

Upgrading Amenities for Dining, Fitness, Social, and Aquatics

Frequently Asked Questions

Last Revised Sun Aug 29

Q1: What facilities will be added, expanded, or replaced?

A:

- Replace the existing 3,163 sq-ft of locker rooms with a 5,520 sq-ft building, including: 3 separate locker rooms (children/family, women, and men), a branded formal entry, 2 separate saunas (women, men), and separate wet vs. dry entries for adult lockers rooms.
- Expand the pool-side grill to a full-menu kitchen
- Add 1,530 sq-ft, 66-person capacity, covered al fresco dining and lounge area, on the north-side of the pool
- Replace 2,628 sq-ft pavilion and 2 grills on the west-side of the pool, with a 1,700 sq-ft, 90-person capacity, multi-purpose room with retractable glass walls, a 1,300 sq-ft pergola, and 3 grills
- Add 8 canopy-covered lounge areas of 225 sq-ft each and 2 fire pits, on the east-side of the pool
- Move the aquatics office to the south-side of the pool and add 2 staff changing rooms, by adding 227 sq-ft on the pool deck.
- Add a 307 sq-ft Teen Room, targeting 12-15 year, which will double-duty as a camp office during summer months.

Q2: When would construction begin and end, if the motion is approved?

A: Fall 2023 through fall/winter 2024. The time required to obtain a building permit, 4-6 months, precludes us from starting in fall of 2022.

Q3: Who would manage this project, if approved?

A: There are 3 project management firms under consideration, with final selection targeted for Fall 2022. The builder decision is in flux, due to a material mistake in the quote submitted by the Whitehouse Group, and Randy Popp the architect, <http://www.rp-arch.com/about/>.

Q4: Where can I find more information about this project?

A: Visit the club website at https://fremonthills.com/upgrading_amenities.

Q5: Who can I contact, if I still have questions?

A: Email gm@fremonthills.com, who will forward to the member-committee proposing the motion and deliver the Board's response to the inquirer.

Q6: I haven't been down to the pool in years. Why is this necessary? What problem are we solving?

A: This is necessary to provide the amenities that the current members have asked for, as well as create more demand for new memberships. The locker rooms were built in the mid-1950's, of

antiquated cinderblock construction. Its sub-standard condition is frequently cited by realtors, who tour prospective residents, as reasons they choose to not join the club. It's moldy and smelly beyond the ability of disinfectants/cleaners to resolve. The electrical system and water pressure is unreliable and beyond repair. The HVAC runs incompatible environments on the same ducting/thermostat. The women's locker room shares HVAC with the yoga room, so users of both are *never* simultaneously at comfortable temperatures. Repairing a blown fuse in the grill requires the lights to remain off in the men's locker room, because they share the same electrical panel. The pool-side grill is too small to serve a broad menu of delicious meals. Members are asking for a larger, more attractive, purpose-built, sans-equipment fitness location. The pool-side gazebo is riddled with termites. The columns in the front of the locker rooms are rotted. Outdoor showers in the southwest corner of the pool were built without a permit and must be removed to meet code. The locker room deficiencies have been the primary reason given for not joining the club by prospective members.

The 2021 member survey highlighted **dissatisfaction* rates**

- Locker room appearance 56%
- Amenities (salon-grade hair dryers, curling/straightening irons, high-quality shampoo, conditioner, lotion,...) 53%
- Shower/toilet appearance, including privacy 52%
- Locker room ventilation 48%
- Pool-side food service 30%
- Pool furniture 26%
- Pool-side shade 19%

*very dissatisfied + dissatisfied

Q7: Will there be more, or less, seating capacity of loungers, tables, chairs, umbrellas?

A: Cabanas create up to 116 additional seats, depending on furniture selection (loungers vs. tables/chairs vs sofa). Al fresco dining creates another 66. The multi-purpose room increases the capacity of the existing pavilion to 90. The current quantity of pool deck loungers, tables, chairs remain, although the committee recommends, and has budgeted for, replacing them with more attractive & durable furniture.

Q8: Will members have a full-bar option at poolside?

A: The variety of bar options will be substantial but will not be as expansive as the dining room.

Q9: Who led this project, with what relevant expertise?

