

SUMMARY OF PROPOSAL FOR SPECIAL ASSESSMENT TO FUND THE POOL CONSTRUCTION PROJECT

The Board of the Fox Hills Community Association (“FHCA”) is considering authorization of a vote of FHCA Members in Good Standing on a proposed Special Assessment pursuant to By-Law I.d. The Special Assessment would be adopted if it receives the affirmative vote of the majority of those Members in Good Standing that vote on the proposal.

As was the case with the November 2022 election for the FHCA Board, the vote on the 2023 Fox Hills Special Assessment proposal would be through Election Buddy – a secure digital voting platform that supports online voting and paper ballot options. The November vote using Election Buddy went very smoothly, and we are happy to have this tool to ensure easy and secure voting. If the FHCA Board approves placing the Proposal before the community, instructions for how to vote will be emailed to each resident.

SUMMARY OF THE PROPOSED SPECIAL ASSESSMENT

The pools at Fox Hills are over 50 years old, and have exceeded their expected lifespan. In 2022, an ad hoc committee of interested residents volunteered to explore the possibility of repairing, replacing and/or expanding the pools at Fox Hills. Members of the Pool Committee consulted with experts and residents to determine the highest and best use for the pool complex within a realistic budget. Following diligent research, community surveys, negotiations, and multiple iterations of designs, the Pool Committee presented the Board with a specific proposal to update the pool complex and ensure its longevity. Some specifics of the 2-pool proposal that was overwhelmingly preferred by those completing the neighborhood surveys are as follows:

- The current shallower (“slide”) pool would be gutted, remodeled, and slightly extended. The pool, which currently slopes from 3 feet deep to 5 feet, would likely become a zero-entry pool when entering the pool from the north and would slope to 4 feet deep on the south end. Other design elements such as a sun shelf, bubblers, and slope are subject to community input and costs.
- The current deeper (“dive”) pool will be demolished and replaced with a 4-lane pool that will be 25 meters (82.021 feet) long and 29 feet wide. This new pool will be 4 feet deep in the shallow end and 7-9 feet at the deep end. The new pool’s 25 meter length would bring it into conformity with competition regulations, ensuring the Fox Hills Swim Team’s continued participation in the Rochester Area Swim League. Certain design elements such as a diving board, depth and slope are subject to community input and costs.
- The orientation of the new competition pool will either run east/west and be perpendicular to the current slide pool (as the current dive pool is perpendicular to the current slide pool), or it may be oriented north/south such that it would be somewhat parallel with the remodeled “slide” pool, though the new competition pool would be set significantly farther north on the property than the “slide” pool (see renderings below).

- The entire pool deck and likely much of the underground piping will be demolished and replaced. Artificial turf may be used in place of concrete for some portions of the deck.
- Depending on which contractor is awarded the work, demolition may begin as soon as September 2023 with a target completion date of May 2024. Alternatively, construction may begin in August 2024 with a target completion date of May 2025.

The price quotes for the above-described construction project were approximately \$1 million (this amount could change slightly following some design tweaks requested by the Pool Committee. We will receive updated quotes before any Special Assessment Ballot is prepared). Experts in the construction industry advocate a cushion of up to 20% for unexpected expenditures and cost overruns. In addition, the FHCA will need to obtain a loan to finance the project, and interest on the loan must be factored into the amount of a Special Assessment.

The Pool Committee and the FHCA Board have reached a consensus that the Special Assessment should be paid over a 5-year period. In order to finance the pool construction project and pay debt service on the loan, each home in the Fox Hills Community Association would be assessed *approximately* \$600 per year for 5 years (after some design tweaks by the Pool Committee, contractors will be submitting final cost estimates soon, which could slightly change the assessed amount).

If the FHCA Board approves placing the Proposal before the community, each home would be asked to vote whether to approve or disapprove this proposed assessment. Ballots would be sent electronically via email to each residence.

A current overhead rendering is below. This can provide some visual representation of what the pool complex *may* look like after construction, but outside the broad parameters of a 2-pool design (one of which will be 25 meters long), the design is subject to any number of revisions and refinements based on community input, costs for certain features and the contractor.



A list of Frequently Asked Questions is below.

Frequently Asked Questions

Didn't we just increase dues to pay for the pools?

Yes, as of January 1, 2022, dues were increased in order to ensure the viability of the current pools. If we do nothing more, the FHCA Board believes that the current revenues will be sufficient to provide necessary repairs and maintenance for our current pools.

However, our current pools are not in good shape. It would likely take several hundred thousand dollars to implement necessary repairs and maintenance to ensure their long-term viability. The Friends of Fox Hills Pool Committee (the "Pool Committee") believes that, instead of applying expensive "band-aids" to simply maintain the 50-year-old pool infrastructure, we can invest some additional dollars over a 5-year period to create a truly special multi-purpose aquatic facility that will have features for everyone including the youngest swimmers, competitive swimmers, senior citizens and those that don't even want to get wet. Furthermore, newer pools will have lower maintenance costs and better longevity.

