

## **HARKER POOL/HOT TUB SPECIAL ASSESSMENT INFORMATION**

### **HISTORY OF HARKER POOL – ADVANCED REPLACEMENT SCHEDULE**

The Harker Swimming pool is scheduled for a complete rebuild during the summer and fall months of 2023. Final pool equipment installation and deck work to be completed in the spring of 2024, with an anticipated opening date of July 4, 2024. Originally planned for 2025/26, the decision to advance the pool replacement into 2022/23, was based on the following:

- The pool is 40 years old and has reached the end of its useful life.
- There is daily water loss of approximately 5,000 to 7,000 gallons due to severe leakage.
- Leak repair attempts costing in excess of \$25,000 were unsuccessful.
- Pool equipment damage, during the Harker basement flooding from a broken fire sprinkler line, will cost in excess of \$100,000 for temporary pool operations prior to rebuild.
- Insurance loss funds \$100,000+ could be better used if redirected to new pool equipment costs.

### **RECREATION COMMITTEE APPROVES POOL AND HOT TUB REDESIGN**

The recreation committee reviewed and considered information provided from the 2021/22 amenity survey on usage and improvement recommendations. In addition, the committee considered long-term staffing requirements, cost of construction, security, property value enhancement and the swimming experience desired for adults and family members. The artist rendering of the new Harker Center pool and hot tub can be found by clicking [HERE](#).

### **FINANCE COMMITTEE RECOMMENDATION APPROVED**

The finance committee reviewed several Harker Pool/Hot Tub replacement funding options which included a special assessment for pool rebuild only, bank financing over 10 years and special assessment for Harker rebuild and debt retirement on Village pool rebuild. Committee members reviewed long term impacts of the various options and recommended Board approval of a \$1,642,000 or \$1,000 per property special assessment for the following reasons:

- Current cost projections for the Harker pool/hot tub rebuild are estimated at \$2,000,000.
- Current available funds in capital reserves are approximately \$1,000,000.
- The \$1,000 special assessment allows for the retirement of the Village pool debt when funds are fully collected.
- Upon the retirement of the Village pool debt, and despite significant inflationary pressures, it is anticipated that sufficient funds for capital asset replacement will immediately accumulate with dues remaining stable for the foreseeable future. Click [HERE](#) for spreadsheet analysis and projections.
- The third party capital reserve analysis completed in 2020/21 will be updated shortly after the Harker pool rebuild is complete. This analysis will be used to confirm staff future capital revenue and asset replacement projections.
- The \$1,000 assessment spread over 2 years, in 4 equal installments of \$250, causes the least financial hardship on the owners, achieves financial stability, eliminates

the need for any additional assessment and maintains the current capital dues structure without an increase.

- A 4% discount is provided for owners paying the entire assessment at the time of initial billing. The 4% discount, equivalent to taxable yields on Bank CD's, Treasury investments and savings account returns, is anticipated to entice enough advance payment receipts to provide sufficient funding to complete the Harker pool/hot tub rebuild without the need for a short term construction loan.
- To avoid the need for a temporary construction loan it is estimated that 25% of the owners would need to respond to the prepayment offer. Committee members believe this is an achievable goal by reaching out and asking the members help in achieving this goal.
- As a small token of appreciation there will be a drawing among the owners paying in advance for four (4) summer grilling class tickets.

### **SPECIAL ASSESSMENT AMOUNT AND TERMS OF PAYMENT**

- On March 16, 2023, the Board of Directors Approved a \$2,000,000 budget for the Harker Pool Replacement and a Special Assessment of \$1,642,000 or \$1,000 per property owned.
- Owners can pay the assessment in four (4) equal installments of \$250 every 6 months starting in May 2023.
- A 4% discount is offered on a one time basis for paying the entire special assessment amount in May 2023. Owners can submit a payment for \$960 and a \$40 credit will be immediately applied to their account.
- The 4% discount is given for payments made by personal check, bank issued check or ACH withdrawal. Payment for \$1,000 by credit card is permitted; however, the 4% discount will be used to offset credit card fees and no discount will be applied to owners account. Credit card fees during the month of May will be waived on all dues and special assessment payments.
- Owners paying in advance by May 31, 2023, will be entered into complimentary drawing for four (4) Summer Grilling Tickets as a gesture of appreciation.
- SVEA Current Dues and Fees include:
  - Operational Dues - \$288.50 semi-annually (Invoiced May & November)
  - Capital Dues – \$78.50 semi-annually (Invoiced May & November)
  - Special Assessment - \$1,000 (\$960.00 if Paid in Full by May 31,2023)
  - Special Assessment – Minimum payment amount is \$250 (\$1,000 to be invoiced in May 2023 – Owner may pay over 4 equal installments of \$250 – Semi-annually)
  - Rental Amenity Access Fees – (\$600 Annually)
  - Property Transfer Fee/Setup Fee – (\$100.00)
  - Amenity Guest Fee (\$5 per visit – Non-Cardholder)
- Semi-Annual Payment Amount Including Special Assessment - May 2023 thru November 2024:
  - Operational Dues - \$288.50
  - Capital Dues - \$78.50
  - Special Assessment \$250.00 (If not paid in advance)
    - Total Semi-Annual Dues Including Special Assessment - \$617.00 (A monthly payment plan is available upon request with ACH payment option.)

- The entire assessment amount outstanding on properties that are sold during the special assessment period are to be paid upon closing and collected by the title company.