



## **AGENDA**

### **BOARD OF DIRECTORS WORK SESSION**

Wednesday, May 18, 2022, 2:00pm  
WC Auditorium / Zoom

**Directors:** Kathi Bachelor (President), Donna Coon (Vice President), Bart Hillyer (Secretary), Carol Crothers (Treasurer), Laurel Dean (Assistant Secretary), Jim Carden (Assistant Treasurer), Nancy Austin, Barbara Blake, Ted Boyett, Beth Dingman, Steve Gilbert, Bev Lawless, Scott Somers (non-voting)

#### **AGENDA TOPIC**

- ~~1. Parliamentarian Presentation (Joe Theobald)~~
2. Update on Facility Efficiency Improvements and Discussion on Potential Art Center (Somers)
3. Board Participation on Committees: Attendee or Panelist (Boyett)
4. **Information Only:** Employee Vehicle Usage vs. Fleet (Jund/Webster)

#### **Adjournment**





**Green Valley Recreation, Inc.**  
**Board of Directors Work Session**  
**Facility Efficiency Improvements**

**Prepared By:** Scott Somers, CEO

**Meeting Date:** May 18, 2022

**Presented By:** Scott Somers, CEO

**Consent Agenda:** NA

<p><b>Originating Committee / Department:</b>                  Planning &amp; Evaluation Committee / Staff</p>
<p><b>Action Requested:</b>                  Review and discuss concept drawings and cost estimates associated with a potential Arts Center at West Center and discuss how best to move forward.</p>
<p><b>Strategic Plan Goal #1:</b>                  Provide excellent facilities for members to participate in a variety of active and social opportunities</p>
<p><b>Background Justification:</b>                  On December 6, 2021, staff presented a Planning and Evaluation Committee (P&amp;E) recommendation of what is considered “Plan A” (12/6/21 staff report is attached). At the Board of Director’s December 15, 2021, regular meeting, the Board directed staff to pursue Plan A Phase I design services for an Arts Center at West Center and a fitness center expansion at the Desert Hills Center shuffleboard location (12/15/21 staff report is attached).                   Since then, WSM, the architectural firm performing Phase 1 design services, completed concept drawings for the expanded Desert Hills Fitness Center and is preparing construction drawings which will be included in a request for proposals (RFP) and circulated to the market in May with the goal of recommending an award of contract to the Board on June 22, 2022.                   WSM has also completed concept drawings and cost estimates for an Arts Center at West Center. Since staff has been researching options for utilizing facilities more efficiently, a pared down version of an Arts Center may be possible. A smaller version could potentially house the Lapidary Club and the Metal Arts Club, while the larger version could potentially house the Lapidary Club, Metal Arts Club, and the Glass Arts Club.                   WSM has provided two alternatives for an Arts Center. Both alternatives utilize the existing footprint of the West Center shuffleboard court.</p> <ol style="list-style-type: none"> <li>1. A single story 9,900 sq ft facility at an estimated cost between \$2.7 – 3.2 million</li> <li>2. A two story 15,000 sq ft facility at an estimated cost between \$4.3 – 5.0 million</li> </ol>

When staff presented Plan A to the Board in December, it was anticipated that a loan would be needed to build an Arts Center. While a loan may still be an option, it remains to be seen as to whether the GVR membership would support the use of debt financing for this endeavor. The GVR Bylaws require an affirmative vote of the votes cast by members when “any contract that requires an annual payment that exceeds ten percent (10%) of the annual budget.” The 2022 Approved Budget has an Operating Budget of \$11.2 million and a Total Budget (including Capital) of \$14.4 million. It remains debatable as to whether the 10% threshold requirement applies to the Operating Budget or the Total Budget. That said, annual contract payments for this project must not exceed between \$1.12 million and \$1.44 million, unless approved by the voting members. It may be possible to phase this project over multiple years to ensure that the voting requirement threshold is not triggered. Alternatively, the Board could place a question on the next ballot asking members if they support exceeding the 10% threshold to fund this project.

**Fiscal Impact:**

This will vary depending upon the size of the building needed for an Arts Center and upon whether or not debt financing is used to pay for the project.

**Board Options:**

Review and discuss concept drawings and cost estimates associated with a potential Arts Center at West Center and discuss how best to move forward.

**Staff Recommendation:**

NA

**Recommended Motion:**

NA

**Attachments:**

12/6/21 staff report  
12/15/21 staff report  
Concept illustration



Green Valley Recreation, Inc.  
Board of Directors Work Session

**Prepared By:** David Jund, Facilities Director    **Meeting Date:** December 6, 2021

**Presented By:** David Jund, Facilities Director    **Consent Agenda:** No

**Originating Committee / Department:** Planning & Evaluation Committee/ Staff

**Action Requested:** Review and discuss the Planning and Evaluation Committee's recommendation of Plan A as submitted by staff to the Committee on 12/2/2021.

**Strategic Plan Focus Area:** Goal #1

**Background Justification:**

Tasked with finding potential options for a permanent dedicated location for the GVR Glass Artists Club as well as resolving long standing space constraints being felt by numerous other clubs and activity specific rooms, staff and the P&E Committee began exploring possible solutions. At the Board of Directors meeting on July 28, 2021, a pause in proceeding with construction at the Canoa Hills Clubhouse as the future home for the Glass Artists Club and new home for the Ceramics Club was recommended in order to give the Board and staff time to review alternative concepts.

Over the ensuing 4 months, staff reviewed the 10yr. Strategic Master Plan, previous capital plans, club requests, and construction histories of each GVR facility. Underutilized spaces throughout GVR were also explored as areas for potential repurposing to accommodate needs for clubs and the general membership.