Shouldn't we fix the roads first?

Many of the same people that are on the Pool Committee were part of an effort in 2017 to approve a Special Assessment District ("SAD") to fix the most damaged sections of our roads. 50.1% of the households in the Fox Hills neighborhood would need to sign a SAD proposal for it to be implemented. In 2017, the efforts of those seeking to pass the SAD fell short of 50.1% of the households in the neighborhood.

As of now, there is leadership, enthusiasm, and momentum for a Special Assessment to construct better pools and vastly improve the pool area. Since 2017, there has not been any leadership or momentum for a SAD to repair our roads. To the extent one or more residents would like to lead the effort to pass a SAD to repair roads in the neighborhood, the FHCA Board would likely support those efforts.

I never use the pools. Why should I pay more? Can't we charge more for only those that intend to use the pools?

As originally implemented by the developer, there were 2 tiers to the FHCA dues: a higher price for those that wished to use the pools and tennis courts, and a lower price for those that chose not to utilize the neighborhood's amenities. This two-tiered system proved divisive and untenable: those that paid the lower dues benefitted from the higher property values afforded by the pool/tennis facility, but such profits were financed by those that paid the higher dues. Finally, in 2016, a single-tiered dues system was adopted. Those that were active in revising the By-Laws in 2016 and 2017 warn against a return to the divisive days of a two-tiered dues system.

From an economic perspective, new neighborhood pools are likely a very solid investment. Though it is hard to provide a specific value to the pools, there is significant anecdotal evidence, including the experience of local real estate agents, who have told the Pool Committee that pools are one of the features that attract people to this neighborhood and improving the pools would significantly increase home values and the quality of life for all the residents. Even those that never use the pools will receive the benefit of the higher property values.

Why are we rushing into this? Shouldn't we take more time to explore all options?

The Pool Committee has been active for nearly a year. The Pool Committee has contacted over a dozen pool contractors and has met personally with at least 6 contractors. The Pool Committee has solicited the views of the residents, both via word of mouth and two separate community-wide surveys to determine whether there was an appetite for adopting a Special Assessment to pay for new pools. The Pool Committee and all of its meetings have been open to any Fox Hills residents that were interested in attending. Once surveys made it clear that there was significant interest from the neighborhood in adopting a Special Assessment to build new pools, the FHCA Board allocated \$5,000 for technical drawings and renderings of two different pool layouts. Based on the results of surveys that recorded responses from over half the households in the neighborhood, a 2-pool (as opposed to a single large pool) design was chosen. Thereafter, the Pool Committee continued to work with the design company to refine and hone the drawings for the 2-pool design, and continued to solicit feedback from residents, including those using the pools on Memorial Day weekend. The Pool Committee will continue to work with multiple contractors to refine and finalize price quotations, but at this point, the Pool Committee has obtained three quotes for the 2-pool design and has a very good idea of anticipated costs. Based on those costs, the Pool Committee has also begun the process of securing a loan to finance the construction.

The Pool Committee is committed to doing this very large and important project the right way. The Pool Committee has worked hard to bring this project to fruition and believes it has taken all necessary and reasonable steps to advance this project without cutting corners. To the extent that a resident believes the Pool Committee has skipped a step or failed to account for an important factor, please speak to a Pool Committee member, or attend a Pool Committee meeting. THE POOL COMMITTEE AND FHCA BOARD WELCOME SUCH FEEDBACK.

One of the bidders to construct new pools has indicated that it can complete the project by May 2024 (approximately 1 year from now). It is by no means a given that this bidder will be awarded the work by the FHCA Board, but *if* that contractor is awarded the work, there will be significant benefits to completing the project by May 2024. Most particularly, FHCA would avoid another year of expensive "band-aids" to keep the current pools functioning, and we could lock in the price quotation now and avoid a likely higher price the following year. If the Board decides to go with a different construction company, the project would begin in late summer 2024 with a target completion date of May 2025.

In order to retain the possibility of a May 2024 completion date, the Pool Committee is hoping the Board will approve a neighborhood vote on a Special Assessment in June-July of this year.

Can we spread the assessment over 10 years instead of 5?

In order to finance any new pool construction, the FHCA will need to secure a loan. There is general consensus among the Pool Committee and the FHCA Board that the community should not tie itself down for more than 5 years with loan repayments. This relatively short commitment will provide the community with flexibility for future projects.

Are there considerations for those on a fixed income?

The Pool Committee and the FHCA Board are sensitive to those on a fixed income. There is recognition that the annual dues were raised recently, and a Special Assessment on top of those dues may be burdensome to some residents, especially some of our longest-tenured neighbors. To the extent residents have a true hardship, they should reach out to the FHCA Financial Secretary to discuss a possible payment plan or other accommodation.

Are the designs that were circulated final drawings?

