassy areas surrounding the pool (and the resulting presence of bugs and mud),
- Adding a heating system to the pool, thereby offering greater flexibility each swim season to open earlier in the spring and close later in the fall, and
- Repositioning the basketball court to expand the parking lot and add approximately 10 more spaces.

Need for a Special Assessment

Both options require our members to invest in Seven Locks' future, just like the families that started our club in 1964. When evaluating this investment, there are a few financial realities:

1. A new construction loan must replace the existing mortgage on the Seven Locks property (which currently has a principal balance of approximately \$450,000). Our property will secure the loan.
2. The new construction loan amount must be sufficient to fund construction costs and maintain reasonable club reserves.
3. Seven Locks has approximately \$500,000 set aside in reserves.
4. Our lender will require that we maintain a reasonable loan-to-cost ratio (somewhere between 45% and 55%).
5. As a result of the anticipated loan-to-cost ratio (and our sound business practice to maintain reasonable reserves), ***we will need all members to make a special assessment.***
6. Though not finalized, we anticipate the *build-to-code* option will be approximately \$1.3M, and the *amenities-rich* option roughly \$2.6M.
7. Once construction begins (and going forward), annual dues will need to increase to cover increased operating costs.

Based on our construction consultant's feedback and informal conversations with representatives from community pools that have recently undertaken renovation projects (such as Little Falls and Chesterbrook), we estimate the special assessment for the *build-to-code* option to be approximately \$1,000. The assessment for the *amenities-rich* option will likely be approximately \$2,000.

We understand this assessment (particularly the *amenities-rich* option) may create financial hardship for some members, especially as we come out of an economic downturn. Unfortunately, this project cannot wait any longer for the reasons explained above, and we must plan for this renovation now. We will need to collect all special assessments from members before the start of construction (scheduled to occur the day after Labor Day of 2022). In addition to current members, each future member of the Club will pay this special assessment as well as its initiation fee.

Next Steps

When the pool opens in May, we will share detailed renderings of the two options described above and offer updates on the proposed special assessment and our financing options. To facilitate discussions, the Board will sponsor a series of virtual and in person 'town-hall' style meetings to explain the project and give members a chance to ask questions. Our first virtual membership meeting will occur on ***Monday, May 10th beginning at 7:30 p.m.*** Our first in-person membership meeting will occur at Seven

Locks on **Saturday, May 29th**, with a follow up virtual membership meeting on **Sunday, May 30th**. We'll circulate details regarding logins and specific meeting times via email in the coming weeks. Thereafter, depending on demand, we will consider holding additional membership meetings.

We will also post information to a special section of the Seven Locks website to keep members informed about this project. And, throughout this summer, Board members (when possible, with our construction consultant) will regularly host office hours at the pool to answer questions in a more personal setting. This activity will lead to our special membership meeting in July, where each member will cast a vote in favor of one of the options described above.

In the meantime, please any email questions to SevenLocksReno@gmail.com.

Thank you, Seven Locks family!

The Seven Locks Swim & Tennis Club Board of Directors

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