A: A committee of 6 people, including

- Member John Rickard, who manages Apple's real estate projects in Santa Clara County, including the construction of its new "Spaceship" headquarters.
- Aquatics Director, Dana Kirk.
- Long-time member Bob Kamangar, who in addition to being a local realtor since 1996, has a General Contractor's license, has built spec homes in Los Altos Hills, and is familiar with the town's Planning Dept requirements.

- Long-time member Erika Ameri is a realtor, and along with Bob, the visionaries to create an aesthetic that attracts a growing member community.
- Architect Randy Popp <http://www.rp-arch.com/about/> who has 20+ years of residential and commercial experience, including the Oshman Jewish Community Center in Palo Alto. Randy and Whitehouse have previously collaborated on a number of projects.
- Board Member Mark Homan selected and leads this committee, at the request of the Board.

Q10: Why not simply remodel the existing structures?

A: This plan was devised to create more appeal for the *entire member community*, not merely freshen up surfaces for pool-users. More gathering areas with more elegant ambiance, more dining options, more amenities, plus a brand-new multi-purpose room for all fresco social events (movie night, cards, games, personal & club meetings), and fitness classes (yoga, pilates, zumba, ballroom dancing, salsa, tango, swing,). All decisions explicitly assessed cost vs. benefit. The remodel option was explored; remodeling is much riskier than new-build, in terms of both time and expense. The unanimous conclusion of all engineers (civil, structural, electrical, geotechnical) and tradesmen (masons, master carpenters & plumbers) who visited the site to prepare their bids, was that remodeling could not achieve our objectives for less cost than replacing the existing structure.

Q11: Where do swimmers go during construction?

A: The builder believes the construction site can be secured such that the pool will be able to continue to operate. The noisiest parts of the construction process will be done during the winter. If the city disallows this arrangement, we'll pursue arrangements with other local clubs.

Q12: How will this affect lifeguarding and water safety?

A: We will continue to have two towers, one shallow-end and another deep-end, from which lifeguards will monitor both the main pool and the children's pool through the Summer Season.

Q13: What are the financial implications of the project, if approved?

A: The equity value of the club increases by the construction value, [see below]. The club contributes \$250,000 from cash reserves and secures a \$1,600,000 loan, secured by the club's real estate deed, expecting to draw it down by \$1,300,000, leaving \$300,000 of buffer. The member community contributes [under review by the Board, due to material quoting mistake by the builder]. Annual operating expenses increase by ~\$80,000, including \$50,000 in property taxes, \$8,000 in insurance, and \$20,000 cleaning-&-maintenance labor. Monthly dues will not be raised to pay for this project but will be raised to cover increased costs of operation, as has been the practice in recent years. With inflation, this year's increase will be higher than in recent years. The amount has not yet been determined but will be announced before the Special Meeting.

Q14: How do we know that the construction bid was competitive?

A: The project was bid in 2020 to 3-4 builders, selected by member Wayne Neylan, himself a retired builder. Wayne recommended awarding the project to The Whitehouse Group and the Board at the time agreed. Subsequent scope revisions in 2021, based on member survey feedback, along with decisions taken to remove uncertainty, actually lowered costs. The

committee and Board reviewed Whitehouse's revised cost projections in detail, and concluded they are market competitive. Subsequent interviews with independent construction project managers confirmed costs are aggressive, but achievable, given the likelihood that material inflation subsides by fall 2023. The committee met several times with the firm's owner, Neil Whitehouse, and unanimously agreed he demonstrated high integrity, transparency, and competency.

Q15: How much is the assessment, and when is it due?

A: Within 90 days of a vote to approve, estimated [date TBD], [\$ amount under review by Board, due to material quoting mistake by the builder]. per membership (e.g. member smith-123, not per individual within a membership) is due. For a fee of \$400, memberships may pay 25% up-front, and the balance over 17 installments of [see above] (inclusive of fee), between March 2023 and Aug 2024.

Q16: Why is an assessment necessary?

A: The club's reserves are not sufficient to cover the entire cost, due to insufficient reserves collected in the 70 years since the original locker room was built. The club is contributing \$250,000 up-front and will re-pay the principal and interest over 15 years for a loan of up to \$1,600,000. Assessments have been infrequent at FHCC; the last two were:

- (2008) 14 years ago, \$2,700 to perform critical repairs and retire outstanding loans from 1994 improvements
- (1994) 28 years, \$2,200 for capital improvements

Q17: How much is this assessment relative to those from other clubs in the area?

