



Durham Park Association

Pool Maintenance Cost Summary

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Maintenance
Durham Park Association
8/15/2014

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Purpose

Durham Park Association has a community swimming pool that has recently undergone extensive repair/refinishing. The pool refinishing project included removing the old pool liner and replacing it with new plaster. This new plaster cannot be left exposed to the elements, therefore the pool must remain filled with water at all times. Additionally, this plaster can become stained and otherwise damaged by naturally occurring algae's, debris or other foreign materials that may enter the pool if left without maintenance, so the water in the pool must be maintained in proper chemical balance to insure the maximum life of the asset. Finally, the warranty of the work requires that the pool be filled with water at all times.



Our Pool is a valuable asset

Because of this, there are new budgetary requirements that extend beyond the off season. The purpose of this report is to describe the maintenance requirements fully and recommend an adequate budget plan to provide for ongoing maintenance requirements for the pool to guarantee the maximum life span of this valuable asset.

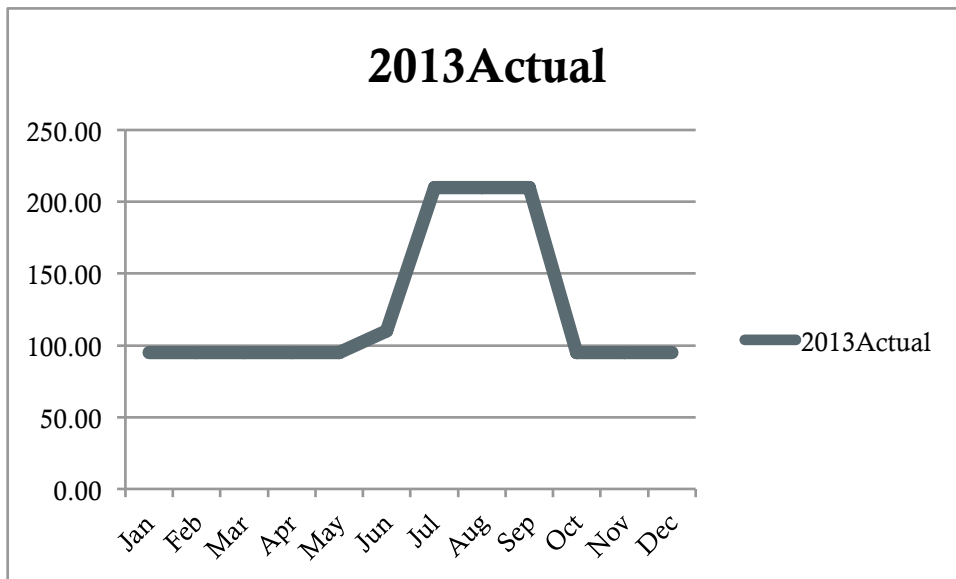
History

Historically, the pool was filled, and maintained only during the "Pool Season" generally the months of June, July and August. At the conclusion of the Pool Season (typically Labor Day), the pool was drained and left exposed to the elements, until the following year, at the beginning of the next Pool Season when the cycle was repeated. During the off season, the pumps, filters, pipes and pool was drained, the power was disconnected, and the pool went maintenance and cost free.

The historical annual Pool Budget is approximately \$2000.00 and included Maintenance, Electricity, repairs and etc. Historically, the budget contained a gross markup of the annual costs for the pool; there was very little detail or monthly breakdown of these costs. As a result, for new budget purposes, “Actual Costs” have been factored in as historical budget amounts notwithstanding the budgeted amount. **For the purposes of further budgeting, new cost estimates have been added to historical actuals and are then presented as new budget requirements.**

NEED

The pool must remain filled all twelve months of the year. As a result there are ongoing maintenance costs for each of the 12 months in the fiscal year. Our historical budget of \$2000 will not cover the added expenses of maintaining the pool over 12 months. Consider the following chart, showing the annual pool expenditures (actual) for fiscal 2013.



While there are maintenance and other incurred costs during the off season (water, electricity) the bulk of the expenses occur during the pool season and rise to nearly double the baseline shown for off-season expenditures. The increase over the baseline is largely due to an increase of electricity costs/use and water supplies.