The primary dedicated space clubs that have been experiencing space constraints are Glass, Lapidary, Ceramics and Metal Arts. The idea of incorporating a consolidation of the 3 Lapidary studios into one studio has been on several capital plans, including the 10yr. Strategic Master Plan. The consolidation of Lapidary creates a critical path that frees up 5 rooms of a

combined 4000 square feet of space to be repurposed for member-use classroom/meeting rooms.

As concepts began to develop, the idea of an industrial arts complex at West Center that could not only take on a consolidation of Lapidary but also other similar forms of hobby shops and studios on one campus began to take shape. This idea had been mentioned in the 10yr. Strategic Master Plan and has been discussed at P&E over recent years.

The development of social gathering spaces has also been identified in several capital plans, surveys and at the P&E committee level since 2016 as important for GVR members.

Two primary underutilized spaces, the shuffleboard courts at Desert Hills and West Center were considered as spaces with great potential to be repurposed. The Desert Hills Fitness Center had been identified by past P&E committees for expansion and relocation onto the center's shuffleboard courts. With the Woodworkers, the Artisans' Shop, one Lapidary Studio and the kilns and store of the Glass Artists Club currently on the West Center campus, staff began looking at the repurposing of the shuffleboard courts as a location for a large industrial arts complex that could house a dedicated studio/classroom space for Glass Artists, consolidated Lapidary Studio and an expanded Metals Arts Club.

Meetings were conducted with leadership of several clubs, users of fitness centers, P&E Chair Boyett and staff to discuss current and future space needs. Development of two plans, A & B, showing options for finding a dedicated space for Glass Artists Club and expansion of Ceramics began.

Plan A identifies a West Center industrial arts complex, expansion of Ceramics and the Artisans' Shop, expanding the Desert Hills Fitness Center, and social gathering spaces to be developed. Plan A has a critical path freeing up spaces that can positively impact a significant number of members.

Plan B has no critical path but does provide a home for the Glass Artists Club at the Canoa Hills Clubhouse and a smaller scale expansion of Ceramics at Desert Hills or a potential move to Santa Rita Springs.

Both plans show an expansion of a Desert Hills fitness center.

**Fiscal Impact:**

Plan A is projected as a 2-year project with costs estimated at \$3,275,000 in year one (2022) and \$3,050,000 in costs the following year. This project is expected to require debt financing to reach the final product.

Plan B is also projected as a 2-year project with costs estimated at \$2,136,000 in year one (2022) and \$300,000 in costs the following year. This plan requires no debt financing to be accomplished.

**Board Options:**

The Board of Directors are asked to review Plan A and provide direction to the P&E Committee and staff on moving forward, with potential adoption of a plan at the Board's December 15<sup>th</sup> Regular meeting.

**Staff Recommendation:**

NA

**Recommended Motion:**

NA

**Attachments:**

- Facilities Survey – Preliminary Results
- Plan A and B “Bubbles”
- Plan A & B Cash Flow







Green Valley Recreation, Inc.  
Board of Directors

**Prepared By:** David Jund, Facilities Director    **Meeting Date:** December 15, 2021

**Presented By:** David Jund, Facilities Director    **Consent Agenda:** No

**Originating Committee / Department:** Planning & Evaluation Committee/ Staff

**Action Requested:** At a cost not to exceed \$50,000, direct staff to pursue the recommendation made by the P & E Committee to pursue the Plan A capital plan, as presented and attached, which includes Phase 1 design services for an Arts Center at West Center and a fitness center expansion at the Desert Hills Center shuffleboard location, with the understanding that staff will present the results of the Phase 1 design to the Board once completed, at which time, the Board will provide direction to staff on how and if to proceed.

**Strategic Plan Goal #1:** Provide excellent facilities for members to participate in a variety of active and social opportunities.

**Background Justification:**

Based on details presented to the Board of Director’s at the December 6, 2021 work session, the Board is being asked to direct staff to move forward with Phase 1 design services of an Arts Center at West Center and a fitness center expansion at the Desert Hills Center.

Phase 1 Design services include:

- Program/scope confirmation
- Building concepts (conceptual/schematic)
- Construction cost estimates
- Establish a Total Project Budget
- Schedule, etc.

**Fiscal Impact:**

A cost not to exceed \$50,000 from the Initiatives Fund. With approval and directive from the Board to proceed, staff will reach out to a preferred architectural firm to obtain a fee for Phase 1 design services.

**Board Options:**

1. Pursue Plan A as recommended by the P & E Committee
2. Pursue Plan B.
3. Provide alternative direction to staff.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

*I move to direct staff to pursue the recommendation made by the P & E Committee to pursue the Plan A capital plan, as presented and attached, which includes Phase 1 design services, the costs of which shall not exceed \$50,000, for an Arts Center at West Center and a fitness center expansion at the Desert Hills Center shuffleboard location, with the understanding that staff will present the results of the Phase 1 design to the Board once completed, at which time, the Board will provide direction to staff on how and if to proceed.*

**Attachments:**

- Facilities survey results
- Plan A and Plan B illustration map
- Capital Plans for A and B



## Facilities Organization Options Survey

Over the late summer and fall of 2021, staff and the GVR Planning and Evaluation Committee (P&E) developed a number of facility use options intended to address the membership's recreation facility priorities. When the Canoa Hills Clubhouse purchase was completed, and preliminary plans for the building were estimated to cost nearly \$2 million, staff and P&E put the plan on hold to see if other options could accommodate the clubs in need of space, while increasing the number of members who would benefit from a multi-million dollar investment.

