

BRANDERMILL COMMUNITY ASSOCIATION, INC.

BOARD OF DIRECTORS SPECIAL COMMUNITY MEETINGS

Thursday March 2, 2017
7:00 PM – Brandermill Church

And
Saturday March 4, 2017
10:00 AM – Harbour Pointe Club House

	Est time
1. Call to Order	
2. Pledge of Allegiance	
3. Approval of Agenda	
4. Consideration of Change to non-binding UPA survey Question	5 mins
5. Member Voice	60 mins
6. Executive Session – Legal and Contract Matters	

Adjourn

MEMORANDUM

March 1, 2017

To: BCA Board of Directors

From: Cynthia Wright
General Manager

Topic: Cover Memo for March 2 & 4, 2017 Special Board of Directors Meeting

Item1: Call to Order- Charlie

Item 2: Pledge of Allegiance -

Item 3: Approval of Agenda –

Item 4: Consideration of Change to non-binding UPA survey Question –

Item 5: Member Voice

Item 6: Executive Session- The Board will convene to an executive session-



BRANDERMILL A Waterfront Community

POOL COMPROMISE

FOR POOLS:

- All three pools remain open.
- All pools are open 7 days a week.
- No change in hours of operation.
- The spring 2017 election ballot will include a non-binding survey question on whether the BCA should switch to Universal Pool Access.

FOR USER FEES:

- The 82% of the membership that doesn't belong to the pools don't have to pay.
- Family rate: \$300.
- For Brandermill members only: daily pass fee of \$15.
- Coupon book rates for all pool member guests: ten passes for \$100 or five passes for \$65.
- Non-resident pool family rate: \$335.

Reasons for member family rate increase:

- The pools have lost money each of the last three years totaling \$108,000.
- User fees must increase because total membership is anticipated to decline due to higher fees and the loss of free print advertising.
- 60% of the people at the Joint Committee meeting voted for higher fees over the other options.
- Joint Committee recommended a fee of \$285 for Brandermill families.
- The family rate will be \$135 less than in 2013.
- Any profit from the pools' operation will go to the reserve fund, which includes repairing and replacing the pools.
- Other area pool memberships are \$400-plus for families.

FOR FUTURE FUNDING:

- Effective May 1, 2017, all new Brandermill home purchasers will become pool members.
- Their annual first-year assessments will be \$484 prorated plus \$250 (pools) for a total of \$734.
- Any 2018 increase in assessments for those new homeowners will be calculated from the combined total of annual assessments (\$484) plus pool fees (\$250) for a total of \$734.
- Homes purchased before May 1, 2017 will not be pool members unless the owners choose to be declared a "pool home." After becoming a "pool home," the home retains that classification. The pool fee for 2017 for those members will be \$250.
- Current BCA members who move from one Brandermill home directly to live in another Brandermill home will have the option of not automatically becoming a "pool home" even if that residence was a "pool home."
- The BCA attorney will draft the changes necessary to revise our Covenants implementing the automatic pool membership for new homeowners with the combined higher assessment. It will be placed on this spring's ballot as a proposed Covenant change, which requires 75 percent of our members to approve.

RESERVE FUND:

- Following our pool consultant's advice, all pools will be repaired for the 2017 opening without drawing down the reserve account below \$1 million.



BRANDERMILL
A Waterfront Community

FREQUENTLY ASKED QUESTIONS ON THE POOL COMPROMISE AND UNIVERSAL POOL ACCESS

If the "Pool Compromise" is approved:

1. **Q: Will all three pools remain open?**
A: Yes and for seven days a week during the same hours as last year.
2. **Q: What will the family pool rate be?**
A: \$300 for 2017, but if you want to be a permanent member, the rate drops to \$250. That rate requires you to be a member year-after-year and subject to any increase in rate as the regular assessments go up.
3. **Q: What are the other rates for membership?**
A: The daily rate is \$15 or you can buy a coupon book of 10 passes for \$100 or 5 passes for \$65.
4. **Q: Why aren't there more pool membership options like last year?**
A: The operational costs of the pools are budgeted to be paid for by the user fees. Last year the pools lost \$58,000 so changes had to be made.
5. **Q: Why has the family membership been increased?**
A: In 2013, the family rate was \$435. The BCA then tried for three years to significantly reduce the membership fees to see if a much lower rate (\$195) would generate the same revenue because of more members. The total members did increase but the pools lost \$108,000 during that three years.
6. **Q: Will non-residents of Brandermill be able to join our pools?**
A: Yes, but only as a family membership, which costs \$335.
7. **Q: How many Brandermill households were pool members?**
A: In 2016, there were 695 family memberships, which represents 18% of our homes.
8. **Q: How do the pool fees for 2017 compare to other area pools?**
A: Other area pool rates are at least \$400 for families so Brandermill has the lowest rate and with a choice of 3 pools to attend.
9. **Q: Why is the BCA Board proposing the "Pool Compromise"?**
A: Brandermill's pools are more than 30 years old and need more than a facelift. When the BCA took control of the pools back in 2001, a commitment was made that the operational costs would not be forced on members who didn't want to join the pools. It's a compromise between those who want everyone to pay for the pools and those who expect the BCA to honor its prior commitment.
10. **Q: Other amenities -- like bike paths and parks -- are maintained by all members. Why not pools?**
A: There are 29 amenities that are supported by user fees. They include the marina, rental use of the clubhouse, pavilion, Sailing Center boats or a T-rack.
11. **Q: Will current residents be required to join and pay for the pools?**
A: No. Only those new homeowners starting May 1 will automatically become pool members and pay \$250 annually.
12. **Q: Why start on May 1?**
A: The results of the Covenant vote change will be announced on April 17 and if approved at 75% of those voting, it would become effective on May 1.

13. **Q: If I sell my home and buy another home in Brandermill, will my new home have to pay the pool fee?**
A: No.
14. **Q: If I move away from Brandermill and choose to rent my Brandermill house, will my tenants have to be pool members?**
A: No.
15. **Q: Is it fair for the "Pool Compromise" to shift the costs of pools to new homeowners?**
A: At closing on their homes (if not sooner), the pool fee will be explained to the new buyers. Other planned communities -- like Magnolia Green, Hallsley and Hampton Park - - require higher assessments that include a pool.
16. **Q: Is it the Board's intention to move over time toward Universal Pool Access with the "Pool Compromise"?**
A: Yes. In 2015, there were 217 Brandermill homes sold. Using the figure of 200 new homeowners annually, in ten years that would total 2,000 new homeowners generating \$500,000. Since the pool the fee would increase along with any assessment increase, actually it would be considerably more than \$500,000 -- plenty to operate and provide for capital improvements.

Non-binding survey on Universal Pool Access

1. **Q: Why hasn't UPA been in effect since the BCA bought the pools?**
A: In 2001, when the BCA Board voted to buy the pools, to keep support of most of the community, the commitment was made to non-pool members that they wouldn't have to pay the pool's operational costs.
2. **Q: Since buying the pools in 2001, has any previous Board put UPA to a community vote?**
A: No. This Board recommends the "Pool Compromise." However, if it fails to get 75% to change our Covenants, the Board will consider the results of the non-binding survey on UPA on this spring's ballot for next year.
3. **Q: If the "Pool Compromise" doesn't achieve 75% approval and the non-binding survey doesn't support UPA, what then?**
A: That will indicate that the only remaining option is to continue user fees to pay for the pool's operating costs. They would continue to increase over the years.
4. **Q: Has the Board studied the cost of implementing UPA?**
A: In 2012, Club Source Design issued a report paid for by the BCA. It recommended UPA after first upgrading and improving the pools to meet a 60% increase in attendance and meeting federal requirements for renovation to become compliant with the American Disability Act. The projected cost back then \$1.7 million.
[Residents may view the Club Source Design Report.](#)
5. **Q: Can't the BCA Board simply increase the assessments to start UPA this year?**
A: No. The BCA attorney has said the 5% increase already implemented cannot be increased.
6. **Q: Could the BCA increase assessments by \$75 next year and implement UPA?**
A: \$75 (a 16% increase) for each homeowner is not enough to upgrade the pools to handle the 60% higher attendance, according to Club Source Design. Moreover, in the past 25 years the BCA operational budget has not been increased more than 5% annually. Members are likely to object to such a hike for just pools in addition to any other assessment increase.