The pool now needs extended maintenance, electricity and water during the off season, and there are external factors that must be considered when developing budgetary guidelines. For example, there is nearby vegetation (OAK and ELM Trees) that shed their leaves at

specific times during the year, and this debris gets into the pool and requires extra maintenance to address. Furthermore, the actual load on the pool is lower during the off season (as there is no pool use during this time), but because there are fewer people in the park, it requires a more concentrated effort to inspect it, as there are fewer occasions when a casual observer (a resident) may discover an issue and report it. Therefore, while the use is down, the inspection cycle must increase.

These maintenance increases are due to the following factors:

- Increased maintenance visits where the pool is cleaned and chemicals are balanced
- Increased inspection visits where the pool is inspected for signs of issues
- Increased electricity costs since the pool support equipment (pumps, filters, etc) are now in use throughout the year
- Increased water costs since the pool must remain filled to capacity throughout the year

COSTS

Maintenance:

The pool is maintained on a “Per Visit” basis. The cost of each visit is \$50.00, and includes all chemicals and labor needed to keep the pool clean, the chemicals well balanced and performance of basic equipment checks and casual maintenance such as cleaning filters, flushing, and the like. It does not include parts or needed repairs. Historically, the vendor has performed these maintenance visits gratis, at the frequency of once per week (during the pool season) and not at all during the off season.

Inspection Visits are calculated at the rate of \$1.00 each.. Inspection visits have no historical precedent for costs; and the amount is simply a guess that is > zero. The author has no experience or other information available to accurately represent the costs of inspection visits, but assumes that some small stipend must be included as part of the budget cycle.

Additional Fixed Costs:

Additional fixed costs are calculated using the baseline of \$210.00 per month, and subtracting the previous budget allocation. In this way, additional fixed costs (electricity and water) are estimated to be the same as the current highs during use. In practical application the off season usage of water and electricity will be reduced, but until we have a practical season of experience, the actual reduction from the baseline due to restricted use and other

external factors cannot be accurately represented. Therefore it is represented as \$210/month and will be reduced in the future once standard baselines have been established.

Water: The water use is seasonal and is affected by such things as use and evaporation, but is extrapolated from historical data. Actual usage should be reflected in a budget reduction once standard baselines have been established.

Electricity: The forecast use is seasonal and is affected by such things as use and duty-cycle, but is extrapolated from historical data. Actual usage should be reflected in a budget reduction once standard baselines have been established.

Insurance: Not factored into the budget, as historically is a separate line-item.

Other costs: Not factored into the budget, as historically is a separate item that was expensed as occurred.

Re-factored budget

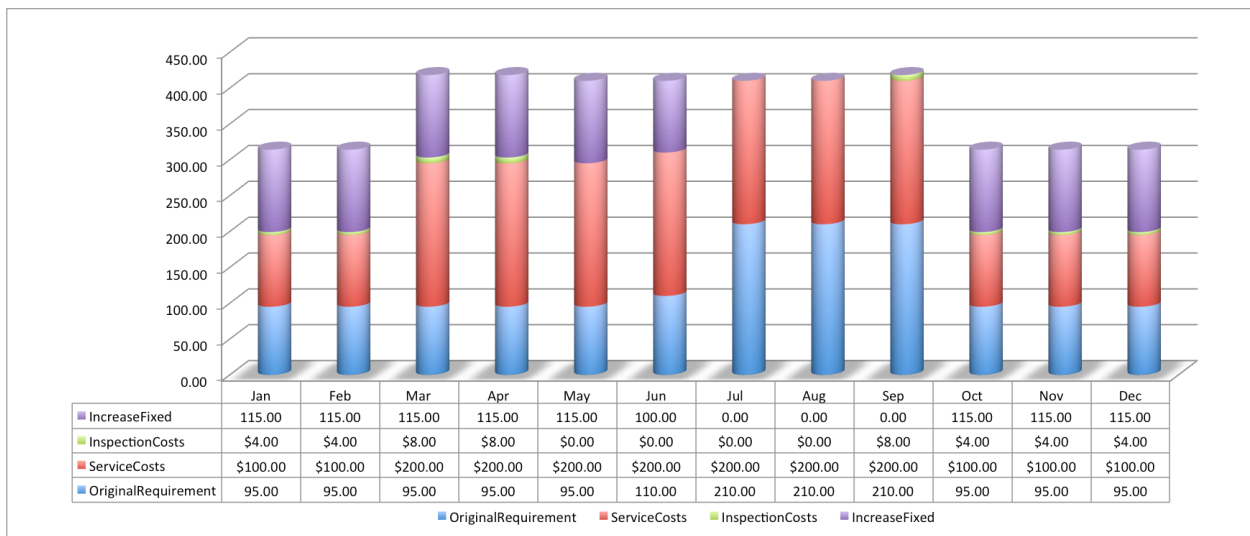
The following chart shows the budget increases, detailing the New Requirements, Increases in Fixed costs and the New Monthly Requirements.