Based on the results of the 2018 member survey, which mirrored the member feedback gathered during master planning in 2016, GVR members most want:

1. Improved fitness facilities
2. Improved spaces for cramped clubs
3. Social gathering spaces
4. Walking paths and natural areas (since provided by Pima County at the Historic Canoa Ranch and the Canoa Hills Trails Park)

Several clubs, meanwhile, are in need of space with some needs being urgent. As a point of interest, since this survey was published, the Glass Arts Club has endorsed a plan to occupy an industrial arts complex at West Center, should that be built in a timely fashion.

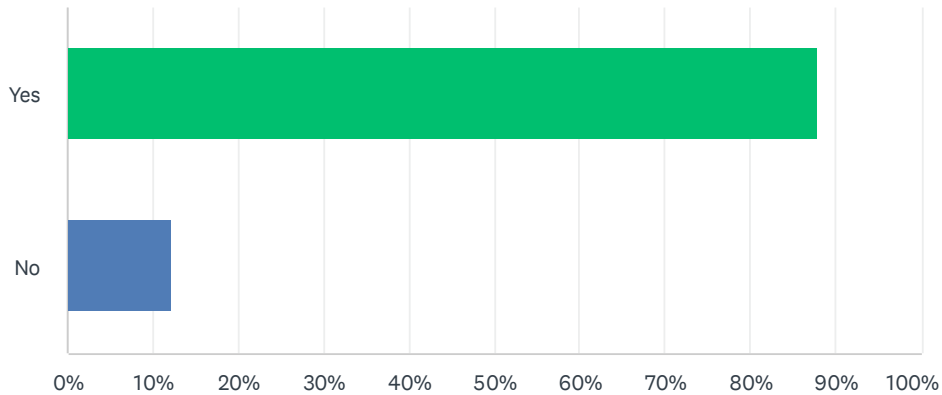
The Planning and Evaluation Committee asked members to provide them with a little direction via the informal survey below. It was distributed via eblast, posted on the GVRRec.org homepage and lobby computers, and both digital and paper posters invited members to participate. The survey was completed by 949 people between November 19 and December 6.

The first question asking for the respondent's member number has been omitted.



Q2 The shuffleboard courts at Desert Hills have been essentially defunct for several years with no ill effect on the Shuffleboard Club. Do you support providing improved fitness facilities by creating an updated and expanded fitness center in that space, replacing the current cramped fitness centers at Desert Hills and Canoa Hills (combined average of 5273 uses per month in season)?\*\*

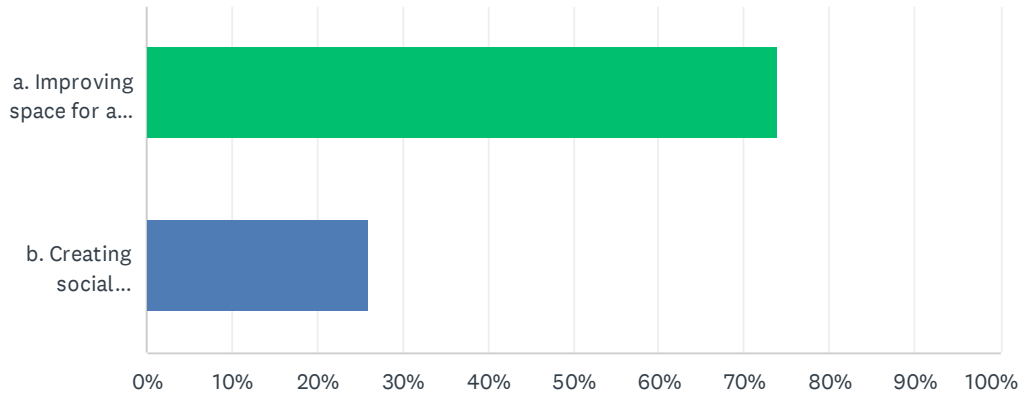
Answered: 927 Skipped: 22



ANSWER CHOICES	RESPONSES	
Yes	87.92%	815
No	12.08%	112
TOTAL		927

### Q3 The Canoa Hills Clubhouse includes a 4,000 square foot lower level. Which option do you prefer?

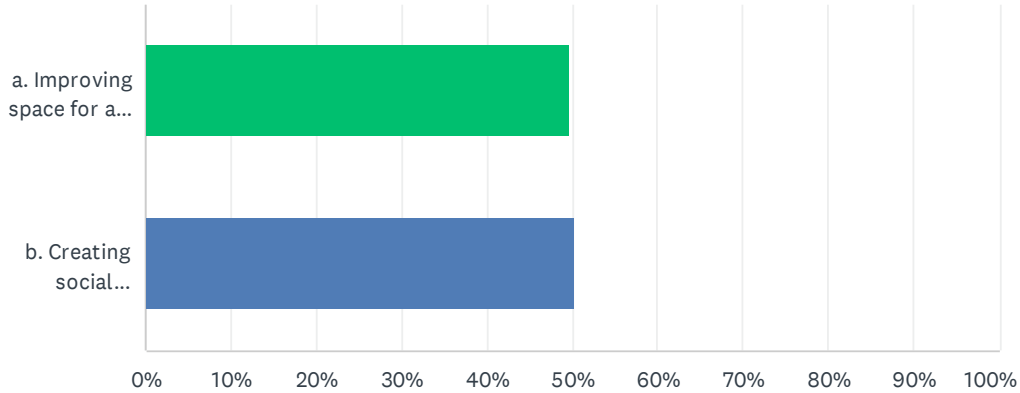
Answered: 897 Skipped: 52



ANSWER CHOICES	RESPONSES
a. Improving space for a cramped club by renovating the lower level into dedicated space for the Glass Arts Club which is now working out of the meeting space at Abrego North and storing their tools and materials in a shed in the parking lot between sessions.	74.02% 664
b. Creating social gathering space by renovating the lower level into a game room to house the Billiards Club, Men's Poker Club, and any of the general membership wishing to get together for cards or other tabletop games. ****	25.98% 233
TOTAL	897

Q4 The Canoa Hills Clubhouse also has a top floor overlooking the Canoa Hills Trails Park. It was previously split between a café/bar and a pro shop with offices. Which option do you prefer?

