

The annual meeting was held at 5:00 pm on Saturday, October 6. It was held in conjunction with the closing party and we had a large crowd attend the meeting for the first time in many years.

Board Members in Attendance:

- Rick Hall
- Josette Skilling
- Michael Kessler
- Miklos Gaal
- Susan Brooks
- Lisa Owen

Rick Hall welcomed the attendees. He gave some fun facts:

- We had 307 swim and dive team kids for 2018
- We had over 30,000 visits
- Our most popular date was September 3 when we had 614 visits with a peak at 2:00 pm

Rick shared that we refinanced our original loan and introduced Josette Skilling to give the details of it.

Loan Refinance:

- Our original loan was for \$2,400,000 and converted from a construction loan to a permanent loan, amortized over 25 years and due in 11 years.
- This meant a balloon payment of \$1.6M loomed in the very near future and would have to be refinanced.
- In order to get to a more manageable debt and balloon payment we had been budgeting over the last three years to make extra principal payments in order to reduce our original debt principal and thereby reduce the balloon payment. This resulted in limiting expenses and not pursuing some improvement projects.
- In late spring of 2018, we decided to pursue an overall financial management plan that would provide a more stable financial future. We worked with Sandy Spring Bank on that plan.
- In July of 2018 we were able to refinance the loan with Sandy Spring at favorable terms.
 - Our loan rate is 5% (essentially the same rate)
 - Our loan term is a 19 year amortization with a 15 year repayment term
 - The penalty fee was waived
 - Our payment schedule is \$14,560.24 each month (essentially the same payment)
 - We are aspiring and budgeting to pay the debt over 15 years, a \$16,925.31 monthly payment.
 - At the end of the 15 year term we will have retired our debt and owe nothing.
 - We were able to increase our payments by around \$30K per year and accomplish a better outcome than the terms of the previous loan.

- It was noted by Michael Kessler that the original loan was taken out under unfavorable banking conditions and it was likely the very best we could do at the time. Since conditions have improved we jumped on the opportunity the bank gave us to pay the debt to zero in a stable and predictable way.

Budget Review:

- We are in good shape financially and the new financial management plan will provide a stable and predictable basis for operations, planning, and improvements over the coming decades
- We ended up with substantially more income than we had budgeted for:
 - We made more money in Activities than planned for
 - We consolidated concessions
 - Gear made money for the first time in years
 - Swim and Dive team ended the year with some surplus
 - We sold 20 memberships and transferred 6 home sales which resulted in greater income in that category.
 - Our membership income was over the budgeted income due to:
 - Our full summer temporary members included the extra 50 rentals we had available to us
 - Our late summer only memberships ended up at 103
 - Our debt payments increased for the year from August through December due to the refi.
 - The extended season is very popular and it was suggested by members who were present we should take that to \$4000.
 - It was also suggested that we investigate via the P&L for expenses if we are sharing the load equally among all 3 pools.
 - We believe that the usage of the pool is about $\frac{1}{3}$ from each pool
 - It's heavily used by the early bird swimmers from each pool.
 - For our expenses:
 - We are in line with most budgeted items
 - We increased the budgeted amount through the season by \$78,000 due to many emergency needs
 - We approved the viewing area above the retaining wall this year and it is progressing. Cost is around \$20,000
 - We will still likely to end the season with around \$60,000 in surplus

Membership:

- We are at our full membership of 400 full members
- We have rented out the extra 50 we are now allowed to reach to 450 active members
- We have 272 active members
- We have 33 inactive members
- We have 92 senior members

- Our late summer memberships don't seem to stress the capacity of the pool and allowed for a nice cushion of cash for us at around \$40K per year.
- We do no marketing of this other than the terms on our website
- We implemented credit card only payments
- We are piloting currently the cashless front desk and now put all guest passes on account, to be billed to the member.

VP Pool:

- Lisa Owen thanked Bethesda Aquatics for a very well run summer
- She discussed the various sports we have at the pool:
 - Mermaids are well attended
 - Water Polo is a hit. Their original net broke and needs to be replaced this year
 - Masters swimming continues to be very popular on Sunday mornings.
 - Early bird swimming and lap lanes continue to be highly used
 - Our Duathlon was successful in spite of dreary weather
 - We partnered with Little Falls Village
- We are draining the pools next week to correct a rusting problem with rebar which in some areas was installed too close to the surface of the pool.
- Anyone who has suggestions for the pool can contact Lisa.

VP Buildings:

- Michael Kessler delivered the report for Elizabeth Redisch who was unable to attend
- We have resolved many plumbing issues which presented over the course of the year
- There were some issues with trusses in the attic which were defective in the installation. The original truss engineer designed appropriate fixes and a local contractor will complete the relatively simple repairs this fall
- Lighting around the pool deck was installed for the night time activities
- The elevator has been a problem for the last two months. The company has been trying to resolve this year and has identified short-circuits in wires
- We installed pool-wide free access wifi this year and upgraded our internet service so check-in is far more stable.
- The wifi allowed us to install security cameras around the pool.
- There were some repairs to the original deck that were corrected (railing posts replaced and the joist structure brought up to code)

VP Grounds:

- Michael Kessler gave the report
- We have an irrigation system in place that is wifi based
- The viewing area which contains a bocce court is in progress.
 - There will likely be some bench seating
 - It will have gate access and require adult supervision
 - The cost is around \$20K and most of that is for fencing
- There are some weed trees along the top of the retaining wall which will be removed

- The driveway will be sealcoated and professionally striped this fall or next spring
- The path from Mohican Road is being reworked to move off the current home owner's land and onto the land of the Silverstein/Gates property.
- We are exploring a way to improve the safety of the playground area. It's not currently rated for commercial use and has some significant liability attached to it.
- The new board will make recommendations to the membership on a solution a part of the new budget
- The budget this year will include the viewing area and pool repairs.
- Next year's budget will include the paving of the parking lot

VP Activities:

- Josette Skilling presented the summary
- Swim and dive had the largest team ever
- We hosted divisionals and enjoyed it enough to want to do it again
- We installed a point of sale system and will be able to use it to create a cashless system for the social events of the swim and dive team
- We were robbed twice last year so it's very important that we rid the club of cash on the premises
- We had 33 parties booked at the Club
- Our overall guest passes were about \$20K and the parties contribute over \$4000 to that amount
- Our events were all well attended. Those that we collected for earned about \$5000.
- The adult party was a success in spite of the weather and we'll do it again next year
- We ended up with around \$10K in profit from activities.

Josette Skilling read the proposed slate into the minutes.

Rick Hall called for a motion to approve. It was seconded. All were in favor. The new slate passed. The meeting was adjourned at 6:30pm