NO. The renderings that residents may have seen in the online surveys or at the pool facility are just to provide some visual representation of what the pool complex *may* look like after construction. What is known is that the final design will include 2 pools – one a shallower pool for younger families, and the other a four-lane 25-meter pool for adults, older kids and competitions. All other details could change, up to and including the orientation of the pools (the renderings showed parallel pools, but some construction bidders would orient the pools perpendicular as they are now). Other options such as zero-entry, a diving board, artificial turf, and an outdoor kitchen may or may not be included in the final design.

Since we are refurbishing (not replacing) the shallower (slide) pool, will it have a shorter life expectancy than the new competition pool?

Nearly all of the “guts” of the shallower (slide) pool will be replaced, so the life expectancy of the slide pool will be nearly as long as the life expectancy of the brand-new competition pool.

Did the Pool Committee consider adding a hot tub?

Yes, but the idea of a hot tub was eventually rejected. First, it would increase construction costs by approximately 15%, and the cost to operate a large (10-12 person) hot tub is significant. Furthermore, concerns were expressed about needing another lifeguard to monitor the hot tub. Finally, those with hot tubs tend to use them in colder months or at night, but less so during the daytime in the hot summer months. Ultimately, the majority of Pool Committee members did not believe a commercial hot tub was worth the monetary cost or the added operational issues.

Can we get new bathhouses at the same time?

Possible, but unlikely. Construction consultants have advised the FHCA Board that it should account for unexpected expenses and cost overruns by raising more money via the Special Assessment than the amount of the awarded construction quote. If there are no cost overruns or unexpected expenses, it may be possible to allocate the additional funds to the bathhouses.

One possible plan would remodel the current bathhouse (which currently contains the men’s and women’s bathrooms) to house solely a women’s locker room, while a new building for a men’s locker room would be constructed where the grill currently is. Even if the bathhouse project cannot be completed in conjunction with pool construction, the FHCA Board and residents could decide to take on such a project in the future, perhaps after the loan for the pool renovation is repaid.

If we use artificial turf, won't it get very hot in the sun?

Some of the designs we have received from potential contractors would utilize artificial turf in certain sections of the pool complex. The contractor assures us that the turf is designed to not get too hot – especially if it is watered about once a week. Before any design is finalized, the Pool Committee will obtain a sample of the artificial turf and test it in the hot summer sun to ensure that it will not become problematically hot.

Will the new pools require more lifeguards? Will we be able to staff the new pools?

We do not know for sure whether the new pool layouts will require additional staff. Some of this may depend on the final pool designs. Keep in mind that the new 2-pool design will increase the amount of water in the new competition pool by over 30,000 gallons and the surface area to be monitored by about 1,000 feet. Once the pools are completed and operational, we will be better able to determine what is best and safest.

In some recent years, the pools have been short-staffed, but in 2023, the pools are fully staffed. We hope to maintain a full staff in future years as well, especially if the pools are new and likely utilized by more residents and their guests.

There has also been an occasional question as to whether we even need to have lifeguards at our pools. Due to the volume of water at the Fox Hills pool facility, it is required by the Michigan Department of Environment, Great Lakes and Energy (EGLE) to have lifeguards on duty when the pool is open. Even beyond the legal requirements, the FHCA Board believes it is the right thing to do for our residents' safety.

Will the new pools have higher operating and maintenance costs than the current pools?

Due to their age and frequent equipment problems, the current pools are relatively expensive to maintain. For example, each of the current pools leak approximately 3 inches of water a day, at a cost of approximately \$100 per day, or \$10,000 per summer (and this does not factor in additional chemicals needed due to loss of water). Thus, even though the renovated facility will involve greater pool capacity, we anticipate that the newer infrastructure and more efficient equipment will result in lower operating and maintenance costs.

We should not be taking out loans right now. Interest rates are too high.

It is unfortunate that interest rates are high right now, but interest rates on HOA loans are fairly competitive.

How much will the new pools increase property values?

This question has been asked of many local real estate agents, but no clear answer has been provided. However, there is consensus that new neighborhood pools are likely a very solid investment for Fox Hills homeowners. Real estate agents have told the Pool Committee that the investment in updated pools will likely result in several thousand dollars per household in higher property values. Even those that never use the pools will receive the benefit of the higher property values.

What if there are construction delays? Might we lose the pools for a summer?

The Pool Committee is committed to doing all it can to avoid losing a summer of pool enjoyment, and this has been expressed to the construction bidders. The contractors understand the directive, but will not contractually guarantee completion by a certain time. To the extent it is necessary to shut down the pools for a portion of the summer, the FHCA Board would seek to have construction begin in August 2024 for completion by May 2025 (fewer people use the pools in August than June-July). We would rather wait until May 2025 for project completion than miss the early part of the 2024 season due to a construction delay.

What about family spaces, like tables, umbrellas, and the Gaga pit?

The final buildout will be planned with a goal of maximizing gathering spaces for families in both sun and shade. Community feedback from residents coming to the Board Meetings and Pool Committee meetings strongly indicate that the pools are not just for swim team use – they enable a wonderful sense of community in Fox Hills that the Pool Committee seeks to encourage and expand. Additionally, the Gaga Pit and playground equipment will be preserved, though those structures might move to a new location within the pool facility.