

SIGNED SPORTS CENTER AGREEMENT 2021 FREQUENTLY ASKED QUESTIONS

What are the components of the new Agreement?

Here are the basics:

1. **Dues Increases**—The same dues structure that increases at the end of each year by the Consumer Price Index (CPI).
2. **Maintenance and Infrastructure paid for by the operators**—A major improvement over the current Agreement which allotted only \$65,000 for specific improvements to the three sports centers. The new Agreement guarantees \$250,000 will be spent by the owners of the sports centers for infrastructure and enhancements over the three-year agreement.
3. **Access Control**—In the last contract, the owners were pushed to have a system in place that controlled access by ensuring all users had the right to be there. The Express Pass program was put in place in June and has been successful in this regard. A new photo electronic ID system is coming that will hardwire this program as well as have an online reservation system for courts. Once the system's costs are covered, we will receive 1/3 of the Express Pass revenue on an annual basis. The Agreement has this program in place by May 31, 2022, although it will likely be done well before then.
4. **Sports Center Advisory Committee**—The past agreement created a committee to advise the owners on facility maintenance and needs. That committee will be continued and will meet quarterly during the new contract.
5. **Long-term Vision**—During this process a number of owners have expressed an interest in some major expansions that were beyond the scope of this renewal. Per the new Agreement the Sports Advisory Committee will discuss long-term vision as part of their quarterly meetings. We will need to facilitate significant owner input into this process.

Did owner surveys support this new Agreement?

Yes. Owner input has come from two surveys that were sent to ALL owners, both with response rates significantly higher than any other recent RECOA survey. When the respondents were asked whether the current agreement should be continued as is, 76.5% agreed. This is a pretty significant majority in that a 75% vote can change our Bylaws. Much of the second survey was designed to gauge owner support for various options that were being considered at the time. One major issue in negotiations was getting the sports centers to commit to a set amount for maintenance and enhancements. **When the respondents were asked about their support for continuing the agreement if the sports center owners were willing to commit to \$200,000 in improvements of the life of a three-year contract, over 80% agreed.** We ended up getting \$50,000 more with a quarter million investment commitment over the next three years.

How will this new Agreement affect my dues?

In 2021, the dues each owner paid for the Sports Centers was \$56.94 per month. Dues increases come on January 1 over each year and are based on the Consumer Price Index (CPI), a national economic indicator that's often used as a fair methodology for calculating increases. The dues amount for 2022 will be \$60.44 per month.

Will the \$250,000 for maintenance and enhancements be reflected in my dues?

No. The same annual CPI dues increase that we've had for years will be the only dues increase we will see for three years. In the old contract the CPI increase was dedicated toward enhancements. This amounted to \$64,424 over the entire three-year contract term. In the new Agreement, a flat \$250,000 will be set aside toward improvements and our Sports Center Advisory Committee will be involved in determining where the dollars are spent.

What items will be considered for the \$250,000 maintenance and enhancement fund?

Some specific items under consideration are a new filtration system for the Ridge Sports Center, a new splash pad for the Lakeside Sports Center, and significant work on the hot tubs for both the Ridge and Lakeside Sports Center.

What enhancements were made during the last three years?

\$64,424 was set aside over the past three years from the CPI increase. In 2019, (the first year of the Agreement), \$16,921 was spent toward converting the Lakeside Tennis Courts to Pickleball. The actual costs were in excess of that amount—thanks to the Pickleball Club for raising the additional funds needed. Nothing was spent during 2020 due to COVID closures and the amount was carried over to 2021. The remaining \$49,882 is being spent on multiple pieces of exercise equipment for both the Ridge and Lakeside Sports Centers. The additional equipment has all been ordered and will be installed once received. Due to COVID-related delays some of the additional equipment may not arrive until early 2022.

What was the process for re-negotiating the Agreement?

There was a rigorous process for re-negotiating the Agreement. The RECOA Board first started discussing the issue in June with lengthy Executive Sessions in July and September. The September session continued a few weeks after the original meeting. There were two surveys sent to ALL owners. The first assessed the utilization and opinions toward the Sports Centers, while the second tested various scenarios under consideration. A study of pricing was completed for area sports centers inside and outside resort communities. Board members received the existing Agreements back in July and were encouraged to review them and make suggestions.

All board members were provided with the components for the new agreement six days before the November 2 board meeting, and the four-page draft of the legal document 24-hours in advance of the meeting. Following the November 2 board meeting, the draft Agreement was

reviewed and run past legal counsel. Minor changes were made for clarity and to specify deadlines.

Who was involved in the process? Did they have negotiating experience?

The members of the negotiating committee were RECOA President, Monty Knittel, and board Treasurer, Leslie Brown. They both have significant career experience in negotiating contracts for a variety of employers and projects. They worked closely with the two RECOA members of the Sports Center Advisory Committee—Jim Cox and Jana Barraclough. Jana is a retired nurse and Jim is an experienced labor negotiator, which added greatly to the process.