A: Such information is typically closely held. We do know that Alpine Hills assessed its 700 memberships \$9.8M, at \$14K/membership to replace their clubhouse.

Q18: How will the assessment be administered?

A: By the club controller via your regular monthly membership invoice.

Q19: Why is the assessment due in December 2022 when construction does not start until Fall 2023? How will the funds be held, relative to those held to pay regular operating expenses?

A: In order for the bank to agree to release funds from the lending facility, they require that we've raised all the funds from members to complete the project. The funds will be held in the same club bank account that currently holds only the \$250,000 reserve, from which the club will contribute to this project, and our controller will track all inflows and outflows for the project, to enable the preparation of a full cash flow statement at any point, throughout the project.

Q20: What are the terms of the loan?

A: The institutions to whom we have bid have offered a \$1,600,000 loan, fixed-rate for 15 year term, established at execution, planned for shortly after the motion's passage. We plan to draw only \$1,300,000 of this loan, leaving \$300,000 in financing flexibility, should we exhaust our \$700,000 of contingency budget. It is notable that this will NOT be a construction loan, which typically restricts milestone payments, based on construction progress. We have planned for a 5% interest rate, which happens to match existing market rates, and results in \$118,000 of annual

debt service, including interest and principal. The loan will be secured by the club's real property.

Q21: What access will non-members have to the new facilities? Who will enforce the policy?

A: Non-members attending *lessons* will enter through the main lobby, because lessons are among the primary lead generation sources for new-members. So, we *want* them to experience the lobby, but they will not be allowed in the adult locker rooms. The vast majority of lesson clients are minors. Non-member *swim team* participants will enter through the emergency-exit gate (propped open by lifeguard staff before arrival/departure), between the locker room building and the playground. Non-members will have access to outdoor showers, 2 outside the family locker rooms, and 3 on the south-side, outside the relocated aquatics office. One exception are the 2-3 swim-meets per year hosting other local country clubs, where reciprocal access to the family locker rooms will be honored. The area is managed by the Director of Aquatics, Dana Kirk, who oversees a staff who are much more familiar with who are members and who aren't, than most members assume. Most often than not, longer-tenured members mistake new members for non-members.

Q22: How much MDA (paved area) and MFA (building interior area) will remain after the project is completed?

A: MDA = 1,533 sq-ft after constructing proposed 9,570 sq-ft. MFA = 50,000 sq-ft, after constructing proposed 6,500 ft expansion.

Q23: Does this mean that the upper parking lot will never be paved?

A: Not necessarily. The building committee has previous experience with permeable technology, that appears to the naked eye as pavement, but is exempted from MDA, because water drains through it, instead of into storm drains, at the rate required by municipalities. Sunnyvale and Cupertino have already exempted it from MDA. It's likely Los Altos Hills will too.

Q24: What happens for members who joined recently, just prior to the assessment?

A: The assessment is identical for all memberships, regardless of tenure, as required by California Corporations Code. The Membership Director has been transparent with prospective members, during club tours, regarding the plan to upgrade amenities since the committee was formed in 2021.

Q25: What happens for members who join shortly after the assessment?

A: The board plans to raise the floor-price of membership by the amount of the assessment, to reflect the equity value created by the planned improvements, effective the 1st of the month after the member vote. So, members joining after the effective date will pay the same assessment as more-tenured members. The Finance Committee will continue to evaluate the transfer price quarterly and recommend changes to respond to market conditions.

Q26: What happens to members who wish to put their membership on the for-sale list between the vote and the assessment due date?

A: Membership sales take place on the last day of the month, after the Board approves new member applications. Therefore, all memberships as of the 1st of the month in which the member vote takes place, will be subject to the assessment, if the motion passes. Members currently listing their membership for sale are encouraged to reconsider their asking price, given the plan to raise the floor-price.

Q27: Will proceeding with this project preclude other capital improvements?

A: The club's annual capital projects budget is planned to be ~\$300,000 after paying the debt-service for this project. This is sufficient to pay for incremental projects such as lighting the pickleball court, resurfacing (typically) two tennis courts per year, fixing failing systems and making minor improvements to the clubhouse. It will preclude other major capital projects until the \$1,600,000 debt obligation is retired or new assessments are approved by members for such projects.

Q28: How will the lobby work, with regards to hosting guests? Won't it be expensive to staff the lobby?

