

*Submitted for the November KCCA Newsletter by Sandi Fuhrman
Pool Construction Committee*

Normally I would provide an update about the construction accomplishments since the last Board meeting. While the construction is progressing and the walls are up, the siding and roof are in motion and final plumbing completed, tonight I want to focus in a different direction.

Ray Humphrey spoke earlier tonight about the Town Hall meetings conducted in September. Ray did a great job of ensuring everyone was heard and respect was maintained throughout the meetings. It's my understanding that Ray received some positive feedback from residents and that they'd like to have more of these community meetings, and I think that's a great idea. Keeps everyone engaged, involved and provides a venue for sharing information and ideas, and squelching rumors.

In that same spirit I'm going to outline some of the True and False information of this construction project:

2014:

Sue Miller presented the Board with a Power Point presentation revealing the poor condition of the indoor pool facility and inquired as to the Board's plans for rectifying same as the Board has a fiduciary responsibility to maintain all KCCA assets. **TRUE**

2015:

A schematic building design was presented and approved by the Board and approved the building plans. All costs associated with the design services were approved and paid for during the 2015/16 KCCA budget years. **TRUE**

The Pool Committee chose and/or hired the Building Designer **FALSE**

The Board chose to hire a Building Designer instead of an architect to save money. The Building Designer was vetted & hired by the Board prior to the Construction Committee being formed.

2016:

The Board chose and hired the Consultant & General Contractor **TRUE**

Based on the considerable savings of hiring a construction consultant vs. a project manager, the Board obtained, approved, and hired the services of a construction consultant, Gordon Lusk, as a liaison between the committee and the two contractors, overseeing the building contractors and the project.

The Consultant then obtained multiple contractor bids for the pool building and three contractor bids for the lap pool addition, existing pool modifications and pool re-surfacing. **TRUE**

Due diligence for both contractors, including performance, experience and financial viability, was completed by the Consultant and presented to the Board with his recommendations, which was KKLA and Cascade Pools. **TRUE**

Simultaneously, the Board sought financing for the pools since reserves were inadequate for the project and it was the desire of the Board to avoid a special assessment. After vetting various financing options, the Board secured a financing commitment from Northwest Bank and the Board approved securing a loan for \$1,000,000. The Board said they never intended to use the loan to pay for all costs associated with construction of this project. In fact, the loan was over \$100,000 less than the amount of the two approved contracts and did not include funds for previous expenditures or anything outside of the contracts. The Board determined that the balance of the two contracts, contingency and all other associated costs such as permit fees, soils testing, surveys, utility relocation costs, structural design services, MEP design services, etc. would be paid from existing KCCA Reserves or Transfer Fees - **TRUE**

2017:

The indoor pool was closed while plans were completed and submitted for permits and the contracts with KKLA and Cascade were finalized and approved by the Board. Loan funds were secured, permits were received and demolition of the existing buildings and construction of the new facility commenced. **TRUE**

At no time did the Construction Committee enhance the original design or add to the original scope of work. The contracts were based on the original design plans approved by the KCCA Board. The KKLA building contract carried only allowances for mechanical, electrical and plumbing (MEP) costs, since those design services had not

yet been completed and plans had not been developed from which to obtain bids.

TRUE

It has already been established that KCCA has sufficient funds to complete the project. There is absolutely no reason for anyone in the community to be alarmed. **TRUE**

Our HOA fees are going to increase to \$500 a month to pay for the pool **FALSE**
HOA fees are used for operating expenses. Capital improvements are paid for through the reserve account, from transfer fees.

We need to budget \$40,000 a year for maintenance for the new facility – **FALSE**
It's been estimated by Cascade Pool that pool maintenance may increase an hour each day to take care of the lap pools, but the chemical system purchased will take care of the chemicals 24/7. Keep in mind that except for this last year when the pool closed we already had an employee cleaning the pool and an employee cleaning the dressing rooms so this is a minor increase of time, not a hiring of a full-time employee, as some Board members have suggested. I wonder where have those employees spent their extra time since the pool has been closed? Have we seen a reduction in labor during this time?

The Board is currently having discussions whether to charge up to \$200 per member, per year for the use of the new facility (pool users only) to help pay for this new facility. So, in a sense, a USE Fee – **TRUE**

1. Throughout many consecutive years the Board made joint decisions to not provide appropriate maintenance to the pool facilities, leading to their demise, which is a blatant disregard for the Board's fiduciary responsibilities. This was not, and is not the pool user's responsibility so the pool users by themselves should not be punished or singled out to pay for the new facility, as some have suggested.
2. From 2008-2017 the Board has spent over \$1.2 for maintenance of the golf course and Pro shop, but has only spent \$103,000 over 10 years to maintain both the indoor and outdoor pools.
3. It appears that maintenance requirements for the pools haven't been clearly understood or defined. The Construction Committee is gathering data regarding maintenance costs and maintenance options & will present our findings to the Board soon.

4. If in fact the maintenance costs are \$40,000 a year and we've been spending an average of \$10,000 a year, is it any surprise to any of you that our pool facilities need to be replaced?
5. HOA fees are intended to pay for the repair, maintenance, and upkeep of ALL areas of the property that are owned collectively, not just some of them.
6. This suggested USE Fee is double taxation - maintenance is paid through our HOA fees, a second time would be paid through and disguised as a 'pool use' fee
7. If the Board chooses to charge a pool USE Fee (or however they want to package the fee), then they need to charge library users, shop users, bowling green users, all amenities a USE Fee. Otherwise this could be construed as discrimination.
8. All residents will gain the same in property values, not just the pool users
9. One argument was residents pay to play golf. Golf is a public entity; the pool is a private entity and the pools are an amenity, not a revenue source.

In Summary

The committee has not spent money foolishly nor has it been reckless in its management of the project. The Committee has only executed and followed the contractual terms the Board signed and put into place. All the scope increases were the result of things outside of the committee's control and are a risk than comes with any new construction project. The best way for the community to come together to minimize the costs is to support the various current and upcoming pool fundraising activities.

Please rest assured that the volunteers on the Pool Construction Committee love this community as much as everyone else and want nothing more than to see a functional, safe and healthy facility that will endure for many years to come. Swimming and water based exercise are considered among the top forms of recommended low-impact exercise for seniors. Pools are also relied upon extensively for post-surgical rehabilitation of knee, hip and shoulder replacements. Many of the current residents living in King City considered the indoor pool as one of their primary reasons for purchasing and others appreciate it as a viable amenity to an active senior community. None of the committee members take their roles lightly or have hidden agendas.

None of us likes the idea that there were unexpected costs outside of our control, but it's time to come together as a community and be proud of the fact that we will have a facility the likes of which few other senior communities can boast and which will certainly be the catalyst for bringing many future residents to King City.

Let's move on and get the construction completed and the indoor pool facility re-opened and watch our property values rise!