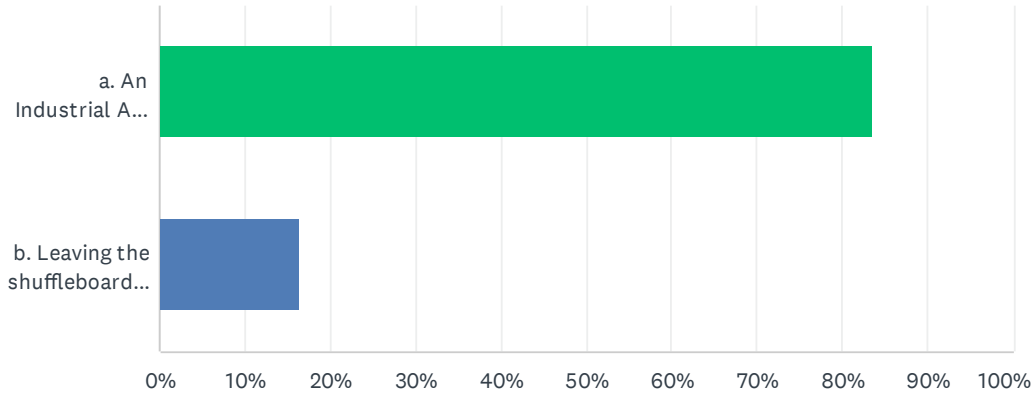
Answered: 911 Skipped: 38



ANSWER CHOICES	RESPONSES
a. Improving space for a cramped club by renovating the top floor for an expanded Ceramics Club studio.*	49.73% 453
b. Creating social gathering space for the general membership on the top floor, featuring (leased) café or pub space with pool and card tables, darts, dance floor, etc.	50.27% 458
TOTAL	911

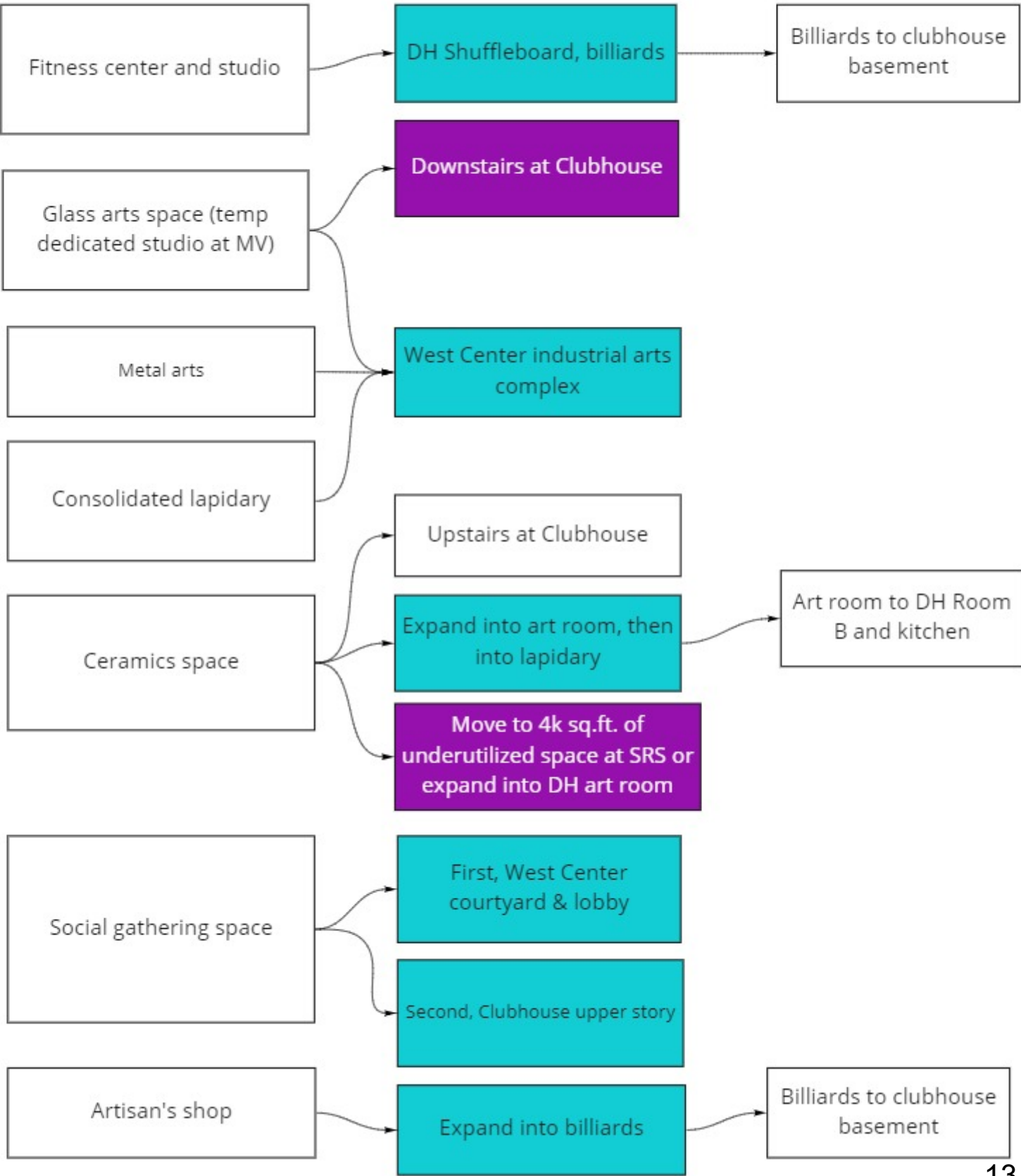
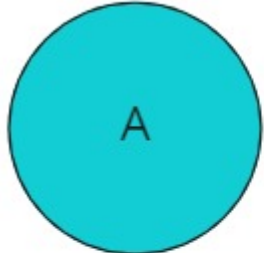
Q5 The shuffleboard courts at West Center are underutilized. GVR plans to enhance the shuffleboard courts at Abrego South with picnic areas and restrooms, then shift club play to the enhanced facility. Would you prefer to see the West Center shuffleboard courts then repurposed for...