A: The lobby will not be staffed, except for big events and during the summer months by a member of the aquatics team, as is currently done on the pool deck. Instead, an iPad kiosk will enable members to sign in their guests, and a phone will be available, should guests wish to call the office. All doors will also be wired for key-fob security control, although not activated until/unless the board decides to tighten access to the grounds.

Q29: What will be the operating schedule for poolside dining? How will that affect the clubhouse dining schedule? How is it cost effective to operate two separate dining areas?

A: The plan is to operate poolside dining 7 months of the year, Mar 1 to Sep 30th, from noon to 7pm on weekends, and weekdays between Memorial Day and Labor Day. This schedule extends the historical grill operating hours by 4 months: 3 in the spring plus 1 in the fall. Built-in heaters enable this. Actual member demand will determine whether this schedule expands or contracts. Chef and the new Food & Beverage manager, Chris Edmonds, have designed a low fixed-cost, low-labor, staffing model: walk-up ordering and self-serve pick-up, to enable the restaurant to break even, and flex quickly to rising or falling demand. The clubhouse dining room operating hours will remain unchanged.

Q30: What will be the policy on the cabanas?

A: Minors under the age of 18 must be accompanied by a parent or guardian. Reservations will be required on weekends.

Q31: Why so many fire pits, and how will they be operated safely, with so many children around?

A: The fire pits are primarily to extend the shoulder seasons, when the days are shorter. User-activated timers would control on/off, much like resort hot-tubs. The idea is to create inviting spaces for non-swimmers to congregate, and meet one another, by creating attractive ambiance via lighting, a la fire. Where the dining pavilion will be a mix of dining and lounge area, the cabanas can be arranged exclusively as lounge areas, providing spaces where members and their guests can adjourn, to continue socializing with cocktails, long after the meal concludes.

Q32: What will be the policy on family locker rooms?

A: Oftentimes, minor children are chaperoned by a parent/guardian/care giver of the opposite gender. For example, fathers with daughters, mothers with sons. The family locker room is primarily to serve these situations. Minors under the age of 8 *must* be accompanied by parents/guardians/care givers. Minors between the ages of 8-17 may enter unaccompanied.

Q33: What will be the policy on the adult locker rooms?

A: The women's and men's locker rooms will have higher-end finishes than the family lockers. They may be more susceptible to damage, negligence, or abuse by unsupervised minors. Minors under the age of 18 will not allowed.

Q34: What will be the policy on the saunas?

A: Adults only. Minors under the age of 18 are not allowed in the adult locker rooms, where the saunas are located, thus not allowed in the saunas.

Q35: What is the plan for the lawn surrounding the pool?

A: Bay Area municipalities are requiring significant water usage reductions, through threat of fine, to meet the drought challenge facing much of the state. We expect the city to require us to remove grass, in order to obtain a building permit. The cabanas will replace much of the grass on the east side of the pool. We are waiting to hear the city's proposal before deciding what to do about the grass on the west side of the pool, since that open space is used by the popular summer camps.

Q36: How do I vote? What if I can't attend in-person?

A: Attend in person [date TBD] at 7pm at the club, or appoint the current President of the Board of Directors as your proxy. Complete the proxy statement here, sign, date, and deliver.

Delivery options

- A) Drop your proxy in a collection box in the lower lobby of the clubhouse, marked to the attention of Board Secretary, no later than 5pm [date TBD], 2022.
- B) Mail your proxy to Fremont Hills Country Club at 12889 Viscaino Place, Los Altos Hills, CA 94022, attention Board Secretary, ensuring mail delivery on or prior to 5pm [date TBD], 2022.

If you deliver a proxy, but end up attending in person, you will have an opportunity to vote on the motion in person and thus, your proxy becomes null and void.

Q37: Who will count the vote?

A: The Board has appointed three inspectors, Board Secretary Donna Raynor, controller Lily McIntyre, and a member of the Finance Committee.

Q38: Will locker room amenities include towels?

A: We will plumb for a washer and dryer, in the event that the club decides to offer towel service in the future.

Q39: What about a hot tub?

A: A hot tub is not currently in the plan or budget, due to high operation costs and safety concerns. Based on member feedback, the committee is researching the implications of adding a hot tub to the plan. We are obtaining bids from pool contractors and determining location options. More information will be provided as it becomes available.