

2012 Pool Capital Improvement Project

The first decade of the KayCee pool was a complete success. We have made many improvements to the pool and the surrounding area that have been met with enthusiasm and our membership is strong. As we look ahead we know that there are many challenges to our goal of staying one of the premier Staycation facilities in Dallas. The pool committee with the backing of the board of directors has identified what we feel are areas that will maintain our status as a premier facility and help us maximize the experience for our members for years to come. The following projects are proposed and will be voted on at our general meeting on January 3rd. We look forward to your attendance and support.

Slide Project

Our current slide stair structure is in disrepair and must be replaced before the new pool season. The first project is to install a new 18 ½ foot tall water slide with a enclosed body flume which will connect to the existing slide. This will give the KayCee Club two slides for two age groups. The existing slide for younger children, and the new enclosed slide for the preteens, teens and adults.

Total price \$245,630

Filter Project

The second project is to replace our inefficient pool sand filters. Our pool filtration system is out of date and with our heavy daily usage it lacks the ability to keep the water crystal clear. We have all been to the pool during the summer and seen the dull to cloudy water. Under today's standards in commercial pool technology, our pool lacks filter capacity by over 25 percent and the turnover rate is two hours more than today's standards

Our current system is cleaned once and sometimes twice a day during the pool season with an estimated water loss of 450,000 gallons a summer or the equivalent of replacing the entire pool capacity three times each summer. After extensive research we are recommending the purchase of a regenerative media filter. This filter requires cleaning only about once every two weeks in the summer and once every several months during the off season. Cleaning this type of filter uses far less water, therefore saving water and chemicals. Not only will this keep our water crystal clear and clean but it also keeps us from wasting such a precious commodity.

The total cost to replace the filter and pump \$116,229

Deck Project

A third project is to provide more seating. We realize that seating has been an issue during our peak times and with the addition of the new slide this will become even more important. We are looking at several possible locations to provide more seating. Once the projects have been approved as a package we will be publishing the possible seating plans and asking for input. We are funding \$30,000 for additional seating in this project.

Because the three projects are interdependent we feel that they should be done concurrently for the following reasons:

1. The filters must be replaced in order to keep our water crystal clear and also to maintain water cleanliness and efficiently filter any contaminants faster to help avoid long pool closures do to “accidents” which occur throughout the season.
2. The slide stair structure was built out of wood by volunteers thirteen years ago and has served us well but is now unsafe for further use. The new structure will be made of powder coated steel and PPC decking therefore making it stronger, safer and easier to maintain. It will last for many years of consistent use.
3. The new slide stair structure will serve the existing slide and then advance upward to the new slide. The cost of the slide stair structure for the existing slide alone exceeds \$150,000. To add the new slide to it at the same time greatly reduces the future cost of adding a second slide independently and also greatly enhances our pool experience for our members.
4. Seating has been an issue for some time. The new slide will in the relocation of three to four tables so it is imperative that we add additional seating to ensure that our members have the ability to sit comfortably at all times.
5. The cost of borrowing money as at an all time low. With the economic volatility that exists currently it is unknown how long this will last which makes this the ideal time to finance our projects at the least expense to our membership.

The total cost of these projects will be as follows:

Slide Project	\$245,630
Filter and pump project	116,229
Decking	30,000
Electrical and incidentals	10,000
Total	<u>\$401,859</u>

How To Pay For The Capital Improvements

The plan is for the KayCee Club to fund \$40,000 in the year of construction, \$30,000 in year two and \$20,000 in year three. The Kaycee club will borrow the remainder of the funds needed for the project from the bank.

We will need to borrow \$360,000 to finance this project. To pay off the note we will assess a capital improvement assessment to each pool member. We will keep the total number of pool memberships at the current levels until the note is paid. Each Outside Member, Knight Member, New Members and Auction Certificate Members will be required to pay the capital improvement assessment.

To pay back the note the Kaycee Club will assess a onetime capital improvement surcharge to each existing pool membership starting in 2012 and to new members who join the pool beginning in 2012 through 2015.

The assessment payment schedule will be as follows:

Members in 2012	\$230 one time or 2 years at \$115.
New Members in 2013	\$230 one time or 2 years at \$115
New Members in 2014	\$230 one time
New Members in 2015	\$230 one time

For Knights who are currently enrolled in Council 799, but not pool members, if they join the pool at anytime in the next four years they will be required to pay the assessment. Any new Knights who choose to be pool members between now through 2015 will be required to pay the assessment.

All Knights who don't purchase the family membership but want to use the pool will be required to have a pool card and pay the assessment. Beginning in May 2012 the only way to gain access to the pool will be to have a family membership or a "single" membership. **Members over 55 will be exempt from the assessment unless they are purchasing the family membership.**

All Knights as well as outside pool members will share in the assessment and the benefits derived from it. We feel this shared investment in the future of our facility will greatly enhance the current experience for our members for many years to come.

*Please feel free to email Kirk at Kirk@Jockelcpa.com , with questions between now and the January 3rd meeting.