	Service Costs	inspection Costs	NEW Additional Monthly Budget Requirement	Add Historical Fixed Costs*	NEW Projected Increase in Fixed Costs	NEW Total Monthly Budget Requirement
Jan	\$100.00	\$4.00	\$104.00	95.00	115.00	314.00
Feb	\$100.00	\$4.00	\$104.00	95.00	115.00	314.00
Mar	\$200.00	\$8.00	\$208.00	95.00	115.00	418.00
Apr	\$200.00	\$8.00	\$208.00	95.00	115.00	418.00
May	\$200.00	\$0.00	\$200.00	95.00	115.00	410.00
Jun	\$200.00	\$0.00	\$200.00	110.00	100.00	410.00
Jul	\$200.00	\$0.00	\$200.00	210.00	0.00	410.00
Aug	\$200.00	\$0.00	\$200.00	210.00	0.00	410.00
Sep	\$200.00	\$8.00	\$208.00	210.00	0.00	418.00
Oct	\$100.00	\$4.00	\$104.00	95.00	115.00	314.00
Nov	\$100.00	\$4.00	\$104.00	95.00	115.00	314.00
Dec	\$100.00	\$4.00	\$104.00	95.00	115.00	314.00

The Maintenance visits are calculated at the quoted rate of \$50.00 each. Inspection visits are calculated at the rate of \$1.00 each. It is important to note that during periods of heavy load (March, April, September) there is an increased need for inspections and maintenance. This is largely due to the increased presence of vegetation from nearby trees.

The following chart shows the new costs, associated with the historical actuals, showing the new requirement: As one can see the requirement has roughly doubled every month, increasing the need from \$1500.00 to \$4464.00 annually. The monthly has increased from a low of \$95.00 to 314.00 month, and a high of 210/Month to 410/month. The most significant factors are the service charges and the increased fixed costs during the off season. I would expect the fixed costs to reduce 30-50% over time during the off season, but once again, until a realistic baseline is established, it is impossible to say.

Current Budget plus new needs



Note the following increases:

- Maintenance visits increase from \$0/annually to \$1900 annually
- Fixed costs increase from \$1500/annually to \$2500/annually
- Inspection costs are insignificant.
- Overall costs increase from \$1500/ annually to \$4500 /annually, representing an increase of \$3000 .
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Summary:

The Peaks have been caring for our community pool gratis for more than 20 years. While this outstanding donation has been welcomed and appreciated, their services have historically only been through the Pool Season, as such there was/is no historical precedent for off-season service

The Peaks have no requirement nor obligation to continue to donating their services to the pool in any season.

The pool now requires servicing through the off season, and the Peaks are unable to donate these services to the community

The board must determine needs and budget for actual costs year round for pool maintenance

The board cannot count on the generosity of the Peaks to continue, and thus should budget for and save for actual expenses as needed due to the new requirement for the pool maintenance.

The budget amounts are calculated based on the recommendations of pool maintenance experts.

Recommendation

The budget amounts are calculated using both historical data and estimates as supplied by Twin Peaks Pool Services. We must take into account the balance of this year (September – December) the added maintenance requirements that were not budgeted for, *therefore we should vote on an emergency funding plan for the balance of fiscal 2014*

The budget for fiscal 2015 is inadequate to cover costs as are to be expected, *therefore we should agree to plan for the budget requirements in fiscal 2015 and forward.*

Respectfully

Jerry Parker

Virginia Malone

8/15/2014

