



Swim Club Merger Discussion

Biltmore Park Association

September 6, 2011

Agenda

- Introduction – Kevin Mahoney
 - Attendance Sheet (please include email address)
 - Restrooms
 - Speaker Sign Up Sheet
- Swim Club History – Bobby Soule
- Presentation – Charlie Hume
- Audience - Questions/Comments
 - Summarize and include in Meeting Report

Biltmore Park Association (BPA) Board of Directors

- President.....Cathy McCartan
- Vice-President.....Charlie Hume
- Secretary.....Kevin Mahoney
- Treasurer.....Sam Gibbs
- At-Large.....Mark Whitney

Biltmore Park Swim Club (BPSC)

Board of Directors

- President.....Cathy McCartan
- Vice-President.....Jim Stern
- Secretary.....Kim McDowell
- Treasurer.....Torey Link
- Director.....Cindy Piercy
- Director.....Luke Roberts
- Director.....Bobby Soule

Merger Exploration Committee

- BPA/BPSC.....Cathy McCartan
- BPA.....Charlie Hume
- BPA.....Kevin Mahoney
- BPSC.....Luke Roberts
- BPSC.....Bobby Soule

Swim Club History

- Real Property: clubhouse, concrete porch, swimming pool, restrooms/bathhouse, pumphouse, and 1.39 acres of land
- 1999 - 2004: pool was managed by Biltmore Farms
- 2004: Biltmore Farms sold last residential lot in BP; wanted out of pool business
- 2005: BF deeded facilities to BP Swim Club (corporation)
 - BPSC (private club) must be financially solvent and properly maintain the facilities for 3 years and BF will pay off \$600K debt on property
 - If BPSC fails, BF will reclaim property for its unrestricted use

Biltmore Park Swim Club (BPSC)

- 2008: BF paid off \$600K debt on facilities as agreed; still retains the right to reclaim property
- **REVERSION CLAUSE IN PERPETUITY:** If at any time BPSC is not financially solvent or if facility maintenance declines, Biltmore Farms can reclaim the property
- Proposed merger is necessary to correct developer error
 - Pool and clubhouse should have been HOA amenity from beginning
 - Club concept was a way to save pool after the fact; not sustainable
 - Developer lesson: all new BF developments include pool as amenity

Biltmore Park Swim Club Membership 2011

- Total Members – 185
- Resident Members – 157
 - Biltmore Park Residents – 134
 - Braeside Residents – 23
- Non-Resident Members – 28
 - Increased from 10% To 20%
 - Limited by insurance policy

Reasons For Merger Request

- Sustain long term viability of Swim Club
- Swim Club business model is unsustainable
 - Uncertain membership numbers (208 vs. 185)
 - Expensive - spiral of decreasing membership and increasing dues
- Protect BPA property values
 - Benefits everyone

Reasons For Merger Request

- Eliminate Reversion Clause
 - Must remain solvent each year or BPSC reverts to Biltmore Farms
 - If this happens, no control over future use
 - Rent to outside organizations
 - Remove the pool
 - Other

Neighborhood Dues vs. Amenities

NEIGHBORHOOD	Dues	Trails	Play Ground	Tennis	B-Ball	Club	Pool	Lake	Fitness	Golf	Gate
<i>Braeside</i>	\$160	X	X	X	X	X*					
<i>Coventry Woods</i>	\$275	N O A M E N I T I E S									
<i>Biltmore Park (currently)</i>	\$375	X	X	X	X	X*					
<i>Avery Park</i>	\$483			X			X	X			X
<i>Biltmore Park including pool & clubhouse (proposed)</i>	\$495	X	X	X	X	X	X				
<i>High Vista</i>	\$550		X	Extra		Extra	Extra			Golf	X
<i>Sterling</i>	\$600	N O A M E N I T I E S									
<i>Biltmore Lake</i>	\$1,440	X	X	X	X	X		X			
<i>Southcliff</i>	\$2,184	X	X			X					X
<i>Biltmore Park Town Square (Condos & Townhomes)</i>	\$3,736 **	X				X	X		X		
<i>The Ramble</i>	\$4,056	X			X	X	X		X		X

* Clubhouse is not an HOA facility; it is owned by the Swim Club and rented by HOA for community activities

Extra: High Vista SOCIAL Membership (limited to tennis, pool, clubhouse); requires \$750 initiation fee plus \$100 monthly dues.