Answered: 899 Skipped: 50



ANSWER CHOICES	RESPONSES
a. An Industrial Arts Center with space for a consolidated Lapidary and Silversmithing shop, a Glass Arts studio, and a Metal Arts shop, to complement the existing Woodworking shop (which could expand into existing lapidary) and the Artisan's Shop?****	83.65% 752
b. Leaving the shuffleboard courts as is?	16.35% 147
TOTAL	899





Long Term Capital Funding Projection

Funding Projections

PLAN A WITH FINANCING

All Amounts Are Projections

	2022	2023	2024	2025	2026
<b>Initiatives</b>					
Beginning Balance	\$ 2,173,284	\$ 1,997,633	\$ 1,121,846	\$ 928,134	\$ 937,617
Funding From Operations Revenue	\$ 611,752	\$ 534,316	\$ 555,820	\$ 564,237	\$ 578,830
Additional GVR Funding (EMR Fund Trans.)	\$ 600,000				
Projected Surplus	\$ 190,000				
Debt Service: Loan Proceeds (20 yr., 3%)	\$ 2,000,000	\$ 2,000,000			
Debt Service: Annual Payments (20 yr., 3%)	\$ (85,356)	\$ (237,569)	\$ (253,832)	\$ (253,832)	\$ (253,832)
Transfer to MRR-B for EC Pool					
Net Investment Earnings	\$ 63,953	\$ 38,465	\$ 65,301	\$ 60,079	\$ 63,829
<b>Projects:</b>					
Clay Studio Expansion					
Canoa Hills Club House & Pk Lot	\$ (50,000)	\$ (150,000)	\$ (550,000)	\$ (350,000)	
Canoa Hill Note Payment	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
East Center Pool Replacement					
PBC Shade Structure					
Abrego So. Field House & Shuffle	\$ (125,000)				
West Center Arts Complex - 17.5K Sq Ft	\$ (2,750,000)	\$ (2,750,000)			
Social Gathering Place	\$ (95,000)				
Desert Hills Fitness Expansion	\$ (300,000)	\$ (300,000)			
EC Art Classroom expansion					\$ (35,000)
Woodshop Expands into Lapidary					\$ (50,000)
Expand Ceramics into Lapidary at DH	\$ (130,000)				\$ (50,000)
LC Third Tennis Court					\$ (120,000)
<b>Potential Projects</b>	\$ (95,000)	\$ -			
GVR Dog Park				\$ -	
LC - Fitness Room Expansion				\$ -	
<b>Ending Balance</b>	\$ 1,997,633	\$ 1,121,846	\$ 928,134	\$ 937,617	\$ 1,060,443

GVR Budget Worksheet with EMR 600K (B)  
GVR

## Long Term Capital Funding Projection

## Funding Projections

## PLAN B WITH NO FINANCING

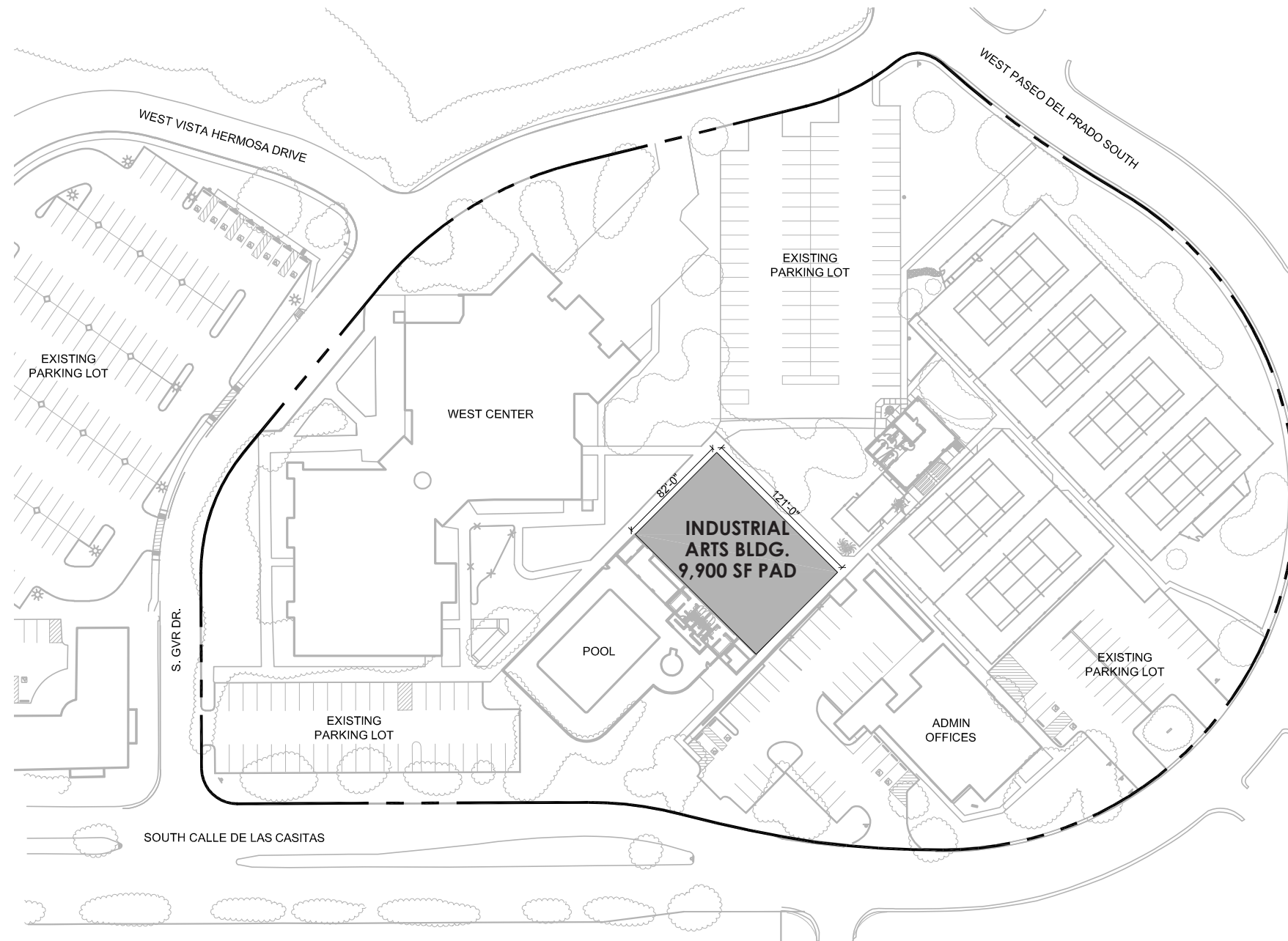
All Amounts Are Projections

	2022	2023	2024	2025	2026
<b>Initiatives</b>					
Beginning Balance	\$ 2,173,284	\$ 1,317,995	\$ 1,624,722	\$ 2,280,226	\$ 2,982,637
Funding From Operations Revenue	\$ 611,752	\$ 534,316	\$ 555,820	\$ 564,237	\$ 578,830
Additional GVR Funding (EMR Transfer)	\$ 600,000				
Surplus Projected	\$ 190,000				
Transfer to MRR-B for EC Pool					
Net Investment Earnings	\$ 98,959	\$ 83,410	\$ 110,684	\$ 149,174	\$ 185,913
<b>Projects:</b>					
Clay Studio Expansion					
Canoa Hills Club House Glass Arts '22	\$ (1,600,000)				
Canoa Hill Note Payment	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (1,000)
East Center Pool Replacement					
PBC Shade Structure					
Abrego So. Field House & Shuffle	\$ (125,000)				
West Center Arts Complex	\$ -	\$ -	\$ -		
Social Gathering Place	\$ (95,000)				
Desert Hills Fitness Expansion	\$ (300,000)	\$ (300,000)			
EC Art Classroom expansion					\$ (35,000)
Expand Ceramics into Lapidary at DH	\$ (130,000)				\$ (15,000)
LC Third Tennis Court					\$ (120,000)
<b>Potential Projects</b>					
GVR Dog Park	\$ (95,000)	\$ -			
LC - Fitness Room Expansion				\$ -	
<b>Ending Balance</b>	<b>\$ 1,317,995</b>	<b>\$ 1,624,722</b>	<b>\$ 2,280,226</b>	<b>\$ 2,982,637</b>	<b>\$ 3,576,379</b>



# WEST CENTER INDUSTRIAL ARTS

This study explores a new building on the site of the existing shuffleboard courts at West Center. Both one-story and two-story options were examined. Shown here is the single-story option with a 9,900 SF new building footprint. The new proposed stucco-on-frame construction building would be located adjacent to the existing pool locker rooms on the north. The building concept is to incorporate flexible studios within a basic building shell. Included in the program are a dedicated metalsmith shop, lapidary studio, two flexible multi-purpose studio work-shops, kiln and saw shop rooms and associated club storage. The program spaces are organized around a central monitoring and club retail space that could also be used for social gatherings and artistic collaborations.



VIEW APPROACHING BUILDING FROM SOUTH SIDEWALK



VIEW OF NORTHWEST CORNER

1 WEST CENTER PARTIAL SITE PLAN  
SCALE: 1" = 100'-0"





# Fleet vs. Employee Vehicle Analysis

**INFORMATION ONLY**

The accommodations and amenities that Green Valley Recreation, Inc. (GVR) provide and are expected to provide require various types of equipment, center-to-center operations fluidity and customer service to operate.

GVR is expected to meet regional, state and federal standards. These expectations are monitored and enforced by entities known as Authorities Having Jurisdiction (AHJ). Examples of AHJs influencing GVR include, but are not limited to, Pima County Building Services, Pima County Health Department, Green Valley Fire District and regional utility corporations. Also, various Federal and national agencies such as the National Fire Protection Agency, Department of Justice (Americans with Disabilities Act), Department of Energy (Virginia Graham Baker Act) dictate how GVR has to operate. In order to meet standards, manage and maintain requirements handed down by AHJs, GVR must have the ability to confidently transport equipment, materials and supplies with very particular vehicles.

Maintaining these levels of service requires specific equipment, tools, materials and chemicals to be safely transported from location to location within and outside of Green Valley Recreation boundaries. Based on these specifics, GVR has, over time, brought in vehicles to meet these requirements and to provide safe transport of equipment, tools and personnel.

## **NUMBER OF GVR VEHICLES: 21**

- 8 light cargo vans assigned to Maintenance Techs, Custodial Supervisor and Lead Custodians
- 7 full-size trucks assigned to Electrician, Landscapers and Pool Operators
- 3 full-size cargo vans assigned to HVAC Technician, Painter/Maintenance Tech, and Aquatics Maintenance Tech
- 1 mid-size truck assigned to Sport Courts Maintenance Tech
- 1 hatchback assigned to Satellite Custodians
- 1 SUV assigned to COAs

## **NUMBER OF TOW-BEHIND EQUIPMENT: 4**

- 3 Tow-behind trailers
- Tree chipper/shredder

## **PRIMARY STAFF UTILIZING GVR VEHICLES: 39**

- 8 Maintenance (Facilities)
- 5 Aquatics (Facilities)
- 7 Landscaping (Facilities)
- 12 Custodial (Facilities)
- 7 COAs (Recreation)

## **PRIOR TO 2016 GVR HAD 15 VEHICLES**

In the years prior to 2016, GVR maintained a fleet of 13 -15 vehicles for the Maintenance, Landscaping, Custodial and Center Operations Assistant (COA) crews. Staff within these divisions that were not able to drive a “company” vehicle would use their own vehicle to transport tools, materials, chemicals and supplies.

In 2016, driven by the then COO & CEO, it was decided to move toward acquiring enough vehicles to be able to place those staff who daily transport tools, equipment, materials and chemicals in their personal vehicles into company-owned and maintained vehicles. An additional 5 vehicles were purchased in December of that year:

- 4 Full-size trucks
- 1 Hatchback

At this time, the Aquatics Operators were transporting daily 162lb. 15-gallon carboy drums of liquid chlorine and muriatic acid. Four (4) full-size trucks with lift gates were added to the fleet so that these drums could be transported, loaded and unloaded as safely as possible.

A hatchback was purchased for the satellite center custodians who had been using their own vehicles to transport cleaning chemicals, cases of paper products, laundry, and equipment between the satellite centers.

With the addition of the Pickleball Center, it was anticipated that staffing levels and the vehicle inventory may increase. As a result, a vehicle was budgeted and approved as part of the FY2019 Budget. An additional full-size truck was purchased in March 2019. This addition brought the total of GVR-owned vehicles to 21.



## **WHAT IS TRANSPORTED IN GVR VEHICLES AND HOW ARE THEY UTILIZED?**

### **Maintenance:**

- Refrigerants
- Chemicals (lubricants, plumbing solvents, paints, thinners)
- Hand and power tools
- Generators
- LP gas
- Power equipment
- Lighting and plumbing fixtures
- Sheet goods
- Long lengths of piping, tubing and conduit
- Pull tow-behind lifts and trailers
- Disposing of Woodshop sawdust

### **Aquatics:**

- Tools
- Liquid Chlorine
- Muriatic Acid
- Pool cleaning chemicals and water testing reagents
- Solvents and primers
- Pool heaters
- Pumps
- Motors
- Filters

### **Landscaping:**

- Gasoline powered tools
- Gasoline and oil
- Solvents and primers
- Heavy rental equipment

- Landscape debris
- Chairs, podiums and tables for events
- Tow-behind trailers
- Plants
- Pavers
- Safety barricades and traffic control cones
- Fitness equipment
- Bleachers
- Table tennis tables
- Tree shredder

### **Custodial**

- Cleaning chemicals
- Cases of paper products and supplies
- Laundry between centers
- Large floor maintenance equipment
- Center furniture and fixtures

### **COAs** (Recreation Department)

- Inner-office mail
- Monetary deposits
- Deliver boxes of course and A&E catalogues to centers
- The COAs travel between all centers to respond to incidents, provide security checks, post announcements, lightening response and assist with events

### **Tow-behind trailers** (Facilities)

- Mini-skid steer, compactor, scissor lift, Zero-turn lawnmower
- Gravel and soils
- Trees, plants and landscape materials
- Deliver surplus metals to recycling center
- Haul landscape debris to the landfill
- Transports tables, chairs, bleachers and canopies for special events
- Disposing of Woodshop filters

## **GVR VEHICLES AND THE MRR**

- All GVR vehicles are components in the Browning Reserve Study.
- Replacements are funded by the MRR Reserve.
- Vehicles are given 10 years of useful life in the MRR.

## **2021 REPLACEMENT VEHICLES**

- In 2021, 2 vehicles were identified for replacement in the MRR.
- Both vehicles that were replaced were 2011 full-size truck models.
- Over the 10 years that they were in service, the combined total of repairs and maintenance for both 2011 vehicles was \$28,000.
- No vehicles are identified for replacement in 2022.

## **ACCUMULATED MILEAGE FOR GVR VEHICLES FY2021**

In 2021, the accumulated miles for all GVR vehicles was: 281,468

## **REPAIR AND MAINTENANCE IN 2021**

Vehicle repair, maintenance and fuel for all GVR vehicles in 2021 was \$83,844 (including \$5407 in registrations)

## **USE OF NON-OWNED VEHICLES**

Non-owned autos are vehicles that a company does not own, including employees' vehicles that are used in connection with the business.

Any time an employee operates his or her own vehicle for corporate business, it is considered to be a “non-owned auto” exposure for the corporation. Although the corporation does not own the vehicle, the fact that the employee is operating the vehicle for business purposes puts the corporation at risk for non-owned auto liability.

## **NON-OWNED VEHICLES AND THEIR OPERATORS**

Generally, there is no guarantee that employees will maintain well-serviced and reliable personal vehicles. This can create uncertainty that tasks and operations will be carried out on time and as scheduled. Safe transport of certain items, as well as the employee themselves, from center to center may have an attached unpredictability.

Carrying and transporting equipment, tools and chemicals in non-owned vehicles does prove problematic. As some employees may comply with the transport of their own personal tools in their vehicles, the loading, storage and transport of large, bulky and potentially caustic items may not be

tolerable for them. Though mileage reimbursement is offered, this is likely more than the corporation can expect from employees being asked to utilize their personal vehicles.

When looking at recruiting an employee, ascertaining the make, model and reliability of their vehicle may also be problematic. There may not be a willingness to use their vehicle for required corporation duties such as hauling equipment, transporting paints/chemicals, etc. Maintaining a corporation requirement level of liability insurance may also prove less than palatable for potential new hires.

Internal controls can also be hard to confidently secure. With staff transporting materials, tools and supplies in their own vehicles there are plausible opportunities for loss.

## **NON-OWNED VEHICLE MILAGE REIMBURSEMENT**

Finance and Facilities staff performed a cost benefit analysis on 3 vehicles that could be considered to be transitioned out of the fleet into an employee owned vehicle that GVR reimburses.

### Example of COA Vehicle compared to utilizing non-owned vehicles

Vehicle purchased 9/10/2020 for \$28,687.

As of 4/11/2022, 62,748 miles have been driven. The average rate of mileage reimbursement over the past 19 months is \$.573/mile.

In 2021, this vehicle accumulated 39,637 miles. The reimbursement rate for FY2021 was \$.560/mile.

Had the 7 staff assigned to this vehicle driven the collective 39,637 miles in FY2021, the reimbursement would have been \$22,197. Over a 19-month period of ownership \$35,954.60 would have been the reimbursed amount.

Repairs & maintenance on this vehicle including registrations:	\$ 3,571
Total fuel costs during this period equaled	\$ 7,323
Depreciation for the COA Vehicle for the 19-month period	\$ 5,638
Vehicle insurance for this vehicle during this period equaled	<u>\$ 2,217</u>
Total 19-month actual cost to GVR for the COA Vehicle	\$18,749
Calculated cost to reimburse employees for personal vehicle	<u>\$35,955</u>
Total 19-month <b>savings</b> to GVR by using fleet vehicle	\$17,206 (\$10,887 annual savings)

Example of **Satellite Custodian Vehicle** compared to utilizing non-owned vehicles

Vehicle purchased in 2016 for \$16,000.

As of 4/11/2022, 57,593 miles have been driven. The average rate of mileage reimbursement during 2021 is \$.560/mile.

In 2021, this vehicle accumulated 11,519 miles. The reimbursement rate for FY2021 was \$.560/mile.

Had the 2-3 staff assigned to this vehicle driven the vehicle in 2021, the following cost analysis is applicable:

Repairs & maintenance on this vehicle including registrations:	\$ 1,480
Total fuel costs during this period equaled	\$ 1,108
Depreciation for the custodial Vehicle for the 12-month period	\$ 1,640
Vehicle insurance for this vehicle during this period equaled	<u>\$ 1,400</u>
Total 12-month actual cost to GVR for the custodial Vehicle	\$ 5,628
Calculated cost to reimburse employees for personal vehicle	<u>\$ 6,451</u>
Total 12-month <b>savings</b> to GVR by using fleet vehicle	\$ 823

Example of **Projects Vehicle** compared to utilizing non-owned vehicles

Vehicle purchased in 2019 for \$29,000.

The average rate of mileage reimbursement during 2021 was \$.560/mile.

In 2021, this vehicle accumulated 7,012 miles. The reimbursement rate for FY2021 was \$.560/mile.

Had the staff assigned to this vehicle driven the vehicle in 2021, the following cost analysis is applicable:

Repairs & maintenance on this vehicle including registrations:	\$ 1,214
Total fuel costs during this period equaled	\$ 1,291
Depreciation for the PM Vehicle for the 12-month period	\$ 2,977
Vehicle insurance for this vehicle during this period equaled	<u>\$ 1,400</u>
Total 12-month actual cost to GVR for the PM Vehicle	\$ 6,882
Calculated cost to reimburse employees for personal vehicle	<u>\$ 3,927</u>
Total 12-month <b>cost</b> to GVR by using fleet vehicle	\$ 2,955

## **IN SUMMARY**

The demands and expectations of GVR operations requires certain services, especially the maintenance and upkeep of all 17 facilities, to be supported by the ability to transport and deliver, in a confident and highly predictable manner, equipment, supplies, construction materials and staff from center-to-center and from supply houses to centers.

A major component in the ability to provide daily services and ensure standards of operation is a well-maintained fleet of vehicles that are specific in nature to the duties of required services.

The concept of utilizing non-owned vehicles being operated by staff for corporate business is an option that is not without liability to the corporation. It is also not without monetary reimbursement to staff operating their own vehicles. This reimbursement may not offset, with satisfaction to the vehicle owner, the added wear and tear, insurance requirements and expected reliability the corporation seeks in order to deliver standard services to its members.

Non-owned vehicles often will not meet the needs to be able to safely tow trailers, heavy equipment, tools and chemicals. These vehicles also pose a potential to lose track of supplies and materials between the owner's personal activities and those of the corporation.

The current GVR fleet is quite specific to servicing the requirements of maintaining consistent operations. Operations that are in motion every day of every year. From swimming pools to HVAC mechanical systems. From installing underground plumbing to servicing parking lot pole lights. The materials, tools and supplies needed for GVR operations need to be available and transported by staff and to GVR members in a confident and reliable manner. A well-maintained fleet provides that confidence and reliability.