HOA Assessments of Surrounding Neighborhoods

Community	# of Pools	Annual Assessment	UPA	Notes
Brandermill	3	\$484	No	2017
Charter Colony	1	\$840	Yes	2016 data; plus \$348 Capital Contribution Fee on new construction
Foxcroft	1	\$768	Yes	2013 data
Foxfire	1	\$1,068	Yes	Includes trash removal
Hallsley	1	\$1,000	Yes	2017 data; includes trash removal
Hampton Park	2	\$880	Yes	2016 data
Harper's Mill	1	\$800	Yes	2016 data
Magnolia Green	1	\$900	Yes	Includes trash removal
Patriot's Landing	1	\$840	Yes	2016 data: East/West Partners. Does not include \$125 special assessment for road/dam maintenance.
Queensmill	0	None	No	
Rountrey	1	\$600	Yes	2016 data: Pool has not been completed, also includes trash collection. Will increase to \$800 when pool is opened.
Smoketree	3	No required fees	No	2017 pool memberships: \$360-2 members; \$395-3 members; \$430-4 members; \$465-5+ members; \$300-single
Summer Lake	1	\$880	No	2016 data: additional \$300 fee for pool and recreational facility (workout area)
Walton Park	1	No required fees	No	2016: Family Res. Pool Membership \$435 per yr. Non-Res. Family Pool Membership \$460) NOTE: Residents MUST be pool members to use pool.
Windsor Park	1	\$960	Yes	2016 data
Woodlake	2	\$668.76	No	2016: plus \$600.00 Capital Contribution Fee on home sales-2016 assessment. Currently proposing UPA and raise assessments to \$1008.



BRANDERMILL A Waterfront Community

For more than 15-years, the issue of how to finance Brandermill's three pools has been an annual exercise. The Board believes a historical timeline of those developments will help you better understand and answer the question of 'how did we get to where we find ourselves today?'

History of Brandermill Pools

- **October, 1997** -- BCA referendum to obtain financing to buy and improve the three pools is defeated: 71% against and 29% in favor.
- **August 2001** -- Needing to get a 2/3 majority to mortgage BCA assets for a loan of \$1.2 million to purchase and refurbishing the pools, the referendum vote falls short by achieving 65%.
- **August, 2001** -- BCA Community Manager arranges a \$1.2 million loan without having to pledge BCA assets as collateral, which means the purchase can be approved by a simple majority of the Board. The Board votes unanimously for the pool purchase with the understanding that the operations of the pools will be borne by user fees and not by members who choose not to be pool members.
- **August, 2008** -- Board votes to set a referendum on Universal Pool Access in November using an annual fee of \$80 per residence and requiring a 50% approval. Shortly thereafter, the Board cancels the referendum, saying it wanted to wait for recommendations of its pending Brandermill Master Plan by Design Forum for the future.
- **March, 2009** -- UPA is among the recommendations of the Board-approved Brandermill Master Plan by Design Forum. To pay for the annual operational costs and refurbishing the pools, the report recommends higher assessments, increasing the capital fee, a special assessment, using the reserve fund, borrowing and/or issuing bonds.
- **December, 2012** -- As authorized by the Board, Club Source Design issues a report that UPA would cost \$1.7 million to implement. Safety and accessibility was estimated to cost \$459,000 and increased usage of the pools would add another \$1,243,000.
- **May, 2013** -- BCA committee of 5 residents recommends ongoing maintenance to keep all three pools open but opposes UPA mainly because of cost. Board agrees, and pool operating costs continue to be paid by user fees.
- **February, 2017** -- Board approves a referendum on "Pool Compromise" for the spring vote. Starting May 1, it would

automatically make new home purchasers pool members paying \$250 annually, which increases with assessments. Current residents would not pay for the pools unless choosing to be members at a family rate of \$300 or becoming a "pool home" permanently and paying \$250.

Residents can view the **Club Source Design report on implementing UPA.** UPA costs are on pages 20-22.

The policy of the BCA is that the email addresses of residents will not be shared or disclosed.

We only use this system to alert you to important information. Please do not respond directly to this message.

If you do not wish to receive further emails, please send a message to bca@brandermill.com and ask to have your email address removed from our records. Please be sure to include your name and Brandermill address.

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