Golf: Access to Golf requires \$1500/\$3000 initiation fee plus monthly dues between \$158-\$242

** Condos and Townhomes dues average; specific amount depends on unit square footage

Cost Comparisons

- Current (2011)
 - Braeside
 - \$160 HOA Dues + \$500 BPSC = \$660
 - Biltmore Park (BPA)
 - \$375 HOA Dues + \$500 BPSC = \$875
- Proposed (2012)
 - Braeside
 - \$160 HOA Dues + \$500 BPSC = \$660
 - Biltmore Park (BPA)
 - \$375 HOA Dues + \$120 BPSC = \$495

Advantages

- Preserve Viability of Community Asset
 - Real Property – Assessed Value \$526K
 - BPSC Cash Reserves - \$46K
- Protect Property Values
- Waiver Of Reversion Clause
- Increased Sense Of “Neighborhood”
 - Traditionally, neighborhood pools are integral to HOA
 - Newer Biltmore Farms projects (Ramble, Town Square) include pool

In Order for BPSC to Merge With BPA

- BPSC must vote in affirmative
 - BPSC BOD voted to investigate merger
 - Exploratory Committee – 2 BPA; 2 BPSC; 1 Both
- 157 BPSC Resident Members Entitled to Vote
 - Biltmore Park and Braeside Only
 - Associate Members are not eligible to vote
- Majority of BPSC membership must approve

In Order for BPA To Accept Swim Club

- Requires Amendment to BPA Master Declaration
 - Biltmore Park – 489 Lots
 - Majority of BPA Membership must approve

Biltmore Park Association Capital Upgrades

- Reserve Study (2008)
 - Replacement Schedule And Annual Budget Allocation
- Greenway Trail (1995).....some areas (2015)
 - \$95K repairs (2010)
- Bridges on Trail.....8 years remaining (2019)
- Tennis Court Resurfacing.....estimated for 2009; OK
- Basketball Court Resurfacing.....estimated for 2009; OK
- Chain Link Fencing.....15 years remaining (2026)
- Olmsted Gazebo Roof.....10 years remaining (2021)
- Playground.....6 years remaining (2017)

Swim Club Capital Upgrades

- Reserve Study Needed
- Pool Resurfacing.....Spring 2012
 - Estimated at \$40K
- Clubhouse Roof.....9 years remaining (2020)
- Parking Lot.....10 years remaining (2021)
- Concrete Walkways.....10 years remaining (2021)
- Concrete Pool Deck.....10 years remaining (2021)
- Recent Upgrades (2011)
 - New Heaters and Enclosure
 - New Sand Filters

2011 Year-End Funds Estimate (BPA)

- Total Income.....\$203,802
- Total Expenses.....\$196,000
- Operating Fund Surplus.....\$7,802
- Total Spent From Reserves.....\$95,000
- Total Current Assets (31 August 2011)
 - Operations Account\$133,375 *
 - Reserve Account.....\$61,873

* Includes Multi-year Excess Operating Carryover

2011 Year-End Funds Estimate (BPSC)

- Total Income.....\$113,150
- Total Expenses.....\$97,370
- Operating Fund Surplus.....\$15,630
- Total Spent From Reserves.....\$0
- Total Current Assets (31 August 2011)
 - Operations Account.....\$35,351
 - Reserve Account.....\$46,800

Anticipated BPSC Budget Reductions

- 2011 BPSC Budget - \$113,150
 - Eliminate Guards \$22K
 - Most HOAs Are Swim At Your Own Risk
 - Reduced Repairs & Maintenance.....\$14K
 - No Property Tax (common area).....\$5K
 - Reduce/Eliminate Duplicate Expenses.....\$5K
 - Insurance, Tax Prep, Meetings, Office Expenses
 - No Sponsored Social Activities..\$2K
 - No Membership Mailings.....\$1K

Swim Club Expense Categories (2012)

- Total Budget - \$73,680
 - Pool Management (no guards)\$15,000
 - Gatekeeper/Snack Bar Manager.....\$12,000
 - Administration.....\$3,000
 - Utilities.....\$18,900
 - Repairs/Maintenance.....\$10,000
 - Cleaning.....\$5,200
 - Snack Bar Inventory.....\$4,200
 - Supplies.....\$3,130
 - Landscape.....\$2,000

Swim At Your Own Risk

- Significant Cost Reduction
- Longer Season – 121 days vs. 103 days
 - Before Memorial Day; After Labor Day
- Longer Hours – 10am to 10pm
 - Not Everyone Goes to Buncombe County Schools
- Many places are swim at your own risk
 - HOAs, Apartments, Hotels, Beaches
- Lifeguards can be hired privately



Questions?

Please state your name and address