

Dear Swim & Tennis and HOA Members,

First, we want to express our appreciation to those of you who have responded with your supportive and kind words in response to the difficult decision we had to make to close the pool for this summer. Second, we are keenly aware that some members were disappointed with our decision; but, sometimes difficult choices must be made and though they may not be popular with some we do stand by our decision. In the last few weeks, we have received some questions which were similar in nature so we would like to take this opportunity to address those inquiries:

### **Decision to Close**

#### ***Q1: What were the considerations used for making the decision to close the pool for the season?***

A: Please reference our original communication that was sent to all members via US mail and by email dated May 20<sup>th</sup>. (Attached at the end of this document)

#### ***Q2: Why didn't the Board take a poll or survey the club members on this decision?***

A: Part of the duty for which we were elected, is to make these types of decisions. While there are some situations where we do solicit feedback from our members, the complexities and quickly changing scenarios of this matter did not allow for that consideration. As Board members, we must honor the fiduciary responsibility we have to our entire membership both Hiddenbrook homeowners and S&T members. Aside from the 400 S&T memberships, we are obligated to consider the impact on the approximately 300 additional homeowners in the Hiddenbrook Association who are not members of the Swim & Tennis club. HOA members' home values and the ability to sell their homes could potentially be impacted by any current or pending litigation tied to opening the pool during this pandemic. The financial risk to the homeowners stemming from the pandemic gaps in insurance exposes the Hiddenbrook homeowners to unprecedented risk.

#### ***Q3: Why was there a decision made in May to close for the entire season?***

A: The pool management company required timely notification of our opening status, the liability exposure would still exist through all phases for both S&T and HOA, and we wanted to give our members the opportunity to make alternate summer plans if they chose to do so.

#### ***Q4: Why are other local pools open?***

A: We don't know what the specifics are of their organizations governing documents, insurance coverage etc. We can only speak to what we know of our own; however, there are many other pools in the area that have chosen to close for the entire season as well.

#### ***Q5: Couldn't we just ask members to sign a liability waiver?***

A: Our legal counsel has advised that waivers are not enforceable in the state of Virginia. There is case law (specific to community associations) from a Virginia Supreme court ruling to support this.

## Refund / Credit

### **Q6: Why can't we just get a refund?**

A: The club's bylaws do not allow for refunds, the Board felt the most feasible and equitable course of action would be to provide a credit toward next season's dues to anyone who paid their dues this year. To clarify, anyone who buys a membership from the club next year will not receive this credit because they did not pay dues in 2020. The S&T Rules, Regulations and Procedures as well as the S&T club itself, are a part of the structure of the HOA Bylaws and they are posted on the [website](#).

### **Q7: We paid for a service that we are not getting since the pool is not open. Why will there not be a 100% credit for what we paid.**

A: As mentioned in the question above, the club has year-round expenses. To elaborate in more detail, there are costs to maintain the entire facility such as: administrative expenses, utilities, maintenance, bookkeeping & property management, pool management contract, insurance and the reserve contribution. We would also like to remind everyone that the tennis courts and playground are still available for use. These two areas do not need direct management and as long as the posted safety guidelines are followed, there is less risk. We continue to monitor the situation and hope at some point, it will be appropriate to resume clubhouse rentals so that members can go back to using this space and we can regain some of the lost income.

### **Q8: My child's baseball/soccer team refunded 100% of the registration cost. Why will there only be a partial credit for my club dues.**

A: As members of a club vs participants in a sport or activity, this is a different scenario. There are club facilities to maintain and year-round costs that are likely not the same as sports or activities. Those of us that join the club own our certificate of membership. Being a member means we have a shared responsibility for the underlying costs that keep the club and facilities running.

### **Q9: Why can't the Board tell us now how much the credit will be next season?**

A: We are making every effort to cut all unnecessary costs and reduce any ongoing costs through the rest of this year so that the maximum savings can be achieved and passed back to the club members next season. We will not know how much this will be until the end of the fiscal year. What we do know now is that the pool contract is \$82,000/year. The pool management company has agreed to a reduction of \$41,000 for this year. Again, we hope to garner more savings than the \$41,000 to pass back to the paying members.

### **Q10: I was planning to sell my membership next year. How can I obtain the credit rather than the new member?**

A: There are two elements to the memberships, the purchase price and the dues. We believe the best course of action would be to sell your membership for the full dues price plus whatever dollar amount you would like to set as the purchase price. This way, you recoup the credit for this year while the new member pays for the full season's dues next year. We would also like to point out that members may set the sale price to whatever the market will allow. As a point of reference, in recent years, the club has sold memberships for \$500 (purchase price) + annual dues.

## **Budget**

***Q11: Do people who did not pay their dues yet get a “free pass”? In other words, if they have not paid their dues yet, they don’t have to, and they simply won’t receive the credit next season?***

A: All members must pay their dues in full in order to retain their membership. **Per the bylaws, non-payment of dues constitutes a permanent forfeiture of membership.** The Board recognized the financial hardships some families may be experiencing right now and extended the payment deadline to November. Ordinarily, memberships would be revoked much sooner for non-payment.

***Q12: How many members have not paid their dues yet?***

A: To date, about 62 memberships remain unpaid. We remain hopeful that between now and the extended dues deadline in November, this number will improve.

***Q13: Why can’t the reserve funds be used for the loss of dues income this year?***

A: The reserve fund is to be used specifically for the major repair/replacement of the assets owned by the association and used by both homeowners and club members. An independent reserve study is completed every five years. This study identifies those major components and provides a yearly outline/timeline for how much should be contributed each year in order to fund the specified projects. For example, we were scheduled to replace the pool white coat, waterline tile and coping stone this year. Plans for this process were approved last fall (when Covid-19 was not on anybody’s radar) and scheduled for completion this spring of 2020. This project cost approximately \$73,000. If we do not follow the contribution plan as outlined in the study for these major projects, we may not have sufficient funds to do the required repairs and replacements. This could ultimately result in increased dues to our members to cover the shortfall. The reserve study is always available on the Hiddenbrook website.

***Q14: Will the Board share the year-end income statements to the membership?***

A: Yes, as a matter of fact, we share this information every year in the annual meeting. We will go the extra step in 2021 and include this report in the annual dues bill that is mailed out in February. This will allow the membership to see exactly what the income and expenses were in 2020, which is how we will determine the 2021 credit.

***Q15: Why is there no remote call-in for the board meetings?***

A: The Board feels that due to poor sound quality, it is more productive to hold our meetings in person. The limited equipment that is shared (chairs and door handles) are all disinfected prior to the meeting and chairs are appropriately spaced out, masks are required, and hand sanitizer is provided.



## Hiddenbrook Swim & Tennis Club

P.O. Box 981 - Herndon, Virginia 20172

May 20, 2020

Dear Swim & Tennis Members,

At their May meeting, the Hiddenbrook Board made the difficult decision to close the pool for the 2020 season. After a thorough review of all the factors that play into the decision, the vote was unanimous. The goal of this letter is to provide our members with information as to how we arrived at our decision.

The Board took into consideration the guidelines put forth by the CDC, the governor's office, and local authorities. The combination of all this information produced ambiguity and fluidity of direction in both procedures and timing. We struggled with assessing all these variables when trying to arrive at a definite plan for our pool season. We also needed to provide our pool management company as much advance notice of our plans as we possibly could.

Safety was our first and foremost priority. It became apparent to us that mitigating exposure and cross contamination between our patrons and summer staff would require several extreme measures which would include but not be limited to:

- installing barriers for staff,
- revising the check-in process,
- screening members for potential health risk when they arrive,
- enforcing social distancing on deck, in the pool house and inside the water,
- eliminating the use of the diving board, slide, picnic area and all seating,
- sanitizing surfaces thoroughly and often,
- eliminating guest privileges, parties, and other events,
- scripting and communicating to membership new specialized rules for the season

It became obvious that the work required to meet all elements of this new protocol would be unmanageable with our current operating structure. Our pool management company communicated to us that these protocols were outside their scope and we would have to assume this responsibility. Our inability to meet these requirements would compromise the safety of our patrons and staff. We also believe these requirements would diminish the normal social/community spirit of gathering at our pool.

We also considered the concept of an assigned time/slot usage schedule but felt this would be difficult since our 400 club memberships are actually comprised of approximately 2,000 individuals. Creating such a usage schedule within the parameters of the time for necessary cleaning, supporting social distancing, shortened season hours, unpredictable weather events, and the large number of members is almost insurmountable and would most likely result in a minimum of actual pool usage for each person. All things considered, it would be impossible to implement a schedule that is fairly constructed keeping in mind the needs of families versus single adult patrons and highly desirable time slots such as weekends and evenings.

After consultation with our insurance carrier, we learned that there is no coverage for pandemics involving infectious diseases or viruses. This is a common exclusion that is found in most commercial insurance policies. This fact also weighed heavily in our decision to close. As fiduciaries of the Association and Swim & Tennis club, it is our responsibility to protect the solvency and well-being of both entities and make decisions that do not put our residents or members at risk.

Some of the expenses in the annual budget, by which your dues are calculated, include year-round expenses such as: utilities, insurance, accounting & management, grounds maintenance, office supplies and the reserve contribution. We do not expect significant reduction in these expenses as a result of the pool not being open.

The principal item we expect to generate the most savings is the pool management contract. The elements of our contract include supplies, chemicals, summer upkeep, pool staffing, as well as winterizing and year-round maintenance of the mechanical equipment. Our pool management company, despite their own financial obstacles, has offered to release us from some of our contractual obligations and reduce the amount that we are required to pay them for this year. The savings garnered from this agreement, along with any other savings achieved elsewhere in our fiscal year, will be equally passed on to each member's account in the form of a credit toward next years' dues. This of course applies only to members who are paid in full for the 2020 season.

Although some nearby pools have made the decision to open under these conditions, many other pools have decided to close as we have. We cannot compare our club operations or membership to anyone else. Our decision was based solely on our particular circumstances and capabilities. Because we are all members of the pool, we are also disappointed that we cannot open this year. We were so excited to unveil to everyone the brand-new pool facelift and widened stair entry of the shallow end.

We hope sharing these details with you will help you understand the weight of making this decision. We pledge our continued investment in the wellbeing of our membership.

Sincerely,

Hiddenbrook Board of Directors:

Joan Koss – President

Clive Bayliss – Vice President

Pam Spencer – Treasurer

Matt King – Secretary

Kristin Leveto